COLEX HOLDINGS LTD

ANNUAL REPORT 2020

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This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE **PROFILE**

Colex Holdings Limited ("Colex"), a 49-year veteran in the waste management industries in Singapore that has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today, was listed on the SESDAQ (now known as Catalist) in April 1999.

Colex attained its ISO 9001:2000 Quality Management System certification in February 2003, which was converted to ISO 9001:2008 in March 2010 and to ISO 9001:2015 in September 2018. The ISO 14001:2004 Environmental Management System certification in May 2010 was converted to ISO 14001:2015 in September 2018 and Bizsafe Level 3 was attained March 2008.

Colex specialises in waste disposal and recycling for a wide portfolio of clients including commercial offices, shopping complexes, food courts, cineplexes, residential buildings and warehouses.

Colex's unwavering focus on quality and service has resulted in it being awarded by the National Environment Agency ("NEA"), the 5-year Bedok sector municipal waste collection contract in 1999. This was followed by the 7-year Jurong sector municipal waste collection contract which commenced on 1 April 2006.

On 23 November 2012, Colex was awarded a second term 7-year contract for the Jurong sector by the NEA which commenced on 1 April 2013.

In 1999, Colex acquired Integrated Property Management Pte Ltd ("IPM") and with this acquisition, Colex's activities were extended to include contract cleaning of commercial, industrial and residential buildings.

On 1 April 2013, the waste disposal segment has been reorganised under Colex Environmental Pte Ltd ("CEPL"), a wholly owned subsidiary of Colex. CEPL's principal activity is to provide waste management and recycling services to the industrial and commercial segments and disposal and recycling of public waste licensed by NEA. Colex then became the investment and holding company.

On 2 December 2014, CEPL installed the Material Recovery Facility to sort out recyclable items from the municipal waste collection and the industrial and commercial waste business.

Providing customers with quality and value-added services remains Colex's key guiding principle and strategy in maintaining competitiveness. Where new market opportunities arise, the Group will forge strategic alliances and business relationships with other members of the industry and NEA for greater growth.

CERT NO.: 2003-1-0465
ISO 9001 : 2015

CERT NO.: 2010-0470
ISO 14001 : 2015

CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

Group revenue for the financial year ended 31 December 2020 ("FY2020") decreased by 29.4% to S$47.215 million from S$66.847 million for the financial year ended 31 December 2019 ("FY2019"). Revenue from the waste disposal segment decreased by 40.4% to S$22.870 million in FY2020 from S$38.397 million in FY2019. The decrease was mainly due to the expiry of the public waste collection contract for Jurong sector on 31 March 2020. Revenue from the contract cleaning segment decreased by 14.4% to S$24.345 million in FY2020 from S$28.450 million in FY2019. The decrease was mainly due to completion of some existing contracts and lesser new contracts secured.

The Group's operating profit before tax for FY2020 decreased by 50.5% to S$1.527 million from S$3.083 million in FY2019. The decrease in profit was mainly due to the decrease in revenue and partially offset by the increase in other income and decrease in depreciation expenses. The decrease in cost of inventories and consumables used, staff costs and other operating expenses were in-line with the decrease in revenue.

Earnings per share decreased from 1.88 Singapore cents in FY2019 to 1.33 Singapore cents in FY2020. The net tangible assets per share decreased to 23.36 Singapore cents as at 31 December 2020, from 32.48 Singapore cents as at 31 December 2019.

OPERATIONS HIGHLIGHTS

Year 2020 has been an unprecedented year plagued by the COVID-19 pandemic. The pandemic has caused widespread business disruption resulting in some impact on the Group overall businesses with reduced revenues due to expiry of the public waste collection contract for Jurong sector on 31 March 2020 and lesser contracts secured. Further, the Group continued to face fierce competition from our competitors who are always striving for the increase in market share. Despite all odds, our sales team continued to secure new contracts and renewed the existing contracts with reduced rates to retain our market share. The Government Job Support Scheme has benefited the Group to sustain its overall workforce employability and offset part of the accommodation and transportation expenses incurred by the foreign workers since March 2020 as foreign workers were not able to return to Malaysia due to the restricted movement control order (MCO).

Recruitment of locals continued to be an uphill task and recruitment of foreigners remained difficult due to the prevailing pandemic situation across borders. However, efforts has been intensified to train and upskill the current workforce so as to be more efficient and productive in our operation.

DIVIDEND

In HY2020, the Company has declared and paid a special dividend of 10.00 Singapore cents per share. No dividend has been recommended for FY2020 in order to preserve the Group's working capital.

OUTLOOK

Year 2021 will continue to remain challenging due to the uncertainties of the global economic situation. With the current rapidly evolving business climate due to the pandemic, it is imperative for the Group to be adaptive and explore untapped opportunities to remain relevant in this ever-competitive business landscape.

The Group will continue to leverage on technology and digitalization to deliver cost effective services that still maintain high quality and safety standards to bring the Group to the next level of growth.

ACKNOWLEDGEMENT

On behalf of the Board of directors, I would like to express our appreciation to our clients, suppliers and shareholders for their continuous support and to our employees for their unstinting contributions.

HENRY NGO
Chairman

OPERATIONS REVIEW

Fierce competition was still inevitable for the Group for year 2020. The Group continued to promote its business relationship with its customers to retain the contracts.

Our operations staff have also displayed the urgency to reassess its infrastructural dexterity to respond to all our customer needs so as to gain the confidence and trust of our customers whom will remain loyal to the Group as long-term business partners. The Group also focused on continuous improvement and value creation which is vital to retain customer's loyalty.

Managing and controlling the overall operating expenses remains key to be competitive and to improve the group bottom line. The Group continued to increase productivity and efficiency in our operations which has also contributed to the overall performance of the Group.

The waste division has submitted the public waste collection tenders for the Clementi Bukit Merah sector and the City Punggol sector and both tenders were unsuccessful.

THE TEAM

The Group will continue to equip all our employees with technology, new innovation ideas and digitalization knowledge to boost productivity and efficiency in their daily works. By adopting an unrelenting focus on upskilling through intensive training, the Group believed that it will be the competitive differentiator that will place the Group in the forefront on all aspect of operational and customer services. This will boost its service quality which is pertinent in securing new contracts and renewal of existing contracts.

MOVING AHEAD

The business outlook for the Group continues to remain challenging amid all the price war, the desire to gain market shares by our competitors coupled with the prevailing COVID-19 pandemics without any certainty on when it will end. Despite these prevailing factors, the Group will ensure that the existing operations are being optimized with well managed workforce and instill operational excellence through commitment and dedication by all employees for long term sustainability.

The waste disposal division had submitted the tender for the public waste collection for the Ang Mo Kio-Toa Payoh sector in February 2021. The tender for Woodlands Yishun sector will be called by NEA in 2nd quarter of 2021 and the waste disposal division will participate in the tender. The commencement dates of both contracts, if awarded, will be on 1 October 2021 and 1 January 2022 respectively.

The cleaning industry will continue to remain very challenging in 2021 due to higher wage cost arising from the implementation of revised Progressive Wage Model (PWM) for the cleaning industry besides the pricing pressure from the competitors. For 3 years from 2020, cleaners basic pay will rise by 3% yearly in July of each respective year. From 2020, all cleaners who have been in the employment with the company for at least 12 months are also entitled to a yearly 2-week PWM bonus. These changes will have a huge impact on the operating cost of our business and profitability in 2021. The PWM will be implemented in the waste management and recycling industry in due course which have minimal impact on the waste disposal segment.

With the new normal of the prevailing business environment, the Group will continue to streamline its operations and look for new business opportunities moving forward.

CORPORATE DATA

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197101485G

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PRINCIPAL PLACE OF BUSINESS
8 Tuas South Street 13
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Tel: +65 6268 7711
Fax: +65 6264 1219
Email: wastemgt@colex.com.sg

DIRECTORS
Henry Ngo (Chairman)
Ding Chek Leh
Fong Heng Boo
Lim Hock Beng

AUDIT COMMITTEE
Fong Heng Boo (Chairman)
Lim Hock Beng
Henry Ngo

NOMINATING COMMITTEE
Fong Heng Boo (Chairman)
Lim Hock Beng
Henry Ngo

REMUNERATION COMMITTEE
Lim Hock Beng (Chairman)
Fong Heng Boo
Henry Ngo

SECRETARY
Foo Soon Soo

REGISTRAR
KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721

PRINCIPAL BANKERS
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
United Overseas Bank Ltd

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
7 Straits View, Marina One East Tower, Level 12
Singapore 018936

Partner-in-charge: Magdelene Chua
(Appointed in financial year 2017)

CONTINUING SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

FINANCIAL HIGHLIGHTS

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
REVENUE	**47,215**	66,847	69,301	70,056	69,877
PROFIT BEFORE TAXATION	**1,527**	3,083	3,883	5,349	7,264
PROFIT AFTER TAXATION	**1,766**	2,489	3,231	4,700	6,382
GROSS DIVIDEND PER SHARE (SINGAPORE CENTS)	**10.00**	0.45	0.50	0.55	1.10
EARNINGS PER SHARE (SINGAPORE CENTS) AFTER TAX	**1.33**	1.88	2.44	3.55	4.82
DILUTED EARNINGS PER SHARE (SINGAPORE CENTS) AFTER TAX	**1.33**	1.88	2.44	3.55	4.82
NET TANGIBLE ASSETS PER SHARE (SINGAPORE CENTS)	**23.36**	32.48	31.10	29.05	26.61
DIVIDEND COVER (TIMES)	**0.13**	4.17	4.88	6.45	4.38
FIXED ASSETS	**17,461**	20,260	18,934	18,932	19,214
NET CURRENT ASSETS	**18,364**	28,305	24,866	21,433	17,935
SHAREHOLDERS' FUND	**30,959**	43,041	41,215	38,501	35,259

PROFILE OF DIRECTORS

MR HENRY NGO

Mr Ngo has been the Chairman of Colex since 1983 when Colex became a subsidiary of Bonvests Holdings Limited ("Bonvests"). He is also the Chairman and Managing Director of Bonvests, a company listed on the SGX-ST. Under Mr Ngo's leadership, Bonvests diversified into property development, waste management, ownership and operation of hotels.

MR DING CHEK LEH

Mr Ding is an Executive Director of Colex and also the General Manager in charge of the operations of Integrated Property Management Pte Ltd ("IPM"), a subsidiary of Colex. IPM business is in contract cleaning of commercial, residential and industrial buildings. He worked with the Housing Development Board of Singapore for three years as an Estate Officer before joining IPM in July 1987 as its Operations Manager. Mr Ding was promoted to Senior Operations Manager in April 1989 and subsequently to General Manager in September 1990. He holds an honours degree in Bachelor of Engineering from the University of Canterbury (New Zealand). Mr Ding was appointed as an Executive Director of Colex on 17 June 2020.

MR FONG HENG BOO

Mr Fong has been an Independent Director of Colex since March 1999. He was with the Auditor-General's Office (AGO), Singapore between 1975 and 1993. He was holding the appointment of Assistant Auditor-General when he left the AGO. Prior to his retirement in 2014, Mr Fong was the Director (Special Duties) at the Singapore Totalisator Board as the Head of Finance and Investment functions. Mr Fong has over 45 years of experience in auditing, finance, business development and corporate governance. Mr Fong graduated in 1973 from the University of Singapore (now known as the National University of Singapore) with a Bachelor's Degree in Accountancy (Honours). He also serves as an Independent Director of three other listed companies in Singapore.

MR LIM HOCK BENG

Mr Lim has been an Independent Director of Colex since March 1999. Since 1996, he has been the Managing Director of Aries Investments Pte Ltd, an investment holding company with its principle interests in investing in quoted securities and properties. Prior to that, he founded Lim Associates (Pte) Ltd (now known as Boardroom Corporate & Advisory Services Pte Ltd) in 1968 and was its Managing Director for 27 years until his retirement in 1995. He has more than 30 years of experience and knowledge in corporate secretarial work, which included advising listed companies on compliance with the Listing Rules of the SGX-ST. He holds a Diploma in Management Accounting & Finance from the National Productivity Board and is a Fellow member of the Singapore Institute of Directors.

PROFILE OF **KEY EXECUTIVES**

MR DESMOND CHAN KWAN LING

Mr Chan is a Director of Colex since September 2012 until his retirement on 17 June 2020. He joined Colex as a General Manager in 1999 and took charge of the full spectrum of activities in the waste disposal and recycling operations. Following a re-organisation of the Group's waste management division currently carried out under Colex Environmental Pte Ltd ("CEPL"), a wholly owned subsidiary of Colex, Mr Chan was appointed as Director of CEPL and re-designated as General Manager, CEPL on 7 September 2012. His years of experience span across the automotive and transportation industries with Singapore Power Ltd as Head, Transport before joining Colex. He holds a Bachelor of Science (Hons) in Mechanical Engineering and a Master of Science from the University of Birmingham, United Kingdom. He is a member of the Singapore Institute of Directors.

MR LIAU KHIN SIONG

Mr Liau was appointed as the Assistant General Manager of Colex on 1 December 2012, assisting the Management in overseeing the day-to-day operations in the waste disposal operations. Mr Liau joined Colex in 2002 as Workshop Manager and was promoted to Senior Manager in August 2005, responsible for the repair and maintenance of all the waste disposal trucks, commercial vehicles and workshop equipment used in the waste disposal business. Prior to joining Colex, he was the Workshop Manager of one of the waste disposal companies, in charge of a fleet of waste disposal vehicles and equipment. He holds a degree in Master of Business Administration from Brunel University.

MR ANTONY CHEN

Mr Chen is the Senior Manager in charge of the marketing and sales services of IPM. He is also involved in the day-to-day operations of work sites such as manpower recruitment and payroll, customer relations, quality control and audit. Mr Chen has worked in IPM since 1987 when he joined as a Business Development Executive. He was promoted to the post of Senior Manager in 1995.

MS NG SIEW GEK

Ms Ng has been the Finance Manager of Colex since September 2009. She joined Colex in 1992 as an Accounts Assistant and was promoted to Deputy Finance Manager in 2008. In October 2015, she was re-designated as Group Finance Manager and responsible for the Group's finance and reporting functions. She holds an honours degree in Bachelor of Arts in Accounting & Finance from the University of Northumbria at Newcastle.

MR HAN HEE GUAN

Mr Han is the Senior Manager of IPM. He joined IPM as Sales Executive in February 2001 and was promoted to Sales Manager in February 2006 and subsequently to Senior Manager in October 2011. He is also involved in the day-to-day operations of work sites such as manpower recruitment, quality control and customer relations.

MR CHEE SANG FOK

Mr Chee joined Colex in September 2002 as an Operations Supervisor. He was promoted to Senior Operations Supervisor in March 2006 and subsequently to Assistant Operations Manager in May 2007. He was promoted to Operations Manager in January 2014. Mr Chee left Colex in June 2016 and rejoined Colex in May 2017 as a Senior Manager (Operations) of Colex. He oversees the Operations and Recycling Department of Colex. He holds a Diploma in Construction Management.


Gracious Living with a Clean Environment
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DAF

FINANCIAL **CONTENTS**

CORPORATE GOVERNANCE **STATEMENT**

Colex Holdings Limited (the "Company") is committed to ensuring and maintaining a high standard of corporate governance within the Company and its subsidiary companies (the "Group"). This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the "Code"), pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Catalist Rules"), as well as the disclosure guide developed by the SGX-ST in January 2015. The Company will continue to improve its systems and corporate governance processes in compliance with the Code. There are other sections in this annual report which contain information required by the Code. Hence the report should be read in totality with the other sections of the annual report.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board of Directors (the "Board") comprises two executives and two independent directors having the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

Mr Henry Ngo (Chairman)
Mr Ding Chek Leh (Director)
Mr Fong Heng Boo (Independent Director)
Mr Lim Hock Beng (Independent Director)

Board's Role

The Board of Directors' fiduciaries are to act objectively in the best interests of the Company and hold management accountable for the Company's performance. The primary role of the Board is to protect and enhance long-term shareholders' value. The Board has put in place a code of conduct and ethics to set appropriate tone-from-the-top and desired organisational culture, and ensure that the company's values, standards, policies and practices are consistent with the culture. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board sets the corporate strategies of the Group, directions and goals for the Management and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets, supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

The Board considers sustainability in formulating its strategies for the Group. As a waste management and cleaning service provider, sustainability is an integral part of the Group's business strategy, underpinned by the introduction of a Materials Recovery Facility in 2014 to ensure environmental sustainability. To ensure that sustainability is integrated into our decision-making processes, the Group has established a Sustainability Steering Committee that comprises representatives from various divisions. In 2017, a materiality assessment was conducted to determine current material issues affecting our business and stakeholders and the Company issued its first Sustainability Report in November 2018. Having considered the interests and concerns of our key stakeholders, megatrends and the current state of our business model, the Group have reviewed and revalidated the list of material factors identified in the past three years. The Group's fourth sustainability report which covers the period from 1 January 2020 to 31 December 2020, will be prepared with reference to the Global Reporting Initiative Standards and is in line with the requirements of the Catalist Rules. The report will highlight the key economic, environmental, social and compliance factors such as economic performance, waste and recycling and occupational health and safety. The sustainability report for the financial year ended 31 December 2020 ("FY2020") will be uploaded on SGXNET and the Company's corporate website, http://www.colex.com.sg/investor-relations/ by 31 May 2021.

Matters requiring Board's approval

Matters that require the Board's approval are:

- corporate policies, strategies and objectives of the Company;
- annual budgets;
- half yearly and full year results announcements;
- annual report and accounts;
- major acquisitions, investments and disposal of assets;
- strategic planning;
- transactions or investments involving a conflict of interest for a substantial shareholder or a Director;
- financial restructuring; and
- share issuance, dividends and other returns to shareholders.

Orientation, Briefings, Updates and Trainings Provided for Directors in FY2020

The Company has in place an orientation process for newly appointed Directors to familiarise themselves with the Company's operations and business activities. Incoming directors joining the Board will receive a formal appointment letter setting out their duties and obligations, be briefed by the NC on their directors' duties and obligations and introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Group, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

The incoming Director will meet up with the senior management and the Company Secretary to familiarise himself/herself with their roles, organisation structure and business practices. This will enable him/her to get acquainted with senior management and the Company Secretary thereby facilitating Board interaction and independent access to senior management and the Company Secretary.

The Company will also provide training within one year from the date of appointment for newly appointed Directors who have no prior experience as a director of a Singapore public listed company as prescribed by the SGX-ST under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. The training of Directors will be arranged and funded by the Company.

The Directors are required and have each signed the respective undertaking in the form set out in Appendix 7H of the Listing Manual to undertake to use their best endeavours to comply with the Catalist Rules and to procure that the Company shall so comply.

During FY2020, the Directors had received updates on regulatory changes to the Catalist Rules, amendments to the Companies Act (Chapter 50) of Singapore (the "Companies Act") and changes to the accounting standards. The Directors had also received appropriate training to develop the necessary skills in facilitating the discharge of their duties. Currently, three of the Directors are members of the Singapore Institute of Directors ("SID").

Briefings, updates and trainings for Directors in FY2020 include the following:

- The external auditors, briefed the AC members on developments in accounting and governance standards;
- The Company Secretary briefed the Board on the regulatory changes to the Catalist Rules, amendments to the Companies Act and the Code of Corporate Governance 2018;
- The General Managers updated the Board at each Board meeting on business and strategic developments;
- The Management highlighted to the Board the salient issues as well as the risk management considerations which might impact the Group's businesses and/or operations; and
- Three Directors had also attended appropriate courses, conferences and seminars including programmes run by the SID.

CORPORATE GOVERNANCE **STATEMENT**

The Board has delegated certain matters to specialised committees of the Board, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and Remuneration Committee ("RC") (collectively, the "Board Committees"), to assist in carrying out and discharging its duties and responsibilities efficiently and effectively. The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly reviewed by the Board. Please refer to Principles 4 to 7 and 9 to 10 on the activities of the NC, RC and AC respectively.

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors and Board Committee members for FY2020:

	Board		**Audit Committee**		**Nominating Committee**		**Remuneration Committee**	
Name	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**
Henry Ngo	4	4	4	4	1	1	1	1
Desmond Chan Kwan Ling[1]	1*	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ding Chek Leh[2]	3*	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fong Heng Boo	4	4	4	4	1	1	1	1
Lim Hock Beng	4	4	4	4	1	1	1	1

[1] Mr Desmond Chan Kwan Ling retired on 17 June 2020
[2] Mr Ding Chek Leh was appointed Director on 17 June 2020
* number of meetings during the directors' tenure for FY2020
N.A. – Not applicable, as the Director is not a member of the Board Committees.

The Company's Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings. The Board ensures that Directors with other listed board representations give sufficient time and attention to the affairs of the Group.

Board's Access to Management, Company Secretary and External Advisers

All Directors are from time to time furnished with complete, adequate and timely information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's Management.

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings on a timely basis prior to the meetings to allow sufficient time for the Directors' review.

Management will also on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically.

The Board has unrestricted access to the Company's records and information, and the Board has separate and independent access to the Company Secretary and to Management of the Company and of the Group at all times in carrying out their duties.

Management or external consultants engaged on specific projects are available to provide explanatory information in the form of briefings or formal presentations to the Directors in attendance at Board meetings.

The Company Secretary attends all Board meetings and meetings of Board Committees and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board and Board Committees' meetings are circulated to the Board. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Independent Directors, as well as facilitates orientation and assists with professional development as required. The appointment and the removal of the Company Secretary rest with the Board as a whole. Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as a Director.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Independence of Directors

As at the date of this report, the Board comprises four members, two of whom are independent and non-executive. Key information regarding the Directors and their appointments on various Board Committees is also contained therein. All Board Committees are chaired by an Independent Director, with a majority of members being non-executive and independent.

The criterion for independence is based on the definition given in the Code and the Catalist Rules. The Code has defined an "independent director" as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. Under the Catalist Rules, a director is considered as independent if he/she is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The Independent Directors, Mr Lim Hock Beng ("Mr Lim") and Mr Fong Heng Boo ("Mr Fong") each has confirmed their independence in accordance with the Code and Catalist Rules.

In view that Mr Lim and Mr Fong have served on the Board for more than nine years, the NC conducted a review of their independence. Mr Lim and Mr Fong have abstained from the review of the NC and Board of their independence. In addition to the independence criteria set out in the Code, the NC reviewed if there are any situation of conflict of interest of the Independent Directors which could impair their independence. Mr Lim and Mr Fong each has confirmed that neither he nor any of his immediate family, relatives and associates ("relevant persons") have any relationship or business dealings with the Company, its substantial shareholders or controlling shareholders and their relevant persons. Notwithstanding that Mr Lim and Mr Fong have served on the Board for more than nine years, the Board is of the view that they have engaged the Board in constructive discussions, their contributions are relevant and reasoned and they have exercised independent judgement without dominating the Board discussions. The Board further recognises that they have developed significant insight in the Group's business and operations and can contribute to provide significant and valuable contributions as Independent Directors of the Board. Having subject their independence to rigorous review, the NC and the Board considered Mr Lim and Mr Fong still independent notwithstanding their length of appointment.

To foster board renewal, Mr Lim and Mr Fong have signified that they will retire at the conclusion of the forthcoming annual general meeting. They have served for an aggregate period of more than nine years and will cease to be independent from 1 January 2022 pursuant to Catalist Rule 410(3)(d)(iii) (which will take effect from 1 January 2022) unless prior approval for them to continue as independent directors has been sought from shareholders.

CORPORATE GOVERNANCE **STATEMENT**

Composition of the Board

As there are two Independent Directors among four on the Board, the requirement of the Catalist Rule 406(3)(c) that at least one-third of the Board be comprised of independent directors is satisfied.

Under Provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not an independent director. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. The Company's Non-Executive Directors are Independent Directors who make up half the Board. Given the Board size of four, the two Independent Directors provide a good balance of authority and power within the Board. In addition, the Board Committees which assist the Board in its functions is each chaired by an Independent Director. The Independent Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Directors communicate among themselves without the presence of Management as and when the need arises, and thereafter where appropriate, the Independent Directors provide inputs to the Board. The Board have assessed and is of the view that there is a strong independence element to contribute to effective decision making within the Board to justify the departure of the Board composition from the Code.

Directors must consult both the Chairman of the Board and the NC Chairman prior to accepting new director appointments. Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures that Directors continually meet the stringent requirements of independence under the Code.

The Board has considered the present Board size and is satisfied that the current size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. The NC is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Board considers gender as an important aspect of diversity alongside factors such as the age, ethnicity and educational background of its members.

In the case of appointment of new Directors in the Board renewal process as elaborated in Principle 4, the search for a suitable candidate could be drawn from contacts and the network of existing Directors, relevant institutions such as the Singapore Institute of Directors professional organisations or business federations to provide a wide source for diversity of expertise, experience, attributes and gender representation. Each candidate will be considered on his or her own merits and suitability to provide a diversity of perspectives.

Current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Core Competencies	**Number of Directors**	**Proportion of Board**
– Accounting or finance	2	50%
– Business management	4	100%
– Legal or corporate governance	2	50%
– Relevant industry knowledge or experience	2	50%
– Strategic planning experience	4	100%

Details of the Board members' qualifications and experience are presented in the "Profile of Directors" section and on page 20 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Henry Ngo is the Executive Chairman. The Company does not have a Chief Executive Officer. Mr Ding Chek Leh, Executive Director of the Company and General Manager of the Company's subsidiary, Integrated Property Management Pte Ltd, oversees the day-to-day management of the contract cleaning division of the Company. Mr Desmond Chan Kwan Ling, General Manager of the Company's subsidiary, Colex Environmental Pte Ltd, oversees the day-to-day management of the waste disposal division of the Company. Mr Chan and Mr Ding do not have any relationships (including family relationships) with each other, the Chairman, the other Directors, substantial shareholders or controlling shareholders of the Company.

The roles of the Chairman are separate and distinct from the roles of the General Managers, with each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the General Managers will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman's responsibilities include:

- scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- ensuring that Directors receive accurate, timely and clear information, and ensuring effective communication with shareholders;
- preparing meeting agenda (in consultation with the General Managers);
- assisting in ensuring the Company's compliance with the Code;
- ensuring that Board meetings are held when necessary;
- reviewing most board papers before they are presented to the Board;
- encouraging constructive relations between the Board and Management;
- facilitating the effective contribution of non-executive directors in particular;
- encouraging constructive relations between executive directors and non-executive directors; and
- promoting high standards of corporate governance.

In assuming his roles and responsibilities, Mr Henry Ngo consults with the Board, AC, NC and RC on major issues and as such, the Board believes that there is good balance of power and authority within the Board with all board committees chaired by Independent Directors.

Both the General Managers are responsible for the day-to-day management of the affairs of the Group's businesses comprising the waste disposal and cleaning divisions. Both reports directly to the Chairman and update the Chairman on the performance of the Group during regular meetings, and ensure that policies and strategies adopted by the Board are implemented.

The Chairman is non-independent. Pursuant to Provision 3.3 of the Code, the Company would be required to appoint a Lead Independent Director.

The Board concurs with the NC that, as the Board is small with only 4 members currently of whom two are Independent Directors, there would not be a need for a Lead Independent Director. Both the Independent Directors individually and collectively are and have been available to shareholders as a channel of communication between shareholders and the Board or Management.

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BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises Mr Fong Heng Boo, Mr Lim Hock Beng and Mr Henry Ngo, the majority of whom, including its Chairman, are independent. The Chairman of the NC is Mr Fong Heng Boo, who is an Independent Non-Executive Director.

The NC ensures the directors are aware of their duties.

The NC functions under the terms of reference which set out its responsibilities:

- to review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO (where applicable) and key management personnel;
- to review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of directors;
- to recommend to the Board on all board appointments and, re-appointments;
- to review the independence of the Independent Directors annually, and as and when circumstances require, in accordance with the guidelines set out in the Code;
- to develop the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors; and
- review of training and professional development programs for the Board and the Directors.

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. The NC is charged with the responsibility of re-nominations, having regard to the Director's contributions and performance (e.g. attendance, preparedness, participation and candour including, if applicable, as an Independent Director). In addition, it may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board. The NC may also recommend the appointment of a new director to fill a casual vacancy in the Board.

Multiple Board Representations

The NC had considered and is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. It is for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively. Notwithstanding, the NC will decide if a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, taking into consideration the number of listed board representations and other principal commitments (if any) as defined in the Code.

Although some of the Board members have multiple board representations, the NC is satisfied that sufficient time and attention has been given to the Group by these Directors.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:–

- Declarations by individual Directors of their other listed company board directorships and principal commitments; and
- Assessment of the individual Directors' performance based on the criteria under Principle 5 of this report.

Selection, Appointment and Re-election of Directors

The Company has in place a policy and procedures for the appointment of new directors, including description on the search and nomination process. The search for a suitable candidate could be drawn from contacts and the network of existing Directors. The NC can approach relevant institutions such as the SID, professional organisations or business federations to source for a suitable candidate.

The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his/her experience and contributions to the business of the Company and the depth and breadth he/she could bring to Board discussions.

New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board, which thereafter approves the appointment.

The Company currently does not have any alternate directors. Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.

The Constitution of the Company requires at least one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) to retire from office at each AGM. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Mr Lim Hock Beng is due for retirement by rotation pursuant to the Constitution.

As mentioned in Principle 2, Mr Lim Hock Beng and Mr Fong Heng Boo who have served for an aggregate period of more than 9 years on the Board, have signified that they will retire at the conclusion of the forthcoming annual general meeting. In view of the retirement of Mr Lim and Mr Fong, Bonvests Holdings Limited as member of the Company has proposed the appointments of Mr Lim Chee San and Mr Tan Soon Liang as Independent Directors. Mr Lim Chee San and Mr Tan Soon Liang have accepted the nominations for their candidature.

Mr Lim Chee San is a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Singapore Institute of Chartered Accountants. He holds a Bachelor of Law Degree (Honours) from the University of London and is a Barrister-at-law, England. He has extensive accounting and legal experience. Mr Tan Soon Liang holds a Bachelor of Business (Honours) Degree with Nanyang Technological University majoring in Financial Analysis and a Master of Business Administration Degree from University of Hull, United Kingdom. Mr Tan is also a CFA Charterholder and has considerable experience in corporate advisory, mergers and acquisitions, private equity and venture capital investments.

The NC having reviewed Mr Lim's and Mr Tan's credentials and experience, finds them qualified and nominates them for appointment as Directors. The Board has accepted the NC's recommendation.

The information of Mr Lim Chee San and Mr Tan Soon Liang as set out in Appendix 7F as required under Catalist Rule 720(5) are set out in the "Director's Information" section of this annual report.

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Particulars of Directors under the Code

Name of Director	Professional Membership/ Qualification	Board Appointment Executive/ Non-Executive	Board Committees as Chairman or Member	Date of first appointment as DIrector	Date of last re-election/ re-appointment	Directorship/ Chairmanship in other listed companies	Other Principal Commitments
Henry Ngo	Member of Singapore Institute of Directors	Chairman and Executive	Member: AC, NC and RC	03.11.1983	17.06.2020	Bonvests Holdings Limited	Chairman/ Managing Director of Bonvests Holdings Limited
Ding Chek Leh	Honours degree in Bachelor of Engineering from the University of Canterbury (New Zealand)	Executive	–	26.03.1999	17.06.2020	–	Director of cleaning division of the Group
Fong Heng Boo	Bachelor of Accountancy (Honours)	Independent Non-Executive	Chairman: AC and NC Member: RC	26.03.1999	26.04.2019	CapitaLand China Trust Management Ltd TA Corporation Ltd Livingstone Health Holdings Ltd Sheng Ye Capital Ltd Kwan Yong Holdings Ltd	CapitaLand Township Development Fund II Pte Ltd CapitaLand Township Development Fund Pte Ltd Surbana Jurong Private Limited Singapore Health Services Pte Ltd Agency for Integrated Care Pte Ltd
Lim Hock Beng	Member of Singapore Institute of Directors	Independent Non-Executive	Chairman: RC Member: AC and NC	26.03.1999	26.04.2019	–	Aries Investments Pte Ltd Hokuriku (Singapore) Pte Ltd

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC examines the Board's size to satisfy that it is appropriate for effective decision-making, taking into account the nature and scope of the Group's operations.

The NC will review and evaluate the performance of the Board as a whole and its Board Committees, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

In evaluating the Board's performance, the NC implements an assessment process that requires each Director to submit an assessment form of the performance of the Board as a whole during the financial year under review. This assessment process takes into account, inter alia, performance indicators such as the Board composition, maintenance of independence, timeliness and completeness of information to the Board, Board process, Board accountability, communication with Management and standard of conduct. The results of the assessment exercise were reviewed by the NC and the NC also considered the contribution by each director towards the achievement of the Board for each of the performance indicator. No external facilitator was used in the evaluation process.

The Board Committees are assessed on the work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC Chairman. The assessment criteria include, inter alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders' value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2020 as compared to the previous financial year as the Board composition and the Group's principal business activities remained substantially the same.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Directors' performance, for FY2020 and is of the view that the performance of the Board as a whole, the Board Committees and each individual Director, have been satisfactory and the Board has met its performance objectives.

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REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises Mr Lim Hock Beng, Mr Fong Heng Boo and Mr Henry Ngo, the majority of whom, including its Chairman, are independent. The Chairman of the RC is Mr Lim Hock Beng, who is an Independent Non-Executive Director. The Independent Directors believe that the RC benefits from the experiences and expertise of Mr Henry Ngo. The Independent Directors are of the view that retaining an RC member who is also in an executive position is essential and will foster constructive discussions in proposing the executives' remuneration to the Board. The observation of Mr Henry Ngo who has better understanding of the job duties of executives is valuable to ensure that the remuneration packages commensurate with the job scope and level of responsibilities of each of the executives. Retaining an RC member who is also in an executive position will not lead to a conflict of interest or impede the independence of the RC as no Director or member of the RC is allowed to participate in the deliberation, and has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him.

The RC functions under the terms of reference which set out its responsibilities:

- to recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;
- to review the specific remuneration packages for Executive Directors and key management personnel; and
- to review the appropriateness of compensation for Independent Directors.

The RC recommends to the Board a Directors' fee framework for the Independent Directors who do not receive any other remuneration. The Executive Directors do not receive any Directors' fees. The Chairman does not receive any remuneration from the Group. The RC reviews the specific remuneration package of the General Managers. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in-kind and termination terms will be covered by the RC.

The recommendation of the RC will be submitted for endorsement by the Board. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package.

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2020.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company, and the RC is of the view that it is appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company, while not paying more than necessary for this purpose.

While Mr Ngo is designated as Executive Chairman (on account of his executive position as Managing Director in Bonvests Holdings Limited, the parent company of the Company) he does not assume any executive functions in the Group and does not receive any remuneration from the Company.

The Company has adopted a performance-related remuneration scheme for the General Managers (one of which is an Executive Director) to ensure the competitiveness of their remuneration packages. The General Managers are paid a fixed monthly salary and incentive bonus based on their operating unit performance and their individual performance. For other key management personnel, they are paid a fixed monthly salary and variable bonus based on their operating unit performance. The Group’s remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and Management of the required experience and expertise. The performance conditions were met in FY2020.

The Company has entered into service contracts with its General Managers and other key management personnel. The service contracts cover the terms of employment, salaries and other benefits, which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis and no onerous or over-generous removal clauses are contained in the letter of employment.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the General Managers and other key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit performance (and not on forward-looking results) as well as individual performance, “claw-back” provisions in the service agreements may not be relevant or appropriate.

Independent Directors have no service contracts with the Group. The Board has also recommended a fixed directors’ fee for Independent Directors, taking into account the effort, time spent and responsibilities of each Independent Director. The RC will recommend the quantum of directors’ fees for each financial year to the Board for endorsement, before seeking shareholders’ approval at each AGM.

The RC has reviewed the fee structure for Independent Directors as being reflective of their responsibilities and work commitments and recommends the directors’ fee for FY2020 in accordance with the fee structure for shareholders’ approval at the Company’s AGM.

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DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown of the level and mix of remuneration of the Directors of the Company in bands of S$250,000 for FY2020 is set out below.

DIRECTORS	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total Compensation
Above S$250,000					
Ding Chek Leh	38%	51%	–	11%	100%
Below S$250,000					
Henry Ngo	–	–	–	–	–
Fong Heng Boo	–	–	100%	–	–
Lim Hock Beng	–	–	100%	–	–

In view of the competitiveness of the industry for key talent, the Company is of the view that it is in the best interests of the Group not to disclose the exact remuneration of the Directors.

Key Management Personnel (who are not Directors)

	Mix of Remuneration			
	Salary	Bonus	Others	Total
Below S$250,000				
Executive 1	90%	0%	10%	100%
Executive 2	88%	0%	12%	100%
Executive 3	73%	12%	15%	100%
Executive 4	99%	0%	1%	100%
Executive 5	56%	15%	29%	100%
Executive 6	88%	0%	12%	100%

The remuneration of the top six key management personnel (who are not Directors) was shown in percentage breakdown, on a "no name" basis on concern over poaching of these key management personnel by competitors.

The total remuneration paid to the top six key management personnel was S$771,740 for FY2020.

There are no retirement, termination and post-employment benefits granted to the Directors and the key management personnel.

Employees who are substantial shareholders or immediate family members of a substantial shareholder, Directors or the General Managers

The Company does not have any employee who is a substantial shareholder of the Company, or an immediate family member of a substantial shareholder of the Company, Directors or the General Managers whose remuneration exceeded S$100,000 during FY2020.

Share Incentive Scheme

The Company does not have any share option or other share incentive schemes.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and should ensure that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders.

The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the company is willing to take. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The Company maintains a system of internal controls for all companies within the Group. The internal controls are meant to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational controls are in place, business risks are suitably protected and proper accounting records are maintained.

With the assistance of the internal auditors and through the AC, the Board reviews the effectiveness of the key internal controls at least annually and on an on-going basis, provides its perspective on management control and ensures that the necessary corrective and preventive actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report independently, conclusions and recommendations on the Group's internal controls to Management and to the AC.

The Company's systems of internal controls have a key role in the identification and management of risks that are significant to the achievement of its business objectives. The process of business risk management has been integrated throughout the Group in its business planning and monitoring processes. The results are reviewed by Management on a continuous basis. The overall risk management process and results will be reviewed by the Board. In addition, comprehensive exercises to assess the risk of each of the business division were conducted by the internal auditors with the participation from the Board and Management. This will provide the Board and the Management with another opportunity to relook at risk management issues.

For FY2020, the Board has received assurances from the Group Finance Manager and the General Managers of Colex Environmental Pte Ltd and Integrated Property Management Pte Ltd that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and the Company's risk management and internal controls system are adequate and effective.

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The significant risk factors relevant to the Group's operations and the associated mitigating factors are discussed as follows:

Economic and market risks

The waste disposal and contract cleaning industry is competitive with many new players trying to under-bid or under-cut the fees of incumbent service providers with the aim of gaining market access or market share. The Company addresses such risks by ensuring that the Group operates within certain market niches where it has competitive advantages and that its costs are controlled to help the Group remain competitive.

Risks associated with labour-intensive operations

The lack of local workers willing to take up employment within this industry poses a recruitment problem, and the employment of foreign workers is subjected to government policies and regulations. The labour-related costs for the industry are also generally on the rise.

As the Group is generally reliant on labour for contractual fulfillment, the ability to attract and retain a pool of workers who are capable of performing the services required in a cost efficient and accident-free manner will be the key to the Group's ability in remaining ahead of the competition.

Financial risk

The Group's operational activities are mainly carried out in Singapore dollars, which is the Group's functional currency. There is minimal exposure to any currency risk arising from movements in foreign currency exchange rates.

The Group has no interest-bearing financial instruments and hence, it is not exposed to any movements in market interest rates. Fixed deposits placed with financial institutions are short term in nature and have minimal interest rates exposure.

The Group has policies in place to ensure that transactions are conducted with customers with strong credit ratings. The Group's credit risks and amount owing by customers are monitored on an on-going basis by the General Managers. The waste disposal division relies on an external agent to carry out its billing for municipal waste collection and for private contracts. Therefore, it is exposed to the risk of uncollectable payables as it is dependent on the external agent for the collection of the payables. The external agent has comprehensive collection procedures to follow up on all the outstanding dues and reports such as aging are given for our regular review. There are also available plans by the external agent for the needy to pay by installment. Financial assistance scheme from the Government such as U-Save is available for those needy residences to settle their arrears. Please refer to Note 27 of the financial statements on page 86 of the Annual Report for a more comprehensive disclosure of our financial risk management.

The Board has relied on the independent auditor's report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances.

The Board has additionally relied on the internal auditor's reports in respect of, amongst others, areas in procurement and payments, sales and contract management, interested person transactions and human resource and payroll issued to the Company in respect of FY2020 as assurance that the Company's risk management and internal control systems are effective.

Confirmation Pursuant to Catalist Rule 1204(10) of the Listing Manual

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and the various Board Committees, and interactions between the AC and the internal and external auditors, the Board is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems were adequate and effective during FY2020.The AC concurs with the Board's opinion.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises Mr Fong Heng Boo, Mr Lim Hock Beng and Mr Henry Ngo, the majority of whom, including its Chairman, are independent. The Chairman of the AC is Mr Fong Heng Boo, who is an Independent Non-Executive Director. The Independent Directors believe that the AC benefits and continues to benefit from the experiences and expertise of Mr Henry Ngo in carrying out its functions effectively.

The AC (excluding Mr Henry Ngo) meets with the external and internal auditors without the presence of Management at least once a year to, amongst others, ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. Mr Henry Ngo has been excluded from the aforesaid meeting(s) to ensure that the AC remains a platform for external and internal auditors to provide their independent opinions without the influence of Management. This arrangement is essential to ensure that the presence of an executive director on the AC will not lead to any conflict of interest or impede the independence of the AC.

Mr Fong holds a Bachelor Degree in Accountancy (Honours) from the University of Singapore and he has over 45 years of experience in auditing, finance, business development and corporate governance. Mr Lim has more than 30 years of experience and knowledge in corporate secretarial work. Mr Henry Ngo brings to the AC his depth and breadth of commercial and business experience. All the AC members receive updates to accounting and issues which have a direct impact on financial statements from the external auditors as and when applicable, which enabled them to stay recent and relevant in performing their functions. The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions.

Since their appointment to the AC and to date, none of the AC members were previous partners or directors of the Company's external audit firm and none of the AC members hold any financial interest in the external audit firm.

The AC functions under the terms of reference which sets out its responsibilities as follows:

- to review the audit plans of both the internal and external auditors;
- to review the scope and results of the auditors' reports and their evaluation of the Company's and of the Group's systems of internal controls and all non-audit services provided by the auditors to ensure that such services would not affect the independence of the auditors;
- to review and report to the Board at least annually the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls;
- to review the effectiveness and adequacy of the internal audit function that is outsourced to a professional firm;
- to review the co-operation given by the Company's officers to the internal and external auditors;
- to review the assurance from the General Managers and Group Finance Manager on the financial records and financial statements and risk management and internal control systems;
- to review the financial statements of the Company and of the Group before submission to the Board;
- to review the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- to nominate and review the appointment of internal and external auditors and approve the fees to be paid to the auditors;
- to review with the auditors and Management on the general internal control procedures;

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- to review the independence of the internal and external auditors;
- to review interested persons transactions and ensure that such transactions are conducted at arm's length and are not detrimental to the interests of the Company and its minority shareholders; and
- to review whistleblowing process by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and where applicable to investigate into any whistleblowing issues raised.

For FY2020, in addition to the review with the external auditor of the significant reporting issues and judgements to ensure the integrity of the financial statements of the Group, the AC also reviewed the key audit matter ("KAM") set out in the independent auditor's report for FY2020 and wishes to provide its perspective on the KAM.

The external auditor has identified revenue recognition and impairment assessment of property, plant and equipment as the KAM and sets out the work it had performed to ensure revenue recognition and impairment assessment of property, plant and equipment by the Group is in accordance with the accounting standards.

The AC considered the KAMs presented by the external auditors together with Management. The AC reviewed the revenue recognition and impairment assessment of property, plant and equipment policies of the Group and was satisfied with the underlying judgement and estimates used by the Management.

The AC has considered the appropriateness of the external auditor's work and findings and concurs with the external auditor as set out in the independent auditor's report for FY2020 in page 45.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

Each member of the AC shall abstain from voting on any resolutions in respect of matters he is interested in.

The AC has full access to and co-operation of the Management and has full discretion to invite any director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. While the Company does not have a Chief Financial Officer, the Group's finance functions and reporting functions are supervised by the Group Finance Manager reporting to Mr Desmond Chan Kwan Ling, the General Manager of Colex Environmental Pte Ltd.

The AC meets with both the internal and external auditors without the presence of the Management (including Mr Henry Ngo) at least once every financial year and had done so during FY2020.

The Company confirms that it has complied with Rules 712 and 715 of the Catalist Rules in engaging PricewaterhouseCoopers LLP ("PWC") as auditor of the Company and its subsidiaries for FY2020.

The AC reviews the independence of the external auditors, PWC annually. The annual audit fee of S$66,000 and non-audit fee of S$26,106 were paid in FY2020. The AC has reviewed the nature and extent of the services rendered by the external auditors for the financial year ended 31 December 2020 and is satisfied that the independence of the external auditors have not been impaired. The AC, in its review of the audit report with the external auditors, was satisfied with the adequacy of the work carried out by the external auditors and the quality of the external auditors through the audit indicators presented during the audit committee meeting. The AC has recommended their re-appointment to the Board.

The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties in confidence in matters of financial reporting or other matters. The AC oversees the administration of the framework and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. Such concerns raised will be independently investigated and appropriate follow-up action taken. The Board will continue to review the whistle-blowing policy and determine if it should be extended to external parties in due course. The AC confirms that no reports have been received under the whistle-blowing policy in FY2020.

Internal Audit

The AC approves the hiring, removal, evaluation and compensation of the internal auditor. The internal audit function ("IA") of the Company is out-sourced to KPMG Services Pte Ltd ("KPMG"). The IA reviews the effectiveness of key internal controls, including financial, operational and compliance controls for selected scope of review annually, as approved by the ARC. Procedures are in place for the IA to report independently on their findings and recommendations to the AC for review. The IA reports primarily to the Chairman of the AC and has full access to the Company's documents, records, properties and personnel of the Group, including access to AC.

The Company's internal audit function is independent of the external audit. The IA, KPMG, is a member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. The Company's engagement with KPMG stipulates that its work shall comply with the KPMG's global internal auditing standards and the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). KPMG has confirmed compliance with the above standards. KPMG has also confirmed their independence to the AC.

During the year, the IA adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. Audits were carried out on all significant business units in the Group. All IA reports are submitted to the AC for deliberation with copies of these reports extended to the Chairman, Executive Director and the relevant key management personnel. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC is satisfied that the internal audit function has adequate resources to perform its function effectively. The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant qualifications and experience.

The AC has reviewed the Company's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate and effective internal controls to meet the needs of the Group in its current business environment. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE **STATEMENT**

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company's AGMs are the principal forums for dialogue with shareholders. The Directors, including the chairpersons of each of the Board Committees are normally available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders. In 2020, the Company held one general meeting, being the AGM which was attended by all the current Directors.

Shareholders are encouraged to attend the AGMs and/or the extraordinary general meetings to ensure high levels of accountability and to stay appraised of the Group's strategy and goals. Notice of the meetings will be announced on the SGXNET and posted on the Company's corporate website.

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote for him in his absence at its general meetings. The Companies Act allows relevant intermediaries which include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

The Company will have separate resolutions at general meetings on each distinct issue. All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders. Votes cast for and against each resolution will be tallied and scrutinized by the scrutineer and announced to shareholders. The detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNET after the conclusion of the general meeting.

The Company prepares minutes of general meetings detailing the proceedings and questions raised by shareholders and answers given by the Board and Management. The minutes will be taken and published in the Company's corporate website at www.colex.com.sg/investor-relations/ within a month from the general meeting.

Due to the COVID-19 situation, the AGM in 2020 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company's corporate website and on SGXNET. In view of the continuing COVID-19 situation, the Company will be conducting the forthcoming annual general meeting in similar manner.

For FY2020, the Board has declared and paid a special dividend of 10.00 Singapore cents per share in August 2020. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments in its decision on proposing dividends.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

In line with continuous obligations of the Company pursuant to the Catalist Rules, the Board's investor relations policy is that all shareholders be informed in a comprehensive manner and on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements and news releases;
- Annual Report prepared and issued to all shareholders;
- Notices of and explanatory memoranda for annual general meetings and extraordinary general meetings; and
- Company's website at www.colex.com.sg where shareholders can access timely information on the Group.

The Board strives to ensure that timely disclosure is made regarding all material business matters affecting the Group so as to maintain a high level of transparency. All announcements by the Company are made through SGXNET.

To further enhance its communication with the shareholders and investors, the Company's website allows the public to have access to information on the Group including the Company's announcements made to the SGX-ST and the contact email at investorrelations@colex.com.sg allows shareholders and investors to contact the Company if there are any concerns relating to the Company.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives which shall be set out in its Sustainability Report for FY2020. Please refer to the Sustainability Report to be uploaded on SGXNET and the Company's corporate website by 31 May 2021.

The Group maintains a corporate website at www.colex.com.sg/investor-relations/ which stakeholders can access information on the Group.

CORPORATE GOVERNANCE **STATEMENT**

Dealing in Securities

The Company has complied with Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities by Directors and officers of the Company.

The Company has in place a policy prohibiting dealings of the Company's securities by the Company, its Directors and officers on short-term considerations or when they are in possession of price sensitive information and during the period of one month prior to the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of the announcement of the relevant results. Directors and officers of the Company are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.

The Company has complied with the best practices pursuant to Catalist Rule 1204(19)(c) in not dealing in its own securities during the restricted trading periods.

Interested Persons Transactions Policy

The Company has adopted an internal policy in respect of any transactions with interested persons and has established procedures for the review and approval of the interested person transactions entered into by the Group. The AC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company's shareholders.

The Group has a general mandate for recurrent interested person transactions approved by shareholders at the extraordinary general meeting held on 17 April 2013. The renewal of the interested person transactions mandate was approved by shareholders at the annual general meeting held on 17 June 2020. Save as disclosed below, there are no other interested person transactions for FY2020.

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)
Goldvein Pte Ltd	refer note 1	–	S$275,664
Allsland Pte Ltd	refer note 2	–	S$244,786
Richvein Pte Ltd	refer note 3	–	S$292,815

1 Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 2.34% (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 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.

Material Contracts

Save for the service agreements between the General Managers (of whom Mr Ding Chek Leh is also a Director of the Company) and the Company as mentioned above, there were no material contracts entered into by the Company or its subsidiaries involving the interests of its Chairman or any Directors or controlling shareholders which are either still subsisting as at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

Treasury Shares

There were no treasury shares held by the Company as at the end of the financial year ended 31 December 2020.

Non-Sponsor Fees

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2020.

DIRECTOR'S **INFORMATION**

Information on Directors nominated for appointment – Appendix 7F of the Catalist Rules

	Name of Director to be Appointed	
	Mr Lim Chee San	**Mr Tan Soon Liang**
Date of appointment	28 April 2021	28 April 2021
Date of last re-appointment	N.A.	N.A.
Age	61	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors approved the appointment of Mr Lim Chee San on the recommendation of the Nominating Committee which has reviewed and considered his background, qualifications, and experience.	The Board of Directors approved the appointment of Mr Tan Soon Liang on the recommendation of the Nominating Committee which has reviewed and considered his background, qualifications, and experience.
Whether the appointment is executive and if so, please state the area of responsibility	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC member, etc)	If appointed, Mr Lim will be an Independent Director, the chairman of audit committee and nominating committee and a member of remuneration committee	If appointed, Mr Tan will be an Independent Director, the chairman of remuneration committee and a member of audit committee and nominating committee
Professional memberships/qualifications	a) Member of the Chartered Association of Certified Accountants since 1982 b) Member of the Institute Chartered Accountants of Singapore since 1985 c) Member of the British Computer Society since 1992 d) Bachelor of Law (Honours) from University of London in 1992 e) Barrister at Law (Lincoln's Inn) England since 1999 f) Advocate & Solicitor of the Supreme Court since 2004	a) CFA Charterholder CFA Institute (United States of America) since 2000 b) Master of Business Administration University of Hull (United Kingdom) in 2001 c) Bachelor of Business (Honours) Nanyang Technological University (Singapore) in 1997

	Name of Director to be Appointed	
	Mr Lim Chee San	**Mr Tan Soon Liang**
Working experience and occupation(s) during the past 10 years	2004 to Present – Director of Panaudit Business Services Pte Ltd 2004 to Present – Partner of TanLim Partnership 2010 to Present – Director of Pan Services Pte Ltd	May 2009 – Present Managing Director Ti Ventures Pte. Ltd. December 2014 – Present Managing Director Omnibridge Capital Pte. Ltd. June 2010 – June 2015 Managing Director Ti Investment Holdings Pte Ltd
Shareholding interest in the Company and its subsidiaries	Nil	Nil
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes

DIRECTOR'S **INFORMATION**

	Name of Director to be Appointed	
	Mr Lim Chee San	**Mr Tan Soon Liang**
Other principal commitments[1] including Directorships		
– Past (for the last 5 years)	– HupSteel Limited – Soon Lian Holdings Limited – Fujiyama Pte Ltd	– Epika Pte Ltd – Allin International Holdings Pte Ltd – MG Investors Pte Ltd – Wong Fong Industries Limited – The Learning Fort Pte Ltd – Omnibridge Investment Partners Ltd
– Present	**Listed Company:** – Blackgold Natural Resources Limited **Private Companies:** – Panaudit Business Services Pte Ltd – Pan Services Pte Ltd – Rees Property Consultants Pte Ltd – 4Ward Pte Ltd	**Listed Companies:** – ISDN Holdings Limited – Clearbridge Health Limited – Choo Chiang Holdings Limited – GDS Global Limited **Private Companies:** – Ti Ventures Pte Ltd – Ti Investment Holdings Pte Ltd – Omnibridge Investments Ltd – Omnibridge Capital Ltd – Omnibridge Capital Pte Ltd – ACH Investors Pte Ltd – Omnibridge Investments Pte Ltd – Omnibridge Investment Partners Pte Ltd – Allin Holdings Pte Ltd

1 Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

The general statutory disclosures of the Directors are as follows:	**Name of Director to Re-elected**	
	Mr Lim Chee San	**Mr Tan Soon Liang**
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes. Mr Tan was a non-executive director of T10 Lifestyle Concepts Pte Ltd ("T10") from April 2011 to November 2015, a company incorporated in Singapore. He was a non-executive nominee director on the board of directors of T10, representing the interests of Ti Investment Holdings Pte. Ltd., which had a 60% shareholding in T10. During the period of his directorship in T10, he was not involved in the daily business operations nor financial management of T10. On 12 November 2015, T10 was dissolved pursuant to a compulsory winding up application.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

DIRECTOR'S **INFORMATION**

The general statutory disclosures of the Directors are as follows:	**Name of Director to Re-elected**	
	Mr Lim Chee San	**Mr Tan Soon Liang**
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

The general statutory disclosures of the Directors are as follows:	**Name of Director to Re-elected**	
	Mr Lim Chee San	**Mr Tan Soon Liang**
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. Mr Lim has been the subject of a past complaint to the Law Society Singapore about conflict of interest. The complaint was dismissed at the Inquiry Committee Stage in May 2018. Save for the above, there has been no investigation against Mr Lim. Hence, Mr Lim has not been the subject of any current or past disciplinary proceeding and he has not been reprimanded or issued any warnings by the Monetary Authority of Singapore or any other regulatory authority, SGX-ST, professional body or government agency, whether in Singapore or elsewhere.	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes

DIRECTOR'S **INFORMATION**

The general statutory disclosures of the Directors are as follows:	**Name of Director to Re-elected**	
	Mr Lim Chee San	**Mr Tan Soon Liang**
If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending then nominating committee's reasons for not requiring the director to undergo training as prescribe by the Exchange (if applicable).	– Former Chairman and Independent director of Sky One Holdings Limited, which is now known as Resources Prima Group Limited following the completion of a reverse takeover exercise – Former Chairman and Independent Director of Hupsteel Limited which has now been privatized – Former Independent Director of Soon Lian Holdings Limited – Existing Director of Blackgold Natural Resources Limited	Mr Tan is currently an Independent Director of the following listed companies: 1. Choo Chiang Holdings Limited (SGX-ST) 2. Clearbridge Health Limited (SGX-ST) 3. ISDN Holdings Limited (SGX-ST and SEHK) 4. GDS Global Limited (SGX-ST)
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

In the opinion of the directors,

(a) the accompanying financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International);

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company to office at the date of this statement are as follows:

Henry Ngo
Ding Chek Leh
Fong Heng Boo (Independent director)
Lim Hock Beng (Independent director)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

		Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
Name of director The Company (no. of ordinary shares)	Name of company in which shares are held	As at 1.1.2020	**As at 31.12.2020 and 21.1.2021**	As at 1.1.2020	**As at 31.12.2020 and 21.1.2021**
Henry Ngo	Colex Holdings Limited	1,720,000	**1,720,000**	104,611,560	**104,611,560**
Immediate holding company (no. of ordinary shares)					
Henry Ngo	Bonvests Holdings Limited	85,357,128	**85,357,128**	248,420,569	**249,377,569**
Ultimate holding company (no. of ordinary shares)					
Henry Ngo	Goldvein Holdings Pte. Ltd.	42,502,922	**42,502,922**	–	**–**

Share option scheme

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiaries.

There were no unissued shares of the Company or any subsidiaries under option at 31 December 2020.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Fong Heng Boo (Chairman)
Lim Hock Beng
Henry Ngo

All members of the Audit Committee are non-executive directors. Except for Mr Henry Ngo who is an Executive Director of Bonvests Holdings Limited, the immediate holding corporation of the Group, all members are independent.

The Audit Committee performs the functions set out in Section 201B(5) of the Singapore Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations;

(ii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 as well as the auditor's report thereon;

(iii) effectiveness of the Company's internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

(iv) interested persons transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommend to the Board of Director that PricewaterhouseCoopers LLP be nominated for re-appointment as external auditor at the forthcoming annual general meeting.

Full details regarding the Audit Committee are provided in the Corporate Governance Statement.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP has expressed its willingness to accept the reappointment.

Other information required by the SGX-ST

Material information

Apart from the Service Agreements between the executive directors and the Company, there are no material contract to which the Company or any subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year.

Interested persons transactions

There was no interested persons transaction as defined in Chapter 9 of Listing Manual of the Singapore Exchange conducted during the financial year except as disclosed under "Interested Persons Transactions" in the "Corporate Governance Statement Policy" and in Note 23 to the financial statements.

On behalf of the directors

DING CHEK LEH
Director

FONG HENG BOO
Director

12 March 2021

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Colex Holdings Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the statement of financial position of the Company as at 31 December 2020;
- the statement of financial position of the Group as at 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. *Revenue recognition from waste disposal and contract cleaning* *Refer to Note 2.16 and Note 4 to the financial statements.* For the financial year ended 31 December 2020, revenue from waste disposal and contract cleaning amounted to approximately S$22.9 million and S$24.0 million respectively. Revenue is recognised and accrued as the services are rendered over time. We focused on revenue recognition as it is a significant area and there is a risk that revenue could be misstated due to the high volume of customer accounts serviced by the Group.	We have performed the following procedures in relation to revenue recognition: • understood, evaluated and tested relevant accounting controls over the revenue recognition process; • tested the period of service billed by checking to underlying supporting documents, on a sample basis; • tested rates applied to underlying agreements, on a sample basis; • re-computed contractual revenue to ascertain the accuracy of the contractual revenue recorded by management for the financial year, on a sample basis; • assessed the reasonableness of number of customer accounts by comparing to external publicly available information; • obtained independent confirmation from the third-party agent on the total fees billed to customers for waste disposal services rendered for the current financial year; • performed cut-off procedures to ensure that revenue is recorded in the correct period; and • reviewed credit notes issued after year-end on a sample basis to ensure that they do not relate to revenue recognised for the current financial year. Based on the work performed, we found the Group's revenue recognition relating to waste disposal and contract cleaning to be appropriate.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
2. *Impairment assessment of property, plant and equipment ("PPE")* *Refer to Note 3 (Critical accounting estimates and assumptions) and Note 5 (Property, plant and equipment) to the financial statements.* As at 31 December 2020, the Group's PPE were carried at net book value of S$17.5 million. For PPE with indicators of impairment, management performed an impairment review to assess the recoverable amounts of these assets based on the higher of value-in-use ("VIU") and fair value less cost to sell ("FVLCS"). In the current financial year, management assessed that there was objective evidence or indication that the PPE related to the waste disposal segment of the Group may be impaired. For the financial year ended 31 December 2020, based on management's assessment, the recoverable amount of the PPE approximates the carrying amount and as such, no impairment losses were recorded for the financial year. In the determination of impairment losses of certain PPE using the VIU approach, management's assessment involved significant judgement about the projected sales, profit margins and the discount rates applied to cash flow projections. In the determination of impairment losses of certain PPE using the FVLCS approach, management has obtained third party quotations from external vendors and compared the quoted values to the carrying amount of the PPE. We focused on this area as the impairment assessment of PPE required management to exercise significant judgement in assessing the appropriateness of inputs and assumptions used in determining the recoverable amounts of the PPE.	We have performed the following procedures in relation to the impairment assessment of PPE: • assessed management's basis of measuring the recoverable amount of the PPE based on higher of VIU and FVLCS; • evaluated the process by which management's impairment assessment were developed, including verifying the mathematical accuracy of the underlying calculations; • for impairment assessment using the VIU approach, we have assessed the reasonableness of the cash flow projections and compared the projected sales and profit margins against the historical data and performance and latest financial budgets approved by management. We have also independently verified and noted that the discount rates used by management were appropriate; and • for impairment assessment using the FVLCS approach, we have agreed the quoted values per management's impairment assessment to quotes obtained from external vendors. Based on our procedures performed, we found that the key inputs and assumptions used in management's assessment were reasonable. We also considered the appropriateness and adequacy of the disclosures made in the financial statements.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Magdelene Chua.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 12 March 2021

STATEMENT OF **FINANCIAL POSITION – THE COMPANY**

AS AT 31 DECEMBER 2020

	Note	**2020**	2019
		$	$
ASSETS			
Non-Current Assets			
Investments in subsidiaries	8	**4,588,705**	4,588,705
		4,588,705	4,588,705
Current Assets			
Trade and other receivables	10	**9,373,552**	8,374,680
Deposits	11	**150**	150
Prepayments	11	**2,700**	2,700
Cash and cash equivalents	12	**1,749,202**	2,808,818
		11,125,604	11,186,348
Total assets		**15,714,309**	15,775,053
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	13	**14,523,504**	14,523,504
Retained profits		**1,097,102**	1,179,197
Total equity		**15,620,606**	15,702,701
Current Liabilities			
Trade and other payables	16	**43,700**	22,350
Accrual for directors' fees		**50,000**	50,000
Current tax payable		**3**	2
		93,703	72,352
Total liabilities		**93,703**	72,352
Total equity and liabilities		**15,714,309**	15,775,053

The accompanying notes form an integral part of these financial statements.

STATEMENT OF **FINANCIAL POSITION – THE GROUP**

AS AT 31 DECEMBER 2020

	Note	**2020** $	2019 $
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	**17,460,846**	20,260,240
		17,460,846	20,260,240
Current Assets			
Inventories	9	**117,882**	140,793
Trade and other receivables	10	**7,582,523**	11,010,828
Deposits	11	**150,456**	131,906
Prepayments	11	**245,764**	206,390
Cash and cash equivalents	12	**16,934,761**	22,507,985
		25,031,386	33,997,902
Total assets		**42,492,232**	54,258,142
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	13	**14,523,504**	14,523,504
Retained profits		**16,435,526**	28,517,799
Total equity		**30,959,030**	43,041,303
Non-Current Liabilities			
Provision	14	**740,000**	740,000
Deferred tax liabilities	15	**1,269,261**	1,807,709
Lease liabilities	6(a)	**2,856,705**	2,976,299
		4,865,966	5,524,008
Current Liabilities			
Trade and other payables	16	**3,676,159**	4,733,555
Deferred grant income	16	**1,961,226**	–
Accrual for directors' fees		**50,000**	50,000
Lease liabilities	6(a)	**496,564**	337,339
Current tax payable	20	**483,287**	571,937
		6,667,236	5,692,831
Total liabilities		**11,533,202**	11,216,839
Total equity and liabilities		**42,492,232**	54,258,142

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	**2020**	2019
		$	$
Revenue	4	**47,214,689**	66,847,006
Other income	17	**5,109,857**	1,254,291
Cost of inventories and consumables	9	**(885,120)**	(1,176,892)
Staff costs	18	**(27,683,794)**	(31,108,131)
Depreciation expenses	5	**(3,882,079)**	(4,002,054)
Other expenses	19	**(18,131,772)**	(28,498,879)
Impairment loss on financial assets		**(36,665)**	(43,022)
Finance costs		**(178,314)**	(189,059)
Profit before taxation		**1,526,802**	3,083,260
Income tax credit/(expense)	20	**239,532**	(594,610)
Total profit for the year/Total comprehensive income and attributable to owners of the parent		**1,766,334**	2,488,650
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	21		
– Basic		**1.33**	1.88
– Diluted		**1.33**	1.88

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $	Retained profits* $	Total $
2020				
Balance as at 1 January 2020		**14,523,504**	**28,517,799**	**43,041,303**
Total profit/Total comprehensive income for the year		**–**	**1,766,334**	**1,766,334**
Dividends paid	22	**–**	**(13,848,607)**	**(13,848,607)**
Balance as at 31 December 2020		**14,523,504**	**16,435,526**	**30,959,030**
2019				
Balance as at 1 January 2019		14,523,504	26,691,762	41,215,266
Total profit/Total comprehensive income for the year		–	2,488,650	2,488,650
Dividends paid	22	–	(662,613)	(662,613)
Balance as at 31 December 2019		14,523,504	28,517,799	43,041,303

* Profits are distributable.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	**2020** **$**	2019 $
Cash Flows from Operating Activities			
Profit before taxation		**1,526,802**	3,083,260
Adjustments for:			
Depreciation of property, plant and equipment	5	**3,882,079**	4,002,054
Property, plant and equipment written off	19	**233,744**	144,956
Finance costs		**178,314**	189,059
Gain on disposal of property, plant and equipment	17	**(120,471)**	(43,511)
Interest income	17	**(134,389)**	(212,825)
Operating profit before working capital changes		**5,566,079**	7,162,993
Changes in working capital:			
– Inventories		**22,911**	(25,580)
– Trade and other receivables		**3,309,818**	150,009
– Deposits and prepayments		**(57,924)**	11,749
– Trade and other payables		**(1,057,397)**	(801,086)
– Deferred grant income		**1,961,226**	–
Cash generated from operations		**9,744,713**	6,498,085
Interest received		**252,877**	173,187
Income tax paid	20	**(387,566)**	(530,520)
Net cash generated from operating activities		**9,610,024**	6,140,752
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		**212,463**	216,358
Acquisition of property, plant and equipment		**(786,442)**	(2,074,136)
Receipt of government grant relating to property, plant and equipment		**52,700**	144,318
Net cash used in investing activities		**(521,279)**	(1,713,460)
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		**(813,362)**	(714,910)
Dividends paid	22	**(13,848,607)**	(662,613)
Net cash used in financing activities		**(14,661,969)**	(1,377,523)
Net (decrease)/increase in cash and cash equivalents		**(5,573,224)**	3,049,769
Cash and cash equivalents			
Beginning of financial year		**22,507,985**	19,458,216
End of financial year	12	**16,934,761**	22,507,985

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Reconciliation of liabilities arising from financing activities

	1 January 2020 $	Principal payment $	Non-cash changes Adoption of SFRS (I) 16 $	Finance Costs $	Additions $	Termination $	**31 December 2020 $**
Lease liabilities	**3,313,638**	**(813,362)**	**–**	**178,314**	**674,679**	**–**	**3,353,269**

	1 January 2019 $	Principal payment $	Non-cash changes Adoption of SFRS (I) 16 $	Finance costs $	Additions $	Pre-mature termination $	31 December 2019 $
Lease liabilities	123,189	(714,910)	3,488,575	189,059	257,824	(30,099)	3,313,638

The accompanying notes form an integral part of these financial statements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Colex Holdings Limited (the "Company") is listed on the Catalist secondary board on the Singapore Exchange and was incorporated as a limited liability company and is domiciled in Singapore. The registered office is located at 541 Orchard Road #16-00, Liat Towers, Singapore 238881.

The principal activities of the Company are that of an investment holding company. The principal place of business is located at 8 Tuas South Street 13, Singapore 637083. The principal activities of its subsidiaries are that of refuse disposal and contract cleaning.

The immediate holding company is Bonvests Holdings Limited, whilst the ultimate holding company is Goldvein Holdings Pte. Ltd.. Both companies are incorporated in Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("$") which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases:

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretation and amendments to published standards effective in 2020 (Cont'd)

Early adoption of amendment to SFRS(I) 16 Leases

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all office space and apartment leases. As a result of applying the practical expedient, rent concessions of $18,803 (Note 17) was recognised as "other income" in the profit or loss during the year, which had no material effect on the amounts reported for the current financial year.

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Information on its subsidiaries is disclosed in Note 8.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Group accounting (Cont'd)

(a) *Subsidiaries* (Cont'd)

(ii) *Acquisition*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposal*

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost, and its fair value is recognised in profit and loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statement of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

2.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit and loss.

2.4 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

	Useful lives
Leasehold land, building, site improvements and properties	Over remaining lease period
Plant, equipment and containers	5 – 10 years
Office furniture and equipment	3 – 5 years
Motor vehicles	5 – 10 years

The depreciation methods estimated useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates. The effects of any revision are recognised in profit and loss when the changes arise.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement and restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement and restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit and loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and it carrying amount is recognised in profit and loss within "other income" or "other expenses".

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as financial assets recognised at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(c) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and income receivable, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Financial assets (Cont'd)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit and loss.

2.6 Inventories

Inventories which principally comprise consumables and bins to be consumed in the rendering of services, are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.9 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Provision

A provision is recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The provision for dismantlement and restoration is based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

The directors review the provision annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Leases

(a) *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  – Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  – Amount expected to be payable under residual value guarantees;
  – The exercise price of a purchase option if is reasonably certain to exercise the option; and
  – Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Leases (Cont'd)

(a) When the Group is the lessee (Cont'd)

- Lease liabilities (Cont'd)

  For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  – There is a change in future lease payments arising from changes in an index or rate;
  – There is a change in the Company's assessment of whether it will exercise an extension option; or
  – There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor

The Group leases industrial space under operating leases to a related company.

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

2.12 **Leases** (Cont'd)

(b) When the Group is the lessor (Cont'd)

- Lessor – subleases

  In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

  When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

  When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

  For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.13 **Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Income taxes (Cont'd)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2.14 Employee benefits

(a) *Defined contribution plans*

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised as and when they become entitled to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

(c) *Key management personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors (and certain managers) are considered key management personnel.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.16 Revenue recognition

The Group provides waste disposal services and contract cleaning services. Sales are recognised in the accounting period in which the services are rendered. For recurring service contracts, revenue is recognised over time as the services are provided. The stage of completion is determined based on the output method (time lapsed) which commensurate with the pattern of transfer of provision of services to the customers. Revenue from ad-hoc cleaning services is recognised at a point in time, based on the price specified in the contract, as and when the services are rendered.

The customers are invoiced monthly. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Other income

(a) *Interest income*

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(b) *Operating lease income*

Operating lease income is recognised on straight-line basis over the lease term.

(c) *Government grants*

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.18 Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore dollars, which is also the functional currency of the Company.

2.19 Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Board of Directors who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Impairment of property, plant and equipment ("PPE")</u>

Property, plant and equipment are reviewed for impairment whenever there is indication that the assets are impaired in accordance with the accounting policy stated in Note 2.15. If any such indication exists, management will perform an impairment assessment by comparing the carrying amount of the related PPE against the recoverable amount. The recoverable amount is estimated based on the higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCS") of the asset.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont'd)

For the financial year ended 31 December 2020, based on management's assessment, the recoverable amount of the PPE approximates the carrying amount and as such, no impairment losses were recorded for the financial year.

In the determination of recoverable amount of the PPE using the FVLCS approach, management has obtained third party quotations from external vendors and compared the quoted values to the carrying amount of the PPE.

In the determination of recoverable amount of the PPE using the VIU approach, management's assessment involved significant judgement about the projected sales and gross profit margins, particularly in relation to the future results of the business; and the discount rates applied to cash flow projections. The VIU computations comprised of cash flow projections which were based on financial budgets approved by the Board of Directors covering a 3-year period discounted using the pre-tax weighted average cost of capital of 9%. Management had determined the forecasted cash flows based on past performance and their current expectations of market development.

Management has performed a sensitivity analysis by assessing the impact to the headroom when certain key inputs changes. For the financial year 2020, the sensitivity of the key inputs are as follows:

Key inputs	**Impact on profit before tax ("PBT") or headroom**
Value-in-use	
Discount rate	Increase by 1% will result in decrease of PBT by approximately $25,000
Projected profit margins	Decrease by 5% will result in decrease of PBT by approximately $70,000
Fair value less cost to sell	
Market selling price of the related asset	Decrease by 5% will result in decrease of headroom by approximately $12,000

4. REVENUE

Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of services over time and at a point in time in the following major service lines.

	Over time $	At a point in time $	Total $
2020			
Waste disposal	**22,870,087**	**–**	**22,870,087**
Contract cleaning	**23,995,714**	**348,888**	**24,344,602**
	46,865,801	**348,888**	**47,214,689**
2019			
Waste disposal	38,397,331	–	38,397,331
Contract cleaning	27,892,913	556,762	28,449,675
	66,290,244	556,762	66,847,006

5. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land, building, site improvement and properties	Plant, equipment and containers	Office furniture and equipment	Motor vehicles	Total
	$	$	$	$	$
Cost					
At 1 January 2019	6,360,163	12,898,104	302,592	16,477,514	36,038,373
Additions	257,824	1,148,905	3,480	777,433	2,187,642
Adoption of SFRS(I) 16	3,482,098	–	6,477	–	3,488,575
Disposals	(98,252)	(35,765)	–	(1,349,284)	(1,483,301)
Write-off	–	(603,816)	(11,011)	–	(614,827)
At 31 December 2019	10,001,833	13,407,428	301,538	15,905,663	39,616,462
Additions	**642,201**	**654,552**	**64,568**	**47,100**	**1,408,421**
Disposals	**(386,663)**	**(671,732)**	**–**	**(181,292)**	**(1,239,687)**
Write-off	**–**	**(1,667,184)**	**(69,455)**	**(12,162)**	**(1,748,801)**
At 31 December 2020	**10,257,371**	**11,723,064**	**296,651**	**15,759,309**	**38,036,395**
Accumulated depreciation					
At 1 January 2019	1,773,182	7,254,543	256,101	7,820,568	17,104,394
Depreciation	1,014,689	1,390,659	28,453	1,568,253	4,002,054
Disposals	(69,433)	(34,818)	–	(1,176,104)	(1,280,355)
Write-off	–	(459,107)	(10,764)	–	(469,871)
At 31 December 2019	2,718,438	8,151,277	273,790	8,212,717	19,356,222
Depreciation	**1,112,038**	**1,233,157**	**22,439**	**1,514,445**	**3,882,079**
Disposals	**(386,663)**	**(639,792)**	**–**	**(121,240)**	**(1,147,695)**
Write-off	**–**	**(1,433,596)**	**(69,299)**	**(12,162)**	**(1,515,057)**
At 31 December 2020	**3,443,813**	**7,311,046**	**226,930**	**9,593,760**	**20,575,549**
Net book value					
At 31 December 2020	**6,813,558**	**4,412,018**	**69,721**	**6,165,549**	**17,460,846**
At 31 December 2019	7,283,395	5,256,151	27,748	7,692,946	20,260,240

The leasehold land, building and site improvements relate to a single storey detached factory on the leasehold land with an area of 8,854 square metres at 8 Tuas South Street 13.

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 6(a).

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Leasehold land and properties

The Group leases industrial land, office space and apartments for the purpose of its waste management operations and workers' accommodation respectively.

Office equipment

The Group leases office equipment for operation purposes.

(a) *Carrying amounts*

Lease liabilities

	2020 $	2019 $
The Group		
– Current	**496,564**	337,339
– Non-current	**2,856,705**	2,976,299
	3,353,269	3,313,638

Lease liabilities are denominated in Singapore dollar.

ROU assets classified within property, plant and equipment

	2020 $	2019 $
Leasehold land and properties	**2,996,421**	3,081,336
Office equipment	**27,606**	1,295
	3,024,027	3,082,631

(b) *Depreciation charge during the year*

	2020 $	2019 $
Leasehold land and properties	**727,115**	629,767
Office equipment	**6,167**	5,182
	733,282	634,949

6. LEASES – THE GROUP AS A LESSEE (Cont'd)

Nature of the Group's leasing activities (Cont'd)

(c) *Finance cost*

Finance cost on lease liabilities	**178,314**	189,059

(d) *Lease expense not capitalised in lease liabilities*

Lease expense – short-term leases	**463,371**	666,786

The short-term lease expense relates to properties leased for staff accommodation which are classified under staff costs (Note 18).

(e) Total cash outflow for all leases in 2020 was $1,276,733 (2019: $1,381,696).

(f) Additions of ROU assets during the financial year 2020 was $674,679 (2019: $257,824).

(g) The leases for certain properties contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. As at 31 December 2020, potential future cash outflows for these leases amounted to $542,760 (2019: $315,600). The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the Group and not by the lessor.

7. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as an intermediate lessor

Sublease – *classified as operating leases*

The Group acts as an intermediate lessor under an arrangement in which it sub-leases industrial space to a related company for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to the ownership of the assets are not substantially transferred.

Rental income from their industrial space is disclosed in Note 17.

Income from subleasing the industrial space recognised during the financial year 2020 was $21,955 (2019: $21,314).

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2020	2019
	$	$
Less than one year	**5,470**	5,309

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. INVESTMENTS IN SUBSIDIARIES

	2020	2019
	$	$
The Company		
Unquoted equity investments, at cost		
At beginning and end of the financial year	**4,588,705**	4,588,705

The Group has the following subsidiaries as at 31 December 2020 and 2019:

Name	Principal activities	Place of incorporation/ and operation	Proportion of ownership interest and voting right held by the Group	
			2020	2019
			%	%
Held by the Company				
Integrated Property Management Pte Ltd*	Contract cleaning	Singapore	**100**	100
Colex Environmental Pte Ltd*	Refuse disposal	Singapore	**100**	100
Juz Clean Pte Ltd*	General cleaning	Singapore	**100**	100

* Audited by PricewaterhouseCoopers LLP, Singapore

9. INVENTORIES

	2020	2019
	$	$
The Group		
Inventories, at cost		
Bins and consumables	**117,882**	140,793

The cost of inventories and consumables recorded as an expense amounted to $885,120 (2019: $1,176,892).

10. TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2020	2019	**2020**	2019
	$	$	**$**	$
Trade receivables				
– Third parties	**–**	–	**7,069,612**	10,229,736
Income receivable	**–**	–	**–**	690,395
Less: Loss allowance	**–**	–	**(59,405)**	(55,030)
Net trade receivables	**–**	–	**7,010,207**	10,865,101
Interest receivable	**–**	–	**10,821**	129,308
Amounts owing by subsidiaries (non-trade)	**9,372,000**	8,372,000	**–**	–
Grant receivables	**–**	–	**536,152**	–
Staff advance	**–**	–	**7,522**	3,600
Net GST receivables	**1,282**	2,680	**1,282**	2,680
Sundry receivables	**270**	–	**16,539**	10,139
Net other receivables	**9,373,552**	8,374,680	**572,316**	145,727
Total	**9,373,552**	8,374,680	**7,582,523**	11,010,828

Net trade receivables as at 1 January 2019 amounted to $11,026,238.

Trade receivables are normally on a 30 days payment terms. The Group has not identified any specific concentrations of credit risk as the amounts represent a large number of receivables spread over a number of customers.

Income receivable represents unbilled trade receivable arising from services being rendered at year end.

The amounts owing by subsidiaries (non-trade) represent the amount receivable on the PPE which was transferred from the Company to the subsidiary and dividend receivable from the subsidiary. The amount are unsecured, interest-free and repayable upon demand.

Sundry receivables represent mainly miscellaneous receivables from insurance claims and other reimbursements.

Further details of credit risk on trade and other receivables are disclosed in Note 27(c).

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. DEPOSITS AND PREPAYMENTS

	The Company		The Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Rental, utilities and other deposits	**150**	150	**150,456**	131,906
Prepayment of subscriptions and other expenses	**2,700**	2,700	**245,764**	206,390

12. CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2020	2019	**2020**	2019
	$	$	**$**	$
Cash	**–**	–	**3,389**	3,646
Bank balances	**1,749,202**	2,808,818	**7,592,403**	9,312,437
Fixed deposits	**–**	–	**9,338,969**	13,191,902
	1,749,202	2,808,818	**16,934,761**	22,507,985

The fixed deposits have an average maturity of 6.5 months (2019: 5.02 months) from the end of the financial year and the average effective interest rate is 0.4816% (2019:1.849%) per annum for the Group. Fixed deposits are also recallable on demand by the Group based on the cash flows requirements of the Group without incurring significant penalties and interest loss.

13. SHARE CAPITAL

	No. of ordinary shares		Amount	
	2020	2019	**2020**	2019
			$	$
The Group and The Company				
Issued and fully paid, with no par value				
Balance at beginning and at end of financial year	**132,522,560**	132,522,560	**14,523,504**	14,523,504

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. PROVISION

	2020	2019
	$	$
The Group		
Provision for dismantlement and restoration cost:		
Balance at beginning and at end of financial year	**740,000**	740,000

A provision for dismantlement and restoration cost is recognised for the expected costs associated with restoring the leasehold land on expiry of lease on 30 November 2030 from JTC Corporation to its original condition based on the requirements of the lease contract. Provision for dismantlement and restoration cost is the present value of the estimated costs of dismantlement, removal and restoration to be incurred for the leasehold land at 8 Tuas South Street 13 (Note 5), which is obtained from a third-party contractor. The Group assumed that the leased land will be restored using technology and materials that are currently available.

15. DEFERRED TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	2020	2019
	$	$
The Group		
Deferred tax assets	**(624,747)**	(612,171)
Deferred tax liabilities	**1,894,008**	2,419,880
	1,269,261	1,807,709

Movements in deferred tax liabilities during the financial year are as follows:

	2020	2019
	$	$
The Group		
Balance at beginning of financial year	**1,807,709**	1,769,063
Tax charged to profit and loss (Note 20)		
– current year	**(556,916)**	21,890
– under/(over) provision in previous years	**18,468**	16,756
Balance at end of financial year	**1,269,261**	1,807,709

The Group has unrecognised tax losses of $319,845 (2019: Nil) and capital allowances of $127,453 (2019: $Nil) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances. The tax losses have no expiry date.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. DEFERRED TAX LIABILITIES (Cont'd)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Provision for unutilised leave $	Unutilised capital allowances $	Lease liabilities $	Total $
Deferred income tax assets				
The Group				
At 1 January 2019	(39,589)	(92,915)	–	(132,504)
Adjustment on adoption of SFRS(I) 16	–	–	(593,058)	(593,058)
Charged to profit and loss	(4,147)	92,915	24,623	113,391
At 31 December 2019	(43,736)	–	(568,435)	(612,171)
Credited/(charged) to profit and loss	**(10,674)**	**–**	**(1,902)**	**(12,576)**
At 31 December 2020	**(54,410)**	**–**	**(570,337)**	**(624,747)**

	Accelerated tax depreciation $
Deferred income tax liabilities	
The Group	
At 1 January 2019	1,901,567
Adjustment on SFRS(I) 16	593,058
Credited to profit and loss	(74,745)
At 31 December 2019	2,419,880
Credited to profit and loss	**(525,872)**
At 31 December 2020	**1,894,008**

16. TRADE AND OTHER PAYABLES

	The Company		The Group	
	2020	2019	**2020**	2019
	$	$	**$**	$
Trade payables	**–**	–	**969,595**	1,602,539
Net GST payable	**–**	–	**458,539**	631,032
Deposits received	**–**	–	**118,200**	129,879
Accrued operating expenses	**43,700**	22,350	**2,104,217**	2,330,219
Deferred grant income (Note 17)	**–**	–	**1,961,226**	–
Others	**–**	–	**25,608**	39,886
	43,700	22,350	**5,637,385**	4,733,555

Trade payables are generally on a 30 days credit terms.

Further details of liquidity risk on trade and other payables are disclosed in Note 27(d).

17. OTHER INCOME

	2020	2019
	$	$
The Group		
Rental income	**21,955**	21,314
Interest income on fixed deposits/current account	**134,389**	212,825
Government grants:		
– Skills Development Fund	**43,376**	66,812
– Employment Credit Schemes	**931,311**	840,816
– Foreign worker levy rebate	**427,500**	–
– Job Support Scheme	**3,309,123**	–
Gain from disposal of property, plant and equipment	**120,471**	43,511
Late payment charges	**26,636**	41,830
Other income	**95,096**	27,183
	5,109,857	1,254,291

Included in gain from disposal of property, plant and equipment in prior year was an amount relating to the termination of lease liabilities of $Nil (2019: $30,099) for a right-of-use asset.

Included within other income are COVID-19 related rent concessions received from lessors of $18,803 to to which the Company applied the practical expedient as disclosed in Note 2.1.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. **OTHER INCOME** (Cont'd)

Included in government grants are the following:

(a) The Skills Development Fund are grants introduced to support workforce upgrading programmes and to provide training grants to employers when they send their employees to attend training. The fund is administrated by the SkillsFuture Singapore Agency (SSG).

(b) Employment Credit Schemes consist of the Special Employment Credit and Wage Credit Scheme.

- The Special Employment Credit are cash grants introduced in the Singapore Budget 2011 to encourage employers to attract and retain older low-wage Singaporeans. The amount an employer can receive depends on the fulfillment of certain conditions under the scheme.

- The Wage Credit Scheme is a scheme that was introduced in the Singapore Budget 2013 (extended in Budget 2015 and 2018, enhanced in Budget 2020 and extended in Budget 2021) to help businesses alleviate business costs in a tight labour market. The Wage Credit will be paid to eligible employers for wage increases between 2020 and 2021.

(c) WorkPro Grant is introduced by government for 3 years effective from 1 July 2016 to 30 June 2020 is to encourage employers to implement age-friendly practices to create inclusive workplaces that support the employment and employability of older workers. One of the grants under WorkPro Grant is the Job Redesign Grant which provides companies funding support to create physically easier, safer and smarter jobs for older workers.

(d) The Job support scheme ("JSS") is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees for the months of October 2019 to March 2021.

(e) The foreign worker levy rebate is a cash grant introduced in the Solidarity Budget to support business affected consisting of foreign workers to recover from the impact of the COVID-19 pandemic.

18. **STAFF COSTS**

	2020 **$**	2019 $
The Group		
Directors' remuneration		
– salaries and related costs	**398,232**	199,317
– CPF contributions	**9,180**	7,576
	407,412	206,893
Key management personnel other than directors		
– salaries and related costs	**712,525**	868,716
– CPF contributions	**59,215**	65,221
	771,740	933,937
Other than directors and key management personnel		
– salaries and related costs	**24,155,176**	27,296,228
– CPF contributions	**2,349,466**	2,671,073
	26,504,642	29,967,301
	27,683,794	31,108,131

19. OTHER EXPENSES

	2020	2019
	$	$
The Group		
Dumping fees	**12,060,322**	20,257,078
Distillate fees	**746,155**	1,343,038
Service agency fees	**1,108,968**	1,621,576
Subcontractor fees	**813,398**	1,519,155
Repair and maintenance	**938,145**	1,281,413
Parts purchased	**98,373**	159,266
Upkeep expense	**260,043**	203,971
Insurance	**350,487**	240,148
Transportation	**186,728**	64,545
Utilities	**150,293**	175,746
Service expense	**171,874**	179,928
Container & Compactor Maintenance	**117,937**	118,401
Road tax	**–**	18,037
Property tax	**54,250**	77,500
Directors' fee	**50,000**	50,000
Legal and professional fee	**183,868**	155,927
Audit fee		
– Auditor of the Company	**66,000**	66,000
– Other auditors	**9,500**	9,100
Non-audit fee		
– Auditor of the Company	**26,106**	23,980
Bank charges	**31,200**	72,622
Office supplies	**81,910**	97,026
Property, plant and equipment written off	**233,744**	144,956
Others	**392,471**	619,466
	18,131,772	28,498,879

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. INCOME TAX EXPENSE

(a) Income tax expense

	2020	2019
	$	$
The Group		
Current taxation	**369,305**	555,962
Deferred taxation (Note 15)	**(556,916)**	21,890
	(187,611)	577,852
(Over)/under provision in respect of prior years		
– current taxation	**(70,389)**	2
– deferred taxation (Note 15)	**18,468**	16,756
	(51,921)	16,758
	(239,532)	594,610

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profits as a result of the following:

	2020	2019
	$	$
The Group		
Profit before taxation	**1,526,802**	3,083,260
Tax at statutory rate of 17% (2019 – 17%)	**259,556**	524,154
Tax effect on:		
– Expenses not deductible for tax	**158,102**	114,722
– Income not subjected to tax	**(583,821)**	(398)
– Singapore statutory stepped income exemption	**(21,448)**	(39,799)
– (Over)/Under provision of tax in respect of prior years	**(51,921)**	16,758
– Utilisation of previously unrecognised deferred tax asset	**–**	(20,942)
– Others	**–**	115
	(239,532)	594,610

(b) Movement of current tax payable

	2020	2019
	$	$
The Group		
Beginning of financial year	**571,937**	546,493
Income tax paid	**(387,566)**	(530,520)
Tax expense	**369,305**	555,962
(Over)/Under provision in prior financial years	**(70,389)**	2
End of financial year	**483,287**	571,937

21. EARNINGS PER SHARE

The earnings per share is calculated based on the consolidated profit attributable to owners of the parent divided by the weighted average number of shares in issue of 132,522,560 (2019: 132,522,560 shares) during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to owners of the parent of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential shares. As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is the same as the diluted earnings per share.

	2020	2019
	Cents	Cents
The Group		
Basic and diluted earnings per share	**1.33**	1.88

22. DIVIDENDS

	2020	2019
	$	$
The Group and The Company		
Ordinary dividends paid		
– final tax-exempt (one-tier) dividend paid in respect of the previous financial year of S$0.0045 (2019 – S$0.0050) per share	**596,351**	662,613
Special dividend paid		
– exempt (one-tier) special dividend of S$0.10 per share (2019 – nil)	**13,252,256**	–
	13,848,607	662,613

23. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at agreed rates:

	2020	2019
	$	$
The Group		
With companies in which a director of the Company has interest		
– Contract cleaning revenue	**193,511**	201,504
– Waste disposal revenue	**29,320**	31,560
– Operating lease income	**21,955**	21,314
With fellow subsidiaries		
– Contract cleaning revenue	**464,888**	996,195
– Waste disposal revenue	**95,154**	125,524
– Food and beverages and accommodation expenses	**38,223**	3,101
– Web-hosting expenses	**240**	240
With a director of the Company		
– Contract cleaning revenue	**11,500**	12,800

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. COMMITMENTS

(a) Capital commitments

	2020	2019
	$	$
The Group		
Capital expenditure contracted but not provided for in the financial statements – Property, plant and equipment	**25,470**	25,560

There are no capital commitments contracted at the Company level as at 31 December 2020 (2019: Nil).

25. CONTINGENT LIABILITIES

The Company has given a letter of financial support to one of its subsidiary, Colex Environmental Pte. Ltd. with aggregate net current liabilities of $2,514,162 as at 31 December 2020 (2019 – $1,676,186) to enable them to continue to operate as a going concern and to meet their respective obligations as and when they fall due.

26. OPERATING SEGMENTS

(a) For management purposes, the Group is organised into the following reportable operating segments as follows:

(1) the waste disposal activities consist of provision of waste disposal services for domestic waste, commercial waste and industrial waste, sale and rental of equipment to customers and repair of waste compactors; and

(2) the contract cleaning includes provision of cleaning services.

Except as indicated above, there are no operating segments that have been aggregated to form the above reportable operating segments.

The directors of the Company monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit and loss in the consolidated financial statements.

Sales between operating segments are carried out at arm's length. The revenue from external parties reported to the management is measured in a manner consistent with that in statement of comprehensive income.

26. OPERATING SEGMENTS (Cont'd)

	Waste disposal $	Contract cleaning $	Others $	Total $
The Group				
31 December 2020				
Revenue				
External sales	**22,870,087**	**24,344,602**	**–**	**47,214,689**
Result				
Segment result	**(2,827,416)**	**4,631,629**	**(233,486)**	**1,570,727**
Interest income	**13,543**	**120,846**	**–**	**134,389**
Finance costs	**(164,885)**	**(13,429)**	**–**	**(178,314)**
Profit before taxation	**(2,978,758)**	**4,739,046**	**(233,486)**	**1,526,802**
Income tax expense	**535,242**	**(295,707)**	**(3)**	**239,532**
Profit after taxation from ordinary activities	**(2,443,516)**	**4,443,339**	**(233,489)**	**1,766,334**
Other information				
Segment assets	**24,577,558**	**16,161,069**	**1,753,605**	**42,492,232**
Segment liabilities	**6,923,522**	**4,515,976**	**93,704**	**11,533,202**
Capital expenditure	**723,697**	**684,724**	**–**	**1,408,421**
Depreciation of property, plant and equipment	**3,192,284**	**688,635**	**1,160**	**3,882,079**
31 December 2019				
Revenue				
External sales	38,397,331	28,449,675	–	66,847,006
Result				
Segment result	531,453	2,773,384	(245,343)	3,059,494
Interest income	–	212,716	109	212,825
Finance costs	(173,380)	(15,679)	–	(189,059)
Profit before taxation	358,073	2,970,421	(245,234)	3,083,260
Income tax expense	(77,457)	(517,151)	(2)	(594,610)
Profit after taxation from ordinary activities	280,616	2,453,270	(245,236)	2,488,650
Other information				
Segment assets	28,853,737	22,590,057	2,814,348	54,258,142
Segment liabilities	8,256,185	2,888,302	72,352	11,216,839
Capital expenditure	4,928,483	747,734	–	5,676,217
Depreciation of property, plant and equipment	3,343,195	658,859	–	4,002,054

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. OPERATING SEGMENTS (Cont'd)

(b) Geographical segments

The Group currently operates solely in Singapore.

(c) Segment revenue and expense

All segment revenue and expense are directly attributable to the segments. There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenues.

(d) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of cash, receivables, inventory and property, plant and equipment, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

(e) Inter-segment transfers

Segment revenue, segment expenses and segment result include transfer between business segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. Those transfers are eliminated on consolidation.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors meets periodically to analyse and formulate measures to manage the Company's and the Group's exposure to market risk, including changes in interest rates. Generally, the Company and the Group employ a conservative strategy regarding its risk management. As the Company's and the Group's exposure to market risk is kept at a minimum level, the Company and the Group have not used any derivatives or other instruments for hedging purposes. The Company and the Group do not hold or issue derivative financial instruments for trading purposes.

The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The Group's activities expose it to credit risk, liquidity risk and interest rate risk.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

As at 31 December 2020, the Company's and the Group's financial instruments mainly consisted of cash and cash equivalents, receivables and payables.

(a) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company's and the Group's operational activities are mainly carried out in Singapore dollars which is the functional currency. There is insignificant exposure to any risk arising from movements in foreign currency exchange rates.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's and the Group's exposure to movements in market interest rates relate primarily from fixed term deposits placed with financial institutions. The Company has no policy to hedge against interest rate risk.

The Company and the Group are not exposed to any cash flows interest rate risk as it does not have any monetary financial instruments with variable interest rates.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit assessment of each debtor is performed by management based on an evaluation of the payment history and credit profile of the debtor. Where applicable, credit exposure to an individual counterparty will be restricted by approved credit limits. The counterparty's payment profile and credit exposure are continuously monitored at the Company and at Group level by respective management. The Group's trade receivables comprise of 72 (2019 – 26 debtors) which represented 60% of trade receivables. At the Company level, there is no credit risk exposure as its balances are with subsidiary companies and management does not expect issues with collections based on past collection history.

As the Company and Group do not hold collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company's and the Group's major classes of financial assets are trade and other receivables and bank deposits. Cash is held with reputable financial institutions and subjected to immaterial credit loss.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Credit risk (Cont'd)

The movements in credit loss allowance are as follows:

	2020	2019
	$	$
The Group		
Balance as at 1 January 2020 under SFRS(I) 9	**55,030**	40,793
Write back of unutilised amount	**(4,910)**	–
Changes in credit risk	**36,665**	43,022
Receivables written off as uncollectible	**(27,380)**	(28,785)
Balance as at 31 December 2020	**59,405**	55,030

The impaired trade receivables comprise mainly numerous long overdue inactive debtors of individually insignificant amounts for which the directors of the Company and the Group are of the opinion that the debts are not recoverable.

(i) Other financial assets at amortised cost

As disclosed in Notes 10 and 11, financial assets at amortised cost of the Company and the Group comprise of interest receivable, amounts owing by subsidiaries (non-trade), staff advance, sundry receivables, rental, utilities and other deposits which are subjected to immaterial credit losses.

(ii) Trade receivables and income receivable

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and income receivable.

In measuring the expected credit losses, trade receivables and income receivable are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and income receivable are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 30 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments after the Group had exhausted all means for collection. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the profit and loss.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Credit risk (Cont'd)

(ii) Trade receivables and income receivable (Cont'd)

The Group's credit risk exposure in relation to trade receivables and income receivable under SFRS(I) 9 as at 31 December 2020 are set out in the provision matrix as follows:

		Past due				
	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	Total
	$	$	$	$	$	$
The Group						
Waste disposal service						
Expected loss rate*	**0.03%**	**0.19%**	**0.52%**	**0.87%**	**26.38%**	
Trade receivables	**1,503,763**	**696,203**	**188,043**	**104,983**	**211,242**	**2,704,234**
Income receivable						
Loss allowance	**492**	**1,297**	**983**	**917**	**55,716**	**59,405**
Contract cleaning service						
Expected loss rate*	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	
Trade receivables	**1,957,692**	**1,640,431**	**582,908**	**160,799**	**23,548**	**4,365,378**
Loss allowance	**–**	**–**	**–**	**–**	**–**	**–**

* *Rounded to the nearest 2 decimal places*

The Group's credit risk exposure in relation to trade receivables and income receivable under SFRS(I) 9 as at 31 December 2019 are set out in the provision matrix as follows:

		Past due				
	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	Total
	$	$	$	$	$	$
The Group						
Waste disposal service						
Expected loss rate*	0.03%	0.29%	0.86%	1.93%	18.78%	
Trade receivables	3,312,942	838,359	246,808	128,894	223,228	4,750,231
Income receivable	690,395	–	–	–	–	690,395
Loss allowance	1,196	2,404	2,117	2,486	41,917	50,120
Contract cleaning service						
Expected loss rate*	0.00%	0.00%	0.00%	0.00%	2.04%	
Trade receivables	2,248,520	1,648,673	927,222	414,129	240,961	5,479,505
Loss allowance	–	–	–	–	4,910	4,910

* Rounded to the nearest 2 decimal places

Based on the historical default rate, the Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired. These receivables mainly relate to customers that have a good credit record with the Group.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset.

The Company's and the Group's exposure to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	The Company	The Group	
	Less than 1 year	Less than 1 year	More than 1 year
	$	$	$
The Group			
At 31 December 2020			
Trade and other payables	**43,700**	**2,897,555**	**–**
Accrual for directors' fees	**50,000**	**50,000**	**–**
Lease liabilities	**–**	**671,707**	**3,623,049**
	93,700	**3,619,262**	**3,623,049**
At 31 December 2019			
Trade and other payables	22,350	3,845,247	–
Accrual for directors' fees	50,000	50,000	–
Lease liabilities	–	519,805	3,886,608
	72,350	4,415,052	3,886,608

The Group maintains sufficient levels of cash and cash equivalents to meet their working capital requirements.

(e) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market price.

The Group does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

(f) Fair value measurements

The carrying amount of trade and other receivables, deposits and trade and other payables are assumed to approximate fair value.

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capabilities; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the year.

Total capital is calculated as equity plus total borrowings. Total borrowings consist of obligations under trade and other payables, accrual for directors' fee and lease liabilities.

	The Company		The Group	
	2020	2019	**2020**	2019
	$	$	**$**	$
Total borrowings	**93,700**	72,350	**7,079,428**	8,097,193
Total equity	**15,620,606**	15,702,701	**30,959,030**	43,041,303
Total capital	**15,714,306**	15,775,051	**38,038,458**	51,138,496
Gearing ratio	**0.60%**	0.46%	**18.61%**	15.83%

Gearing has a significant influence on the Group's and the Company's capital structure and the management monitors capital using a gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital.

The Group and the Company is not subject to externally imposed capital requirements.

NOTES TO **THE FINANCIAL STATEMENTS**

29. FINANCIAL INSTRUMENTS

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Company $	The Group $
31 December 2020		
Financial assets, at amortised cost	**11,121,622**	**24,666,458**
Financial liabilities, at amortised cost	**93,700**	**6,300,824**
31 December 2019		
Financial assets, at amortised cost	11,180,968	33,648,039
Financial liabilities, at amortised cost	72,350	7,208,885

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is testing whether the asset is functioning properly
when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (Cont'd)

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

31. IMPACT OF COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's operations are in Singapore which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. In 2020, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily affected as the customers have to adhere to the respective governments' movement control measures. These have impacted the Group's financial performance for 2020 as certain customers reduced the frequency of the waste disposal and cleaning services requested.

iii. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 December 2020. The significant estimates and judgement applied on impairment of property, plant and equipment is disclosed in Note 3.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to write downs in the subsequent financial periods.

32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Colex Holdings Limited on 12 March 2021.

SHAREHOLDINGS **STATISTICS**

AS AT 9 MARCH 2021

Issued & Fully Paid-up Capital	:	S$14,523,504
Number & Class of Shares	:	132,522,560 ordinary shares with one vote for each ordinary share
Name of treasury shares	:	Nil
Name of subsidiary holdings	:	Nil

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	0	0.00	0	0.00
100 – 1,000	319	24.39	306,600	0.23
1,001 – 10,000	708	54.13	3,933,150	2.97
10,001 – 1,000,000	275	21.02	15,360,650	11.59
1,000,001 and above	6	0.46	112,922,160	85.21
GRAND TOTAL	**1,308**	**100.00**	**132,522,560**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS

AS AT 9 MARCH 2021

No.	Name	No. of Shares	% of Shares
1	BONVESTS HOLDINGS LIMITED	104,611,560	78.94
2	CHUA SWEE MING	2,158,500	1.63
3	DBS NOMINEES PTE LTD	1,734,900	1.31
4	NGO HENRY	1,720,000	1.30
5	YIM CHEE CHONG	1,617,700	1.22
6	CHIAM HOCK POH	1,079,500	0.81
7	LEH BEE HOE	916,900	0.69
8	THIAN YIM PHENG	796,200	0.60
9	UNITED OVERSEAS BANK NOMINEES P L	617,800	0.47
10	OCBC NOMINEES SINGAPORE PTE LTD	469,600	0.35
11	KUNG HOOI KOON	400,000	0.30
12	RAFFLES NOMINEES(PTE) LIMITED	399,600	0.30
13	CITIBANK NOMS SPORE PTE LTD	372,200	0.28
14	NG HOCK KON	330,000	0.25
15	FAIRLADY JEWELLERS PTE LTD	324,000	0.24
16	LEE CHEE MENG	280,000	0.21
17	LAM KUM LOONG	233,700	0.18
18	ALI BIN HASSAN	223,900	0.17
19	PHILLIP SECURITIES PTE LTD	213,600	0.16
20	JAMES ALVIN LOW YIEW HOCK	211,000	0.16
	Total:	**118,710,660**	**89.57**

SHAREHOLDINGS IN THE HAND OF THE PUBLIC AS AT 9 MARCH 2021

Percentage of shareholdings held in the hands of the public is 19.76% and hence Rule 723 of the Section B: Rules of Catalist of the SGX-ST Listing Manual is complied with.

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Bonvests Holdings Limited	104,611,560	78.94	–	–
Goldvein Holdings Pte. Ltd.*	–	–	104,611,560	78.94
Mr Henry Ngo**				
– In own name	1,720,000	1.30	–	–
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94
Mr Patrick Tse**				
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94
Mr James Sookanan**				
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94
Mr Wilfred Hsieh**				
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94

* Goldvein Holdings Pte. Ltd. has a 59.78% interest in the issued share capital of Bonvests Holdings Limited. Accordingly, Goldvein Holdings Pte. Ltd. is deemed to be interested in the 104,611,560 shares in the issued and paid-up capital of the Company held by Bonvests Holdings Limited by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

** Mr Henry Ngo, Mr Patrick Tse, Mr James Sookanan and Mr Wilfred Hsieh are siblings who each holds approximately 20% or more of the shares in Goldvein Holdings Pte. Ltd. and accordingly, are each deemed to be interested in the 104,611,560 shares in the issued and paid-up share capital of the Company deemed to be held by Goldvein Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be held by electronic means on Wednesday, 28 April 2021 at 2.00 p.m. to transact the following businesses:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To note the retirement of Mr Lim Hock Beng and Mr Fong Heng Boo as Directors of the Company. [See Explanatory Note 1]

3. To appoint Mr Lim Chee San as Director pursuant to Regulation 107 of the Constitution of the Company. **(Resolution 2)** [See Explanatory Note 2]

4. To appoint Mr Tan Soon Liang as Director pursuant to Regulation 107 of the Constitution of the Company. **(Resolution 3)** [See Explanatory Note 2]

5. To approve the payment of Directors' fee of S$50,000 for the financial year ended 31 December 2020 (2019: S$50,000). **(Resolution 4)**

6. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business

To consider and if thought fit, pass the following ordinary resolution, with or without modifications:

7. Authority to allot and issue shares in the capital of the Company –

   "(a) That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company ("**Directors**"), to:

   (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares, and

any adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Chapter 50 of Singapore and otherwise, and the Constitution for the time being of the Company; and

(iv) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above." **(Resolution 6)**

[See Explanatory Note 3]

NOTICE OF **ANNUAL GENERAL MEETING**

8. Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions.

"That:

(1) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the Catalist Rules), or any of them, to enter into any of the transactions falling within the categories of interested person transactions described in Section 2.7 of the Appendix to this Annual Report dated 8 April 2021 with the interested persons (as described in Section 2.6 of the Appendix), provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for such interested person transactions (the "IPT Mandate");

(2) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company; and

(3) the Board of Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution." **(Resolution 7)**

[See Explanatory Note 4]

Any Other Business

9. To transact any other business that may be transacted at an AGM.

By Order of the Board

Foo Soon Soo
Secretary

8 April 2021

Explanatory notes:

1. Pursuant to Catalist Rule 410(3)(d)(iii) (effective from 1 January 2022), Mr Lim Hock Beng and Mr Fong Heng Boo, Directors of the Company who each has served for an aggregate period of more than 9 years shall be deemed non-independent with effect from 1 January 2022. In this connection, to note the retirement of Mr Lim Hock Beng by rotation pursuant to Regulation 104 of the Company's Constitution, and the retirement of Mr Fong Heng Boo by notice to the Board from the close of the forthcoming AGM. Mr Lim will cease to be a Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees with effect from the close of the forthcoming AGM. Mr Fong Heng Boo will cease to be a Director of the Company, the Chairman of the Audit and Nominating Committees and a member of the Remuneration Committee from the close of the forthcoming AGM.

2. Pursuant to Regulation 107 of the Constitution, Bonvests Holdings Limited as member of the Company has proposed Mr Lim Chee San and Mr Tan Soon Liang for appointment as Independent Directors at the forthcoming AGM. Mr Lim and Mr Tan each has accepted the nomination for his candidature. The NC has reviewed Mr Lim's and Mr Tan's suitability for appointment and nominates them for appointment as Independent Directors. The Board has accepted the NC's recommendation. Detailed information on Mr Lim and Mr Tan pursuant to Appendix F of the Catalist Rules can be found under the "Director's Information" section contained in the Company's Annual Report 2020.

3. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower Directors of the Company from the date of the above AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

   For determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's Shares.

4. The Ordinary Resolution 7 proposed in item 8 above, if passed, will authorise the interested person transactions as described in the Appendix and recurring in the financial year and will empower the Directors, from the date of the AGM until the date the next AGM is to be held, to do all acts necessary to give effect to the IPT Mandate. The rationale for and categories of interested person transactions pursuant to the IPT Mandate are set out in greater detail in the Appendix accompanying this Annual Report.

Notes:

This AGM is being convened and will be held by electronic means through a live webcast ("**Live AGM Webcast**") of the proceedings comprising both video (audio-visual) and audio-only feeds, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Printed copies of this Notice of AGM will not be sent to shareholders. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at http://www.colex.com.sg/investor-relations/. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=COLEX%20HOLDINGS%20LIMITED&type=company&ANNC=ANNC30. Shareholders are to note the following instructions with regard to the Live AGM Webcast:

1. Registration to attend Live AGM Webcast

   (a) No physical attendance to the AGM is permitted.

   (b) All shareholders as well as investors who hold shares through relevant intermediaries (as defined in Section 181(1C) of the Companies Act) including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors who wish to follow the proceedings of the AGM through the Live AGM Webcast must pre-register online at https://complete-corp.com/colex-agm/ ("**Pre-registration**") for verification purposes. The website will be open for Pre-registration from 8 April 2021, 10 a.m. and will close at 25 April 2021, 2 p.m. (the "**Registration Deadline**").

   For verification of pre-registrants, all investors who hold shares through securities sub-account in Depository Agents ("**DAs**") must inform their respective DAs that they have registered for the Live AGM Webcast and provide their DAs with their registration details so that the DAs can notify the Company. The CPF Agent Banks and SRS Operators will provide the Company with the particulars of their CPF and SRS investors for the Company to verify any CPF and SRS investors who have pre-registered.

   (c) Following the verification, authenticated shareholders will receive the login details to join the Live AGM Webcast or telephone number to call for the audio feeds by 27 April 2021, 2 p.m. via the e-mail address provided at Pre-registration.

   (d) Shareholders must not forward the login details to join the Live AGM Webcast or telephone number to call for the audio feeds to other persons who is not a shareholder of the Company and/or who is not authorised to attend the Live AGM Webcast.

   (e) Shareholders who register by the Registration Deadline but do not receive an email response by 27 April 2021, 2 p.m. may contact the Company via electronic mail to colex-agm@complete-corp.com.

NOTICE OF **ANNUAL GENERAL MEETING**

2. Proxy Voting

   (a) All shareholders who wish to vote at the AGM have to submit their proxy forms in advance and appoint the Chairman of the AGM as their proxy.

   (b) The duly completed and signed proxy form must be deposited not less than seventy-two (72) hours before the time scheduled for the AGM (i.e. by 25 April 2021) via either the following means:

      (i) post to the Company's registered office at 541 Orchard Road #16-00 Liat Towers, Singapore 238881.

      (ii) electronic mail to colex-agm@complete-corp.com.

   (c) A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   (d) In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

   (e) Any incomplete or unsigned proxy forms will be treated as voided.

   (f) For CPF and SRS investors who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least 7 working days before the AGM (i.e. by 16 April 2021 5.00 p.m.), to ensure that their votes are submitted. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

3. Submission of Questions

   (a) Shareholders will not be able to ask questions during the Live AGM Webcast.

   (b) All shareholders may submit questions relating to the agenda of the AGM via electronic mail to investorrelations@colex.com.sg. All questions must be submitted by 20 April 2021 2.00 p.m.

   (c) The Company will endeavour to address the substantial and relevant questions at or before the AGM and the Company's responses will be posted on the SGXNet and the Company's website.

All documents (including the Annual Report 2020, proxy form, this Notice of AGM and appendices to this Notice of AGM) can be accessed at the Company's website at http://www.colex.com.sg/investor-relations/ and will be published on https://www.sgx.com/securities/company-announcements?value=COLEX%20HOLDINGS%20LIMITED&type=company&ANNC=ANNC30. Printed copies of the documents will not be despatched to the shareholders.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

By Order of the Board

Foo Soon Soo
Secretary

8 April 2021

APPENDIX **DATED 8 APRIL 2021**

(AS REFERRED TO IN RESOLUTION 7 OF THE NOTICE OF ANNUAL GENERAL MEETING)

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about its contents or the action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

This Appendix is circulated to shareholders of the Company together with the Company's annual report. Its purpose is to provide shareholders of the Company with the relevant information relating to, and to seek shareholders' approval to renew the shareholders' mandate for Interested Person Transactions (as defined hereinafter) to be tabled at the Annual General Meeting to be held by electronic means on 28 April 2021 at 2.00 p.m. or at any adjournment thereof. The notice of annual general meeting and a proxy form are enclosed with the annual report.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

*This Appendix has been reviewed by the Company Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.*

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

DEFINITIONS

"**Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"**AGM**"	:	The annual general meeting of the Company to be held on 28 April 2021
"**Allsland**"	:	Allsland Pte. Ltd.
"**Associate(s)**"	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Audit Committee**"	:	The audit committee of the Company
"**Auditors**"	:	The auditors of the Company for the time being

APPENDIX **DATED 8 APRIL 2021**

(AS REFERRED TO IN RESOLUTION 7 OF THE NOTICE OF ANNUAL GENERAL MEETING)

"**Board**"	:	The board of Directors of the Company for the time being
"**Bonvests**"	:	Bonvests Holdings Limited
"**Catalist Rules**"	:	The Catalist Rules (Section B: Rules of the Catalist) of the SGX-ST, as amended or modified from time to time
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Colex Holdings Limited
"**Contract Gross Margin**"	:	The expected gross margin to be generated from the Interested Person Transaction and which is derived from dividing the difference between the contract value and relevant variable costs and expenses that are directly attributable to that contract, as determined by the respective business units, over the contract value
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless otherwise determined by the SGX-ST; or (b) in fact exercises control over the Company
"**Directors**"	:	The directors of the Company for the time being
"**Entity at risk**"	:	(a) the listed company; (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "listed group"), or the listed group and its interested person(s), has control over the associated company.
"**Executive Director**"	:	A director of the Company who holds an executive position
"**Goldvein**"	:	Goldvein Pte. Ltd.
"**Goldvein Holdings**"	:	Goldvein Holdings Pte. Ltd.
"**Group**"	:	The Company and its subsidiaries, and in the context of the Proposed Renewal of the IPT Mandate, shall have the meaning ascribed to it in Section 2.3 of this Appendix
"**Head of Finance**"	:	The Company's finance personnel who is heading the finance team at that point in time
"**IPT**" or "**Interested Person Transaction**"	:	The categories of transactions with the Interested Person(s) which fall within the Proposed Renewal of the IPT Mandate, as set out in Section 2.7 of this Appendix
"**IPT Mandate**"	:	The Shareholders' general mandate obtained by the Company pursuant to Chapter 9 of the Catalist Rules, permitting companies within the Group, or any of them, to enter into the IPTs, provided that such IPTs are on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
"**Interested Person(s)**" or "**IP**"	:	The interested person(s) of the Company who fall within the IPT Mandate, if renewed, being Mr Henry Ngo and/or his Associates (which are Allsland, Goldvein, Richvein, The Allied Folks Pte Ltd and The Residence Hotel & Resorts Management Pte Ltd).

"**Non-Interested Directors**"	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the proposed renewal of the IPT Mandate, being Mr Ding Chek Leh, Mr Fong Heng Boo and Mr Lim Hock Beng
"**NTA**"	:	Net tangible assets
"**Ordinary Resolution**"	:	The ordinary resolution 7 as set out in the notice of AGM, which is enclosed with the annual report
"**Richvein**"	:	Richvein Pte. Ltd.
"**Securities Accounts**"	:	Securities accounts maintained by a Depositor with CDP but does not include securities sub-accounts
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders' Securities Accounts
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Substantial Shareholders**"	:	A person who holds directly or indirectly 5% or more of the total issued share capital of the Company
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"**%**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Act or such statutory modification, as the case may be, unless the context otherwise requires.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated.

APPENDIX **DATED 8 APRIL 2021**

(AS REFERRED TO IN RESOLUTION 7 OF THE NOTICE OF ANNUAL GENERAL MEETING)

COLEX HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 197101485G)

Directors:

Mr Henry Ngo (Chairman)
Mr Ding Chek Leh (Director)
Mr Fong Heng Boo (Independent Director)
Mr Lim Hock Beng (Independent Director)

Registered Office:

541 Orchard Road
#16-00 Liat Towers
Singapore 238881

8 April 2021

To: The Shareholders of Colex Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Company's existing IPT Mandate was first approved by Shareholders at the extraordinary general meeting held on 17 April 2013 and renewed at the annual general meeting of the Company held on 17 June 2020. The IPT Mandate will, unless renewed again, expire on the date of the forthcoming AGM.

Accordingly, the Directors propose that the IPT Mandate be renewed at the forthcoming AGM in the terms of the Ordinary Resolution 7 to be proposed at the forthcoming AGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next annual general meeting of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next and each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with the interested persons.

The purpose of this Appendix, is to explain the rationale for, and provide Shareholders with information relating to, the proposed renewal of the IPT Mandate as set out below.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Background

The Group is mainly engaged in the provision of waste management services and contract cleaning services. The waste management segment is undertaken by the Company's wholly-owned subsidiary, Colex Environmental Pte. Ltd. and deals with waste disposal services for domestic, commercial and industrial waste, sale and rental of equipment to customers, and repair of waste compactors. The contract cleaning segment is undertaken by the Company's wholly-owned subsidiary, Integrated Property Management Pte. Ltd., which provides cleaning services to industrial, commercial and residential properties.

From time to time, transactions will arise between the Group and the IP(s) as more particularly described in Section 2.6 of this Appendix. The Company is a subsidiary of Bonvests, a company listed on the SGX-ST. Mr Henry Ngo, who is the Chairman of the Company and the Chairman and Managing Director of Bonvests, is deemed interested in the 78.94% shareholding in the issued share capital of the Company held by Bonvests.

As at 26 March 2021, Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 2.34% (held through Allsland Pte Ltd) in Bonvests. He also has a 40.00% interest in the issued share capital of Goldvein Holdings, which in turn has a 59.78% interest in the issued share capital of Bonvests. Bonvests wholly owns Goldvein, Richvein, The Allied Folks Pte Ltd and the Residence Hotel & Resorts Management Pte Ltd. Accordingly, Mr Henry Ngo is deemed interested in the entire issued share capital of Goldvein, Richvein, The Allied Folks Pte Ltd and the Residence Hotel & Resorts Management Pte Ltd, by virtue of Section 7 of the Act and therefore Goldvein, Richvein, The Allied Folks Pte Ltd and The Residence Hotel & Resort Management Pte Ltd are each an interested person as defined by Chapter 9 of the Catalist Rules. Allsland is wholly-owned by Mr Henry Ngo and accordingly, is also an interested person as defined by Chapter 9 of the Catalist Rules.

In view of the above, the Company wishes to seek the approval of Shareholders (which shall exclude Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the Catalist Rules) for the proposed renewal of the IPT Mandate in respect of future IPT(s) that the Group may enter into with the IP(s), as more particularly set out in Section 2.7 of this Appendix.

2.2 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies that are defined as an “entity at risk” proposes to enter into a transaction with an “interested person”, an immediate announcement or an immediate announcement and shareholders’ approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, an immediate announcement is required where:

(a) the transaction is of a value equal to, or more than, 3% of the Group’s latest audited NTA; or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group’s latest audited NTA.

Further, shareholders’ approval (in addition to an immediate announcement) is required where:

(a) the transaction is of a value equal to, or more than, 5% of the Group’s latest audited NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the Group’s latest audited NTA.

The above requirements for immediate announcement and/or for shareholders’ approval do not apply to any transaction below S$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules. While transactions below S$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

APPENDIX DATED 8 APRIL 2021

(AS REFERRED TO IN RESOLUTION 7 OF THE NOTICE OF ANNUAL GENERAL MEETING)

Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

For illustration purposes, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the audited NTA of the Group was approximately S$30,959,030. Accordingly, in relation to the Group and for the purposes of Chapter 9 of the Catalist Rules for the current financial year, Shareholders' approval is required where:

(a) the Interested Person Transaction is of a value equal to, or more than, approximately S$1,547,951, being 5% of the latest audited NTA value of the Group; or

(b) the Interested Person Transaction, when aggregated with other transactions entered into with the same Interested Person and where applicable, Interested Persons of the same group, during the same financial year, is of a value equal to, or more than, approximately S$1,547,951.

2.3 Rationale for the Proposed Renewal of the IPT Mandate

The IP(s) are actively involved in the businesses of property development and investment and hotel ownership and management, and would continually require waste management and/or contract cleaning services as part of maintenance of their properties. The Group is one of the larger and more established providers of such waste management and/or contract cleaning services. It is therefore envisaged that in the ordinary course of their businesses, transactions between the Group and the IP(s) will occur from time to time and/or on a regular basis. Such transactions would include, but are not limited to:

(a) the provision of waste management services to the Interested Person(s);

(b) the provision of contract cleaning services to the Interested Person(s);

(c) lease of properties or spaces to or from the Interested Person(s);

(d) the provision or receipt of staff secondment to or from the Interested Person(s);

(e) the provision or obtaining of corporate-related services from the Interested Person(s); and

(f) the purchase of goods and services, such as, but not limited to, general food and beverage and hotel rooms from hotel properties owned and/or managed by the Interested Person(s).

The nature and scope of transactions which are proposed to be covered under the IPT Mandate, if renewed, are detailed in Section 2.7 below.

The Directors believe that transacting with the IP(s) would not be less favourable to the Group compared to those extended to or received from unrelated third parties.

In relation to the provision of waste management and contract cleaning services, such transactions will provide the Group with other revenue streams and bolster the Group's market share in the waste management and contract cleaning industries.

Furthermore, leasing the Group's unutilised properties or spaces to the IP(s) will unlock the value of the Group's unutilised properties or spaces and provide additional income from companies and/or persons with known and good credit standing. Leasing of unutilised properties or spaces from the Interested Person(s) will also benefit the Group given the past business dealings and familiarity of the Group with the Interested Person(s).

The secondment of staff to or from the IP(s) will allow the hosting entity to meet their operational manpower needs and/or to benefit from the expertise and experience of the secondee. In addition, such secondment will allow both the hosting and supplying entities to benefit from the secondee's experiences gained during his/her secondment term and hence, create value within the Group.

With regards to the provision or obtaining of corporate services, and the purchase of goods and services and hotel rooms from hotel properties owned and/or managed by the IP(s), the Group will benefit from having access to quotations from the IP(s), in addition to obtaining quotations from third parties, and with the various quotations available for assessment, this will ensure that the Group obtains competitive prices for goods and services of similar quantity and specifications.

In view of the time-sensitive nature of these commercial transactions, the IPT Mandate, if renewed pursuant to Rule 920 of the Catalist Rules, will enable:

(a) the Company;

(b) subsidiaries of the Company that are not listed on the SGX-ST or an approved exchange; or

(c) associated companies of the Company that are not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and the Interested Person(s), has control over the associated companies,

(collectively, the "**Group**")

In the ordinary course of its business, to enter into the IPT(s) set out in section 2.7 of the Appendix with the IP(s) without being separately subject to the obligations under Rules 905 and 906 of the Catalist Rules, provided that such transactions are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the minority shareholders of the Company.

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(AS REFERRED TO IN RESOLUTION 7 OF THE NOTICE OF ANNUAL GENERAL MEETING)

2.4 Benefits of the Proposed Renewal of the IPT Mandate

The IPT Mandate, if renewed, will dispense with the need for the Company to announce the entry by the relevant entity in the Group into each IPT that exceeds 3% of the Group's latest audited NTA, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in the Group into such IPT that exceeds 5% of the Group's latest audited NTA. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives available to the Group. Notwithstanding the above, Shareholders will be updated on the value of such IPT(s) through the Company's interim and full-year financial statement announcements and in its annual report.

2.5 Validity Period of the IPT Mandate, if Renewed

The IPT Mandate, if renewed, will take effect from the passing of the Ordinary Resolution, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next annual general meeting. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and at each subsequent annual general meeting, subject to satisfactory review by the Audit Committee of its continued application to the IPT(s).

2.6 Names of Interested Persons

The IPT Mandate, if renewed, will apply to IPT(s) (as described in Section 2.7 below) which are carried out between any entity in the Group with Mr Henry Ngo and/or his Associates (which are Allsland, Goldvein, Richvein, The Allied Folks Pte Ltd and The Residence Hotel & Resorts Management Pte Ltd).

2.7 Categories of Interested Person Transactions

The Group envisages that in the ordinary course of their business, a wide range of transactions between the Group and the IP(s) are likely to occur from time to time. Such transactions would include, but are not limited to:

(a) Waste Management Services

The Group may enter into contracts to provide waste management services such as refuse disposal service for industrial, commercial and/or residential properties owned by or that will be owned by the IP(s). The provision of waste management services includes (but is not limited to) the supply of refuse containers for neat storage and accumulation of incinerable waste and the collection of refuse at a fixed frequency for disposal at authorised incineration plants. The type of refuse containers supplied, and the frequency of collection along with the type of truck used for such collection is dependent on the nature and volume of waste generated by the property.

(b) Contract Cleaning Services

The Group may enter into long-term or ad hoc contracts to provide contract cleaning services for industrial commercial and/or residential properties owned by or that will be owned by the IP(s). Depending on the type and cleaning requirements of a property, the type of cleaning services include (but is not limited to) cleaning of lavatories, replenishing and supply of toiletries, polishing of floors and furniture, and removing rubbish, debris and leaves in open compounds and carpark areas.

(c) Lease of Properties or Spaces

The Group may lease to or from the IP(s) properties or spaces including (but not limited to) industrial, commercial and/or residential properties or spaces.

(d) Secondment of Staff

From time to time, secondment of staff might take place between the Group and the IP(s) to meet the respective company's operational needs and/or expertise requirements (for example, in the areas of management and technical knowledge or know-how).

(e) Corporate-related Services

The Group may provide and/or obtain corporate-related services to or from the IP(s) which include (but are not limited to) rental of meeting facilities, and finance and accounting services.

(f) Purchase of Goods and Services

The Group may procure or purchase food and beverage and hotel rooms from hotel properties owned and/or managed by the IP(s).

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate, if renewed. The IPT Mandate, if renewed, will also not cover any transaction by any entity in the Group with an IP that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions, unless otherwise determined by the SGX-ST. Finally, transactions with other interested persons (other than the names of Interested Persons detailed in Section 2.6 above) that do not fall within the ambit of the renewed IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2.8 Guidelines and Review Procedures for Interested Person Transactions

(a) Review Procedures

Having regard to the nature of the IPT(s) and the criteria in establishing the review procedures which is to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the IPTs are carried out on an arm's length basis, on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and the minority Shareholders, the Group have put in place the following review procedures for the IPT(s):

(i) All IPT(s) shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins or prices or rates extended to or received by the Group for the same or substantially similar type of services or products between the Group and unrelated third parties and the terms are not less favourable to the Group compared to those extended to or received from unrelated third parties;

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(ii) where possible and practicable, the Group will use its reasonable endeavours to make comparisons with at least two other invoices issued to or quotes received from unrelated third parties for the same or substantially similar type of transactions. In the event where it is impossible or impracticable to obtain comparable prices of contemporaneous transactions of similar services due to the customisation or nature of services to be provided to the IP, an executive director of the relevant company within the Group and the Head of Finance (both of whom must have no interest, direct or indirect, in the IPT) will, subject to the Approval Thresholds as set out in Section 2.8(b) below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Person, taking into account factors such as, but not limited to, the nature and scope of services, customer requirements and specifications, duration of contract, credit standing and the Group's then prevailing capacity and resources;

(iii) subject to and in accordance with Sections 2.8(a)(i) and/or (ii) above, in the case of the provision of waste management services and contract cleaning services, the terms of the IPT shall be such that the Group obtains a positive Contract Gross Margin for the said transaction;

(iv) subject to and in accordance with Sections 2.8(a)(i) and/or (ii) above, in the case of the lease of properties or spaces to or from an Interested Person, the Group shall take appropriate steps to ensure that such lease or rental payable is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries regarding similar properties or spaces and obtaining necessary reports or reviews published by property agents or independent valuers, where considered appropriate. The amount of rent payable shall be no higher than the highest price or rate quoted by unrelated third parties for a similar property in terms of size, location, quality of premise, services provided, credit terms and deposits needed. The amount of rent receivable shall be no lower than the lowest price or rate quoted by unrelated third parties for a similar property in terms of size, location, quality of premise, services provided, credit terms and deposits needed;

(v) subject to and in accordance with Sections 2.8(a)(i) and/or (ii) above, in the case of providing and/or obtaining corporate-related services to or from an Interested Person, the prices or rates of such transactions shall not be lower than that received from or higher than those paid to unrelated third parties, taking into account the type of corporate-related services rendered and its accompanying nature;

(vi) subject to and in accordance with Sections 2.8(a)(i) and/or (ii) above, in the case of the procurement or purchase of food and beverage and hotel rooms from hotel properties owned and/or managed by the IP(s), the prices of such transactions shall not be higher than that paid by other unrelated third parties, taking into account any discounts or preferential rates accorded to unrelated third parties and/or corporate customers or in accordance with industry norms; and

(vii) in the case of the secondment of staff to or from an IP (being an entity), the salary of the seconded staff payable shall be determined on a pro-rated basis and based on his or her existing salary (including bonuses or other monetary benefit), and the seconded staff shall be entitled to other accompanying terms and conditions of employment under his or her employment contract.

(b) Approval Thresholds

In addition to the review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for IPT(s) to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to minority shareholders:

(i) Category 1 threshold

The Category 1 threshold shall apply where the aggregate value of the IPT(s) entered into with the same IP within a financial year of the Company is equal to or exceeds S$1,000,000. Such transaction(s) must be reviewed and approved by the Audit Committee prior to being contracted.

(ii) Category 2 threshold

The Category 2 threshold shall apply where the aggregate value of the IPT(s) entered into with the same IP within a financial year of the Company is equal to or exceeds S$100,000 but is less than S$1,000,000. Such transaction(s) must be reviewed and approved by an executive director of the relevant company within the Group and the Head of Finance (both of whom must have no interest, direct or indirect, in the IPT). For the avoidance of doubt, such transaction does not require the prior approval of the Audit Committee but shall be reviewed on a half-yearly basis by the Audit Committee.

The threshold limits set out above are adopted by the Company taking into account, inter alia, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for IPT(s). The threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for IPT(s).

If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him or her, he or she will abstain from any decision making in respect of that transaction.

(c) Register of Interested Person Transactions

The Company will maintain a register of all IPTs (the "**IPT Register**") including the IPT(s) carried out with IP(s) pursuant to the renewed IPT Mandate, and the register shall include all information pertinent to all the IPT(s), such as, but not limited to, the list of Associates, the nature of the IPT, the amount of the IPT(s), the basis and rationale for determining the transaction prices, material terms and conditions and supporting evidence and quotations obtained to support such basis. For the avoidance of doubt, all IPTs, including IPT(s) below S$100,000, shall be recorded in the IPT Register.

The IPT Register shall be prepared, maintained and monitored by the Head of Finance of the Company, who shall not be interested in any of the IPT(s) and who is duly delegated to do so by the Audit Committee. The IPT Register will be reviewed by the internal auditors of the Company on an annual basis to ascertain that the guidelines and procedures established to monitor the IPT(s) (including the guidelines and review procedures set out in Sections 2.8(a) and 2.8(b) of this Appendix which are proposed to be established in respect of the IPT(s)) have been complied with.

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(d) Half-Yearly Review by the Audit Committee

The Audit Committee shall review the IPT Register and any accompanying reports on a half-yearly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the IPTs (including the guidelines and review procedures set out in Sections 2.8(a) and 2.8(b) of this Appendix which are proposed to be established in respect of the IPT(s)) have been complied with.

If during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh mandate for IPT(s)) to ensure that the mandated IPT(s) will be conducted based on an arm's length basis and on normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

If a member of the Audit Committee has an interest in an IPT to be reviewed by the Audit Committee, he will abstain from voting on any resolution, and/or any decision and/or any review of the established review procedures in respect of that IPT. Approval of that IPT will be undertaken by the remaining members of the Audit Committee.

In addition, the Board will also ensure that all disclosure, approvals and other requirements on IPT(s), including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

2.9 Disclosure in Financial Results Announcement and Annual Report

The Company will announce the aggregate value of transactions conducted with the IP(s) pursuant to the renewed IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the IP(s) pursuant to the renewed IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the renewed IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The name of the IP and the corresponding aggregate value of the IPT(s) will be presented in the following format:

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' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the Shares as at 26 March 2021, being the latest practicable date prior to the printing of this Appendix, are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Share	%	Number of Share	%	Number of Share	%
Directors						
Henry Ngo						
– Through Goldvein Holdings Pte. Ltd	–	–	104,611560[2]	78.94	104,611,560	78.94
– In own name	1,720,000	1.30	–	–	1,720,000	1.30
Substantial Shareholders						
Bonvests Holdings Limited	104,611,560[1]	78.94	–	–	104,611,560	78.94
Goldvein Holdings Pte. Ltd.	–	–	104,611,560[1]	78.94	104,611,560	78.94
Patrick Tse						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560[2]	78.94	104,611,560	78.94
James Sookanan						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560[2]	78.94	104,611,560	78.94
Wilfred Hsieh						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560[2]	78.94	104,611,560	78.94

(1) Goldvein Holdings Pte. Ltd. has a 59.78% interest in the issued share capital of Bonvests Holdings Limited. Accordingly, Goldvein Holdings Pte. Ltd. is deemed interested in the 104,611,560 shares in the issued and paid-up share capital of the Company held by Bonvests Holdings Limited by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

(2) Mr Henry Ngo, Mr Patrick Tse, Mr James Sookanan and Mr Wilfred Hsieh are siblings who each hold approximately 20% or more of the shares in Goldvein Holdings Pte. Ltd. and accordingly, are each deemed to be interested in the 104,611,560 shares in the issued and paid-up share capital of the Company deemed to be held by Goldvein Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

Save as disclosed herein, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the proposed renewal of the IPT Mandate.

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4. STATEMENT OF THE AUDIT COMMITTEE

Mr Henry Ngo being an interested person in the IPT Mandate, has abstained from the Audit Committee's review and determination in relation to the proposed renewal of the IPT Mandate.

Pursuant to Rule 920(1)(c) of the Catalist Rules and having considered, inter alia, the terms, the rationale and the benefits of the proposed renewal of the IPT Mandate in Section 2 of this Appendix, the Audit Committee (save for Mr Henry Ngo) has reviewed the guidelines and review procedures, as set out in Section 2.8 of this Appendix and proposed by the Company for determining the terms of the IPT(s) as well as the half-yearly reviews to be made by the Audit Committee in relation thereto (collectively, "**Guidelines and Review Procedures**"), the Audit Committee confirms that:–

(i) the Guidelines and Review Procedures for the IPT(s) have not changed since the last Shareholders' approval for the IPT Mandate obtained at the annual general meeting held on 17 June 2020; and

(ii) the Guidelines and Review Procedures are sufficient to ensure that the IPT(s) will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Mr Henry Ngo will abstain, and has undertaken to ensure that his Associates will abstain from voting on the resolution approving the proposed renewal of the IPT Mandate herein.

Further, Mr Henry Ngo also undertakes to decline, and shall ensure that his Associates decline to accept appointment as proxy(ies) to vote at the forthcoming AGM in respect of the Ordinary Resolution relating to the proposed renewal of the IPT Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his/her votes are to be cast at the AGM.

6. DIRECTORS' RECOMMENDATION

Having considered, inter alia, the terms of the IPT Mandate, the rationale for the proposed renewal of the IPT Mandate in Section 2.3 of this Appendix and the statement of the Audit Committee, the Non-Interested Directors are unanimously of the opinion that the IPT Mandate, if renewed, is in the best interests of the Company. The Non-Interested Directors unanimously agree that the guidelines and review procedures for determining the terms of the IPT(s) as stated in Section 2.8 of this Appendix pursuant to the proposed renewal of the IPT Mandate, as well as the half-yearly reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the IPT(s) will be made with the Group on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Non-Interested Directors unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 7 as set out in the Notice of AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information contained in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Yours faithfully,

For and on behalf of the Board of Directors of
Colex Holdings Limited

Fong Heng Boo
Independent Director

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PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman as proxy to attend, speak and vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e by 16 April 2021 5.00 pm) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY
2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2021.

Colex Holdings Limited

Registration No. 197101485G
(Incorporated in the Republic of Singapore)

*I/We ______________________________ (*NRIC/Passport/Company Registration No.)

of ______________________________ (address)

being *a member/members of COLEX HOLDINGS LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting (the "**AGM**") of the Company, as *my/our proxy to vote for *me/us on *my/our behalf, at the AGM of the Company to be held by way of electronic means, on Wednesday, 28 April 2021 at 2.00 p.m. and at any adjournment thereof.

*I/We direct the Chairman of AGM to vote for, vote against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

Members should specifically indicate in this Proxy Form how they wish to vote for or against (or abstain from voting on) the resolutions to be tabled at the AGM. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy will be treated as invalid.**

Note: Voting will be conducted by poll.

		No of votes or indicate with a tick (√) or cross (X)*		
No.	**Ordinary Resolutions**	**For**	**Against**	**Abstain**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' Statement and the Auditors' Report thereon.			
2.	To appoint Mr Lim Chee San as a Director of the Company.			
3.	To appoint Mr Tan Soon Liang as Director of the Company.			
4.	To approve Directors' fee of S$50,000 for the financial year ended 31 December 2020.			
5.	To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	Special Business			
6.	To authorise Directors to allot and issue shares in the capital of the Company.			
7.	To renew the shareholders' mandate for Interested Person Transactions.			

* If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick "√" or cross (X) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2021

Total number of Shares held	
CDP Register	
Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of shares is not inserted, this instrument appointing Chairman of the AGM shall be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).

2. The Chairman of the AGM, as proxy, need not be a member of the Company.

3. The instrument appointing the Chairman of the AGM as proxy must be deposited with the Company (i) via post to the Company at the registered office at 541 Orchard Road #16-00 Liat Towers, Singapore 238881 or (ii) by electronic mail to colex-agm@complete-corp.com and received by the Company not less than seventy-two (72) hours before the time for holding of the AGM. A printed copy of this proxy form will NOT be despatched to shareholders.

   In view of the current COVID-19 situation and the related precautionary measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms via electronic mail.

4. Where an instrument appointing the Chairman of the AGM as proxy is submitted by electronic mail, it must be by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

5. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

Company Registration Number: 197101485G
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