COLEX HOLDINGS LTD

ANNUAL REPORT 2014

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

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

CORPORATE PROFILE

Colex Holdings Limited ("Colex"), a 40-year veteran of waste management 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. The ISO 14001:2004 Environmental Management System certification and Bizsafe Level 3 were attained in May 2010 and March 2008 respectively.

Colex specialises in waste disposal 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 has become 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 : 2008

CERT NO.: 2010-0470
ISO 14001 : 2004

CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

Group revenue for the financial year ended 31 December 2014 ("FY2014") increased by 11.5% from S$52.631 million for the financial year ended 31 December 2013 ("FY2013") to S$58.707 million in FY2014. The waste disposal segment increased revenue by 9.5% from S$30.928 million in FY2013 to S$33.854 million in FY2014. Revenue from the contract cleaning segment increased by 14.5% from S$21.703 million in FY2013 to S$24.853 million in FY2014. The increase in revenue was mainly due to rollover effect of existing contracts at higher value and more new contracts secured by the Group during FY2014.

Group operating profit before tax increased by 53.6% from S$3.134 million in FY2013 to S$4.814 million in FY2014. Operating profit before tax for the waste disposal segment increased by S$0.933 million from S$0.994 million in FY2013 to S$1.927 million in FY2014. Operating profit before tax for the contract cleaning segment increased by S$0.985 million from S$2.141 million in FY2013 to S$3.126 million in FY2014. The increase in operating profit before tax for both segments were due mainly to the increase in revenue.

Earnings per share increased from 2.06 Singapore cents in FY2013 to 3.21 Singapore cents in FY2014, while the net tangible assets per share increase from 15.67 Singapore cents as at 31 December 2013 to 18.38 Singapore cents as at 31 December 2014.

OPERATIONS HIGHLIGHTS

Year 2014 was another successful year with improved profits compared to year 2013. This was made possible with the relentless effort and commitment put in by the integrated teams from all departments to achieve the common goal of securing more new contracts, renewing existing contracts with better rates in tandem with the rising operating costs and delivering quality service to our customers.

The recruitment of local manpower remained challenging due to the tightening of the foreign worker dependency ratio. We continued to improve on our work processes, productivity and efficiency to alleviate the manpower crunch.

Colex Environmental Pte Ltd, our wholly owned subsidiary has completed the installation and commenced the usage of the material recovery facility in December 2014 for sorting the recyclables from the industrial, commercial and public waste collection. This is in line with our aim to increase the recycling rate to complement the overall profitability of the Group.

DIVIDEND

The Board of Directors is pleased to recommend a tax-exempt (one-tier) first and final dividend of 0.5 Singapore cents per ordinary share amounting to S$0.663 million for FY2014 (FY2013's tax-exempt (one-tier) first and final dividend of 0.5 Singapore cents per ordinary share amounted to S$0.663 million for FY2013). The first and final dividend, if approved at the Company's forthcoming Annual General Meeting on 21 April 2015, will be paid on 15 May 2015.

OUTLOOK

The Singapore economy is expected to grow modestly amidst uncertainties in the global environment despite the falling oil prices which will be favorable to the waste segment operation in the near term. Year 2015 will be another year full of challenges ahead due to market competition and the rising operating costs. We will continue to further enhance our competitiveness through cost savings measures in all our work processes without comprising on our quality services.

Maintaining our market share and sustaining our business viability remains our key priorities in our pursuit to improve our overall profitability. We remain confident in our philosophy of continual enhancement to keep our operations relevant. By doing so, we will remain at the forefront of the competition and will sustain our future 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

The overall improved profitability was attributable to our sales teams' ability to secure more new contracts with reasonable margins and to renew the existing contracts with positive contributions. Our operations continued to provide impeccable customer service which is vital in today's ever competitive environment besides competitive pricings. The success of this achievement would not have been possible without the tireless effort, dedication and commitment of the team.

Work processes and procedures across all departments were streamlined to support our customer needs at all time. Costs management in all expects of operational needs were closely monitored and maintained at its optimal level which has also bolstered the overall profitability.

The public waste collection for the Jurong sector remains stable with minimal changes to its revenue as most of the premises are justifiably billed according to their daily weight output. We will continue to monitor closely and will adjust the service fees should there be an increase in refuse output from any of the trade premises.

Recycling remains one of our key focuses. With our material recovery facility fully operational, we will intensify our effort to strive for improvement in the recycling rates. While the overall refuse weight in the Jurong sector remains stable, increasingly, we see a growing awareness of recycling among residents.

The amended Environmental Public Health ("EPH") Act and the new EPH (General Cleaning Industry) Regulations 2014 came into force on 1 April 2014 with a preparatory period of up to 1 September 2014 given to all cleaning businesses to obtain cleaning business license to adapt to the new requirements. As part of the licensing requirements, cleaning businesses are required to train 50% of their workforce with at least one module of Environmental Cleaning Singapore Workforce Skills Qualifications ("WSQ"), developed by the Singapore Workforce Development Agency and industry players. In addition, the cleaning businesses are required to pay the resident cleaners progressive wages based on the Progressive Wage Model recommended by the Tripartite Cluster for Cleaners and as specified by the Commissioner for Labour for those deployed under the new contracts entered into on or after 1 April 2014. By 1 September 2015, licensed cleaning businesses will have to pay progressive wages to all their resident cleaners including those under existing cleaning contracts.

Our cleaning segment obtained its cleaning business license in mid July 2014 and the validity of the license is for a one-year period.

As part of the requirements for the renewal of cleaning business license, cleaning businesses are required to ensure that 100% of their cleaners are trained with at least one module of WSQ at the point of license renewal application. We are working with various training providers to meet this requirement in order to renew our cleaning business license when it expires in mid July 2015.

Supported by a well-developed infrastructure and customer orientated culture of the Group, we will create a dynamic and vibrant business environment that will generate growth and profits for the shareholders. We will continue to explore future business opportunities to grow the business to the next level.

THE TEAM

Human capital will remain to be one of our key priorities to sustain our business viability. All staff is given continuous training in their areas of expertise. We are working closely with the Skill Development Workforce agencies to periodically train our crew to achieve the standards required of our industries. Although recruitment of local manpower poses difficulties, we continued to optimize our manpower deployment to meet our daily requirement.

MOVING AHEAD

Year 2015 will continue to be challenging and competitive although there are some projection on recovery of the global economic situation. We will continue to strive to improve our market share by securing new contracts with positive contributions and renew our existing contracts in tandem with the rising operating cost. We will continue to optimise the operations of the material recovery facility.

CORPORATE DATA

COMPANY REGISTRATION NUMBER
197101485G

REGISTERED OFFICE
541 Orchard Road #16-00
Liat Towers
Singapore 238881
Tel: +65 6732 5533
Fax: +65 6738 3092
Email: wastemgt@colex.com.sg

PRINCIPAL PLACE OF BUSINESS
8 Tuas South Street 13
Singapore 637083
Tel: +65 6268 7711
Fax: +65 6264 1219
Email: wastemgt@colex.com.sg

DIRECTORS
Henry Ngo (Chairman)
Desmond Chan Kwan Ling
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
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce &
Industry Building
Singapore 179365

Partner-in-charge: Tei Tong Huat
Date of appointment:
1 January 2012

FINANCIAL HIGHLIGHTS

	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
REVENUE	58,707	52,631	45,519	41,052	38,622
PROFIT BEFORE TAXATION	4,814	3,134	2,275	1,495	638
PROFIT AFTER TAXATION	4,257	2,728	1,970	1,457	570
GROSS DIVIDEND PER SHARE (CENTS)	0.50	0.50	0.50	0.50	0.30
EARNINGS PER SHARE (CENTS) AFTER TAX	3.21	2.06	1.49	1.10	0.43
DILUTED EARNINGS PER SHARE (CENTS) AFTER TAX	3.21	2.06	1.49	1.10	0.43
NET TANGIBLE ASSETS PER SHARE (CENTS)	18.38	15.67	14.11*	13.13*	12.33*
DIVIDEND COVER (TIMES)	6.42	4.12	2.97	2.20	1.43
FIXED ASSETS	21,087	17,628	4,840*	4,902*	8,707*
NET CURRENT ASSETS	6,844	8,751	14,476	13,196	8,440
SHAREHOLDERS' FUND	24,364	20,769	18,704	17,396	16,336

* reclassification of deferred expenditure to property, plant and equipment due to effects of adoption of the amendments to FRS 16.

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. DESMOND CHAN KWAN LING

Mr Chan is a Director of Colex and oversees all key matters of the waste management division. He is responsible for providing strategic business planning to the operations team and working closely with the Group's subsidiaries to carry out the Group's financial reporting functions. Mr Chan joined Colex as a General Manager in 1999 and assisted the former Managing Director in overseeing the full spectrum of activities in the waste disposal 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. DING CHEK LEH

Mr Ding is a Director of Colex since March 1999. He is also the General Manager in charge of the operations of Integrated Property Management Pte Ltd ("IPM"), a subsidiary of Colex. 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. FONG HENG BOO

Mr Fong has been an Independent Director of Colex since March 1999. He was with the Auditor-General's Office, Singapore between 1975 and 1993. He was holding the appointment of Assistant Auditor-General when he left the Auditor-General's Office. Subsequent to his tenure at the Auditor-General's Office, he was the General Manager (Corporate Affairs) of Amcol Holdings Limited and the Chief Financial Officer of Easycall International Limited. Mr Fong holds a Bachelor Degree in Accountancy (Honours) from the University of Singapore. He also served on the Board of Directors as well as on the Audit Committee 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 quoted securities and properties. Prior to that, he founded Lim Associates (Pte) Ltd in 1968, which provides comprehensive corporate secretarial services to private and public listed companies and was its Managing Director for 27 years until his retirement at the end of 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. He also serves on the Board of Directors as well as on the Audit Committee of several public companies listed on the SGX-ST.

PROFILE OF KEY EXECUTIVES

MR. LIAU KHIN SIONG

Mr Liau was appointed as the Assistant General Manager of Colex on 1 December 2012, assisting the Director 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 a 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. She holds an honours degree in Bachelor of Arts in Accounting & Finance from the University of Northumbria at Newcastle.

MR. TAN SWEE KIAT

Mr Tan was appointed as Senior Operations Manager of Colex on 1 December 2012. He joined Colex in 1986 as an Operations Officer and was promoted to Senior Operations Officer in 1994 and subsequently to Assistant Operations Manager in 2000. In 2005, he was promoted to Operations Manager taking charge of the Operations Department. He was later transferred to the Material Recovery Facility as a Plant Manager in October 2014.

MS. GOH GEOK EE

Ms Goh has been the Administration and Human Resource Manager of Colex since June 2000. She joined Colex in 1998 as an Admin Executive and was subsequently promoted to Admin Manager in mid 1998. She holds a degree in Bachelor of Science from the University of New South Wales.

MR. HAN HEE GUAN

Mr Han is a 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.


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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 2012 (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"). 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.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board of Directors (the "Board") comprises three 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 Desmond Chan Kwan Ling (Director)
Mr Ding Chek Leh (Director)
Mr Fong Heng Boo (Independent Director)
Mr Lim Hock Beng (Independent Director)

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group, sets 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.

Matters specifically reserved for the Board's decision 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.

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 Committees is also constantly reviewed by the Board. Please refer to Principles 4 to 5, 7 to 9, 11 and 12 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 for the financial year ended 31 December 2014 ("FY2014"):

	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	4	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ding Chek Leh	4	4	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

N.A. – Not applicable, as the Directors are non-members of the Board Committees.

While the Board considers Directors' attendance at Board meetings to be important, it should not be the only criterion to measure their contributions. It also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

ORIENTATION, BRIEFINGS, UPDATES AND TRAININGS PROVIDED FOR DIRECTORS IN FY2014

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.

CORPORATE GOVERNANCE **STATEMENT**

The Company will also provide training for first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

During FY2014, the Directors had received updates on regulatory changes to the Catalist Rules 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"). The Directors, through SID and other advisors, keep themselves abreast of relevant new laws and regulations.

Briefings, updates and trainings for Directors in FY2014 include the following:

- The external auditors, briefed the AC members on developments in accounting and governance standards;
- The Board was briefed on the guidelines of the 2012 Code of Corporate Governance by the Company Secretary;
- 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.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

(Note: The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.)

As shown on Page 18, the Board comprises five 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.

Mr Lim Hock Beng and Mr Fong Heng Boo each has served for more than nine years on the Board. Mr Lim will retire pursuant to Section 153(6) of the Companies Act at the forthcoming Annual General Meeting ("AGM") and be eligible for re-appointment. Mr Lim and Mr Fong each has confirmed their independence and that they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement with a view to the best interests of the Company. The independence of each Independent Director is also reviewed annually by the NC. The independence of Mr Lim and Mr Fong has been reviewed by the NC and the NC has determined that the said Independent Directors are independent. 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 discussion; their contributions are relevant and reasoned, and they have exercised independent judgement without dominating the Board discussions. The Board further recognised that they have over time developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution as Independent Directors of the Board. Mr Lim and Mr Fong have abstained from the NC's and Board's review of their independence.

CORPORATE GOVERNANCE STATEMENT

As there are two Independent Directors on the Board, the requirement of the Code that at least one-third of the Board be comprised of independent directors is satisfied.

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.

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.

Details of the Board members' qualifications and experience are presented on Page 18 of this Annual Report.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Henry Ngo is the Chairman. Mr Desmond Chan Kwan Ling, Director of the Company and 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 Ding Chek Leh, 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.

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.

CORPORATE GOVERNANCE **STATEMENT**

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 are adequate safeguards in place against having a concentration of power and authority in a single individual.

Both the General Managers are responsible for the day-to-day management affairs of the Group's businesses comprising the waste disposal and cleaning divisions. Both report 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 and the General Managers are part of the management team. Pursuant to Guideline 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 5 members 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.

The Company notes that under Guideline 2.2 of the Code, the Independent Directors should make up at least half of the Board, where the Chairman is part of the management team. Pursuant to the Monetary Authority of Singapore ("MAS")'s response to recommendations by the Corporate Governance Council on the Code dated 2 May 2012, a longer transition period will be provided for Guideline 2.2 and board composition changes needed to comply with Guideline 2.2 should be made at the AGMs following the end of financial years commencing on or after 1 May 2016. Accordingly, the Company will have up to its AGM in 2017 to undertake board changes for Independent Directors to make up at least half of the Board.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

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

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

- 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, re-appointments and re-nominations;
- 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 assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board;
- review of board succession plans for directors; and
- review of training and professional development programs for the Board.

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 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.

SELECTION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company has in place a policy and procedures for the appointment of new directors, including a 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.

The Articles of Association of the Company require one-third of the Board to retire from office at each AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

The NC has recommended to the Board, the re-election of Mr Ding Chek Leh and Mr Desmond Chan Kwan Ling, Directors, who will retire by rotation pursuant to Article 104 of the Articles of Association of the Company, and the re-appointment of Mr Lim Hock Beng, an Independent Director (who is over the age of 70 years) who will retire pursuant to Section 153(6) of the Companies Act of Singapore, at the forthcoming AGM.

Mr Lim Hock Beng will, upon re-appointment as a Director of the Company, remain as an Independent Director, the Chairman of the RC and a member of the AC and NC. Mr Lim Hock Beng is considered independent for the purpose of Rule 704(7) of the Catalist Rules.

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration these Directors' contribution and performance. Mr Lim Hock Beng, an NC member has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-appointment as a director. The Board has accepted the NC's recommendation.

CORPORATE GOVERNANCE **STATEMENT**

Particulars of Directors pursuant to the Code:

Name of Director	Professional Membership/ Qualifications	Board Appointment Executive/ Non-Executive	Board Committees as Chairman or Member	Date of first appointment as Director	Date of last re-election	Directorship/ Chairmanship in other listed companies in Singapore (present and held over preceding 3 years)	Other Principal Commitments
Mr Henry Ngo	Member of Singapore Institute of Directors	Chairman and Executive	Member: Audit Committee Nominating Committee Remuneration Committee	03.11.1983	21.04.2014	Bonvests Holdings Limited	Chairman/ Managing Director of Bonvests Holdings Limited
Mr Desmond Chan Kwan Ling	Bachelor of Engineering (Honours) and Master of Science	Executive	–	07.09.2012	17.04.2013	–	General Manager of Colex Environmental Private Limited
Mr Ding Chek Leh	Bachelor of Engineering (Honours)	Executive	–	26.03.1999	17.04.2013	–	General Manager of Integrated Property Management Private Limited
Mr Fong Heng Boo	Bachelor of Accountancy (Honours)	Independent Non-Executive	Chairman: Audit Committee Nominating Committee Member: Remuneration Committee	26.03.1999	21.04.2014	Pteris Global Limited Capital Retail China Trust Management Limited Sapphire Corporation Ltd	Independent Director of Asian American Medical Group Ltd (listed in ASX) and board representation in non-listed companies
Mr Lim Hock Beng	Member of Singapore Institute of Directors	Independent Non-Executive	Chairman: Remuneration Committee Member: Audit Committee Nominating Committee	26.03.1999	21.04.2014	Huan Hsin Holdings Limited GP Industries Limited King Wan Corporation Limited TA Corporation Ltd	Board representation in a non-listed company

CORPORATE GOVERNANCE STATEMENT

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

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, Board information, Board process, Board accountability, communication with Management and standard of conduct. The results of the assessment exercise were reviewed by the Board 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 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, overall effectiveness.

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 FY2014 and is of the view that the performance of the Board as a whole, the Board Committees and each individual Director, has been satisfactory.

Access To Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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.

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

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

CORPORATE GOVERNANCE **STATEMENT**

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.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be 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 RC recommends to the Board a framework of remuneration for the Directors, and determines specific remuneration packages for each General Manager. The recommendations will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits-in-kind, will be covered by the RC. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package.

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

- to recommend to the Board a framework for remuneration for the Directors of the Company;
- to determine specific remuneration packages for each General Manager; and
- to review the appropriateness of compensation for Independent Directors.

The recommendations of the RC will be submitted to the Board for endorsement. 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.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be 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. However, companies should avoid paying more than is necessary for this purpose.

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.

The Company has adopted a performance-related remuneration scheme for the General Managers to ensure the competitiveness of their remuneration packages. The General Managers are paid a fixed monthly salary and incentive bonus

CORPORATE GOVERNANCE STATEMENT

based on their operating unit performance and their individual performance. For 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 FY2014.

The Company has entered into service contracts with its General Managers. The service contracts cover the terms of employment, salaries and other benefits.

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 FY2014 in accordance with the fee structure for shareholders' approval at the Company's AGM.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The breakdown of the level and mix of remuneration of the Directors of the Company in bands of S$250,000 for FY2014 is set out below:

	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total Compensation
DIRECTORS					
Between S$250,000 and S$500,000					
Desmond Chan	56%	38%	–	6%	100%
Ding Chek Leh	44%	47%	–	9%	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.

CORPORATE GOVERNANCE **STATEMENT**

Top 6 Key Management Personnel (who are not Directors)

	Mix of Remuneration			
	Salary	**Bonus**	**Others**	**Total**
Below S$250,000				
Executive 1	73%	17%	10%	100%
Executive 2	71%	17%	12%	100%
Executive 3	72%	16%	12%	100%
Executive 4	80%	18%	2%	100%
Executive 5	81%	17%	2%	100%
Executive 6	63%	23%	14%	100%

The remuneration of the top 6 key management personnel (who are not Directors) was shown 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$697,910 for FY2014.

There are no retirement, termination and post-employment benefits granted to the Directors and the top 6 key management personnel.

Immediate Family Member of Directors or Substantial Shareholders

The Company does not have any employee who is an immediate family member of a Director and/or a substantial shareholder whose remuneration exceeded S$50,000 during FY2014.

Share Incentive Scheme

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

Accountability and Audit Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Catalist Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within prescribed periods by the relevant regulations.

The management currently provides the Board with management accounts which presents a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly basis and as and when deemed necessary.

CORPORATE GOVERNANCE STATEMENT

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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.

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.

CORPORATE GOVERNANCE **STATEMENT**

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. Financial assistance scheme from the Government such as U-Save is available for those needy residences to settle their arrears. Plans by external agent are also available for the needy to pay by instalment. Please refer to Note 27 of the financial statements on Page 71 of the Annual Report for a more comprehensive disclosure of our financial risk management.

For FY2014, the Board has received the following letters of assurance from the 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 regarding the effectiveness of the Company's risk management and internal controls system.

The Board believes that the system of internal controls that has been maintained by the Company's management is adequate and effective to meet the needs of the Company in its current business environment.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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.

Mr Fong holds a Bachelor Degree in Accountancy (Honours) from the University of Singapore. Mr Lim Hock Beng 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 from the external auditors on updates to accounting and issues which have a direct impact on financial statements. 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.

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 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 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;
- to review the independence of the internal and external auditors; and
- to review interested person 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.

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 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 Finance Manager reporting to Mr Desmond Chan Kwan Ling, the General Manager.

The AC meets with both the internal and external auditors without the presence of the Management at least once every financial year. The Company confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC reviews the independence of the external auditors annually. The annual audit fee of S$75,000 and non-audit of S$27,000 were paid in FY2014. The AC, having reviewed the non-audit services performed by the external auditors, Foo Kon Tan LLP, during FY2014 which amounted to S$27,000 or 36% of the audit fees, was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has recommended that Foo Kon Tan LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM.

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 review the whistle-blowing policy and determine if it should be extended to external parties in due course.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

KPMG Services Pte Ltd is currently engaged as the internal auditors of the Group and reports directly to the AC on audit matters and the Group's Chairman on administrative matters.

CORPORATE GOVERNANCE STATEMENT

The primary functions of Internal Audit are to:

- assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure that internal control procedures are complied with;
- assess if operations of the business processes under review are conducted efficiently and effectively; and
- identify and recommend improvement to internal control procedures, where required.

The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and Management that the Group's risk management, controls and governance processes are adequate and effective.

The AC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. Following the review of the internal audit plan for FY2014 and their evaluation of the system of internal controls, the AC is satisfied that the internal audit function is effective, adequately resourced and has the appropriate standing within the Group. The AC is also of the view that the internal audit function is staffed with persons with the relevant qualifications and experience, and adheres to professional standards including those promulgated by Institute of Internal Auditors.

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, with the concurrence of the AC, 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 FY2014.

Shareholder Rights and Responsibilities

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity 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 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 which shareholders can access timely information on the Group.

CORPORATE GOVERNANCE STATEMENT

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.

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 advertised in newspapers and announced on the SGXNET.

The Company will have separate resolutions at general meetings on each distinct issue. The Company's Articles of Association allow a member of the Company to appoint one or two proxies to attend and vote at its general meetings.

The Company's AGM is a forum for the Board to invite shareholders to ask questions on the resolutions tabled at the AGM and to express their views. The Company will consider use of other forums as set out in Guideline 15.4 of the Code such as analyst briefings as and when applicable.

For FY2014, the Board has proposed a first and final dividend of 0.5 Singapore cents (S$0.005) per share at the forthcoming AGM for shareholders' approval. Details of the proposed dividend are stated in the Notice of AGM attached to this annual report. The Company does not have a policy on payment of dividend.

All resolutions at the last and forthcoming AGM were and would be voted on by a show of hands as voting by poll is time-consuming and increases the cost of holding the AGM.

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 executives of the Company.

The Company has in place a policy prohibiting dealings of the Company's securities by the Company, its Directors and employees 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 employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.

Interested Persons Transactions Policy

The Company has adopted an internal policy in respect of any transactions with interested persons and has established procedures for 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.

CORPORATE GOVERNANCE **STATEMENT**

The Group has a general mandate for recurrent interested person transactions approved by shareholders at the extraordinary general meeting held on 21 April 2014. Save as disclosed below, there are no other interested person transactions for FY2014.

Name of Interested Person	Aggregate value of all interested person transactions conducted 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 shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Goldvein Pte Ltd (1)	S$56,356	S$233,041
Allsland Pte Ltd (2)	S$49,777	S$180,250
Richvein Pte Ltd (3)	–	S$721,310

(1) Mr Henry Ngo holds 40% shareholdings in the issued share capital of Goldvein Holdings Pte Ltd ("Goldvein") which in turn holds 59.68% shareholdings in the issued share capital of Bonvests Holdings Limited ("Bonvests"). Bonvests in turn holds 100% shareholdings in Goldvein Pte Ltd. Accordingly, Mr Henry Ngo is deemed interested in the whole of the issued share capital of Goldvein Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50 (the "Companies Act"), and Goldvein Pte Ltd is an interested person as defined by the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the "Catalist Rules").

(2) Allsland Pte Ltd is wholly-owned by Mr Henry Ngo. Accordingly, Allsland Pte Ltd is an interested person as defined by the Catalist Rules.

(3) Mr Henry Ngo holds 40% shareholdings in the issued share capital of Goldvein which in turn holds 59.68% shareholdings in the issued share capital of Bonvests. Bonvests holds 100% shareholdings in the issued share capital of Richvein Pte Ltd. Accordingly, Mr Henry Ngo, is deemed interested in the whole of the issued share capital of Richvein Pte Ltd by virtue of Section 7 of the Companies Act, and Richvein Pte Ltd is an interested person as defined by the Catalist Rules.

Material Contracts

Save for the service agreements between the General Managers (who are also Directors 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 FY2014 or if not then subsisting, entered into since the end of the previous financial year.

Treasury Shares

There are no treasury shares held by the Company as at the end of the financial year ended 31 December 2014.

Non-Sponsor Fees

There was no non-sponsor fees paid to PrimePartners Corporate Finance Pte. Ltd. for FY2014.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The directors present this report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position of the Company as at 31 December 2014.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Henry Ngo
Ding Chek Leh
Desmond Chan Kwan Ling
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' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, 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	Name of company in which shares are held	As at 1.1.2014	**As at 31.12.2014 and 21.1.2015**	As at 1.1.2014	**As at 31.12.2014 and 21.1.2015**
The Company					
Henry Ngo	Colex Holdings Limited	–	**1,720,000**	106,331,560	**104,611,560**
Immediate holding company					
Henry Ngo	Bonvests Holdings Limited	3,620,831	**85,357,128**	328,077,066	**246,340,769**
Ultimate holding company					
Henry Ngo	Goldvein Holdings Pte. Ltd.	42,502,922	**42,502,922**	–	**–**
Fellow subsidiaries					
Henry Ngo	Singapore Tunisian Investment Company	–	**–**	2,596,474	**2,635,358**
Henry Ngo	Singapore Tunisian Investment Company Immobiliere	–	**–**	187,800	**187,800**
Henry Ngo	Singapore Tunisian Investment Company Duoz	–	**–**	1,500,000	**1,500,000**
Henry Ngo	Singapore Tunisian Investment Company Medina	–	**–**	300,000	**680,000**

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Mr Henry Ngo, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Goldvein Holdings Pte. Ltd., the ultimate holding company, Bonvests Holdings Limited, the immediate holding company and Colex Holdings Limited and in the shares held by the above entities in their subsidiaries that are not wholly-owned by the Group.

There are no changes to the above shareholdings as at 21 January 2015.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 16 and Note 18 to the accompanying financial statements, and except that one of the director has an employment relationship with the immediate holding company, and has received remuneration in that capacity.

SHARE OPTIONS

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 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 the end of the financial year.

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 were non-executive directors. Except for Mr Henry Ngo who was an Executive Director of Bonvests Holdings Limited, the immediate holding corporation of the Group, all members were independent.

The audit committee performs the functions set out in Section 201B(5) of the 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 and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audits;

(iii) 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 2014 as well as the auditor's report thereon; and

(iv) interested person 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 also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Statement.

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

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 its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year.

Interested person transactions

There was no interested person transactions as defined in Chapter 9 of Listing Manual of the Singapore Exchange conducted during the financial year except as disclosed under "Interested Person Transactions" on "Corporate Governance" and on Note 23 to the financial statements.

On behalf of the Directors

DESMOND CHAN KWAN LING

FONG HENG BOO

Dated: 13 March 2015

STATEMENT BY **DIRECTORS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and 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.

On behalf of the Directors

DESMOND CHAN KWAN LING

FONG HENG BOO

Dated: 13 March 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Colex Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COLEX HOLDINGS LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 13 March 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		The Company		The Group	
		31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	Note	**$**	$	**$**	$
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**–**	–	**21,086,780**	17,628,359
Subsidiaries	5	**4,488,707**	4,488,705	**–**	–
		4,488,707	4,488,705	**21,086,780**	17,628,359
Current Assets					
Inventories	6	**–**	–	**78,061**	56,930
Trade and other receivables	7	**10,093,385**	9,960,649	**9,178,951**	8,630,268
Deposits	8	**150**	17,487	**197,418**	248,125
Prepayments		**7,462**	9,068	**311,943**	393,694
Cash and cash equivalents	9	**931,290**	1,187,971	**6,645,030**	7,428,892
		11,032,287	11,175,175	**16,411,403**	16,757,909
Total assets		**15,520,994**	15,663,880	**37,498,183**	34,386,268
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	10	**14,523,504**	14,523,504	**14,523,504**	14,523,504
Retained profits		**710,369**	821,442	**9,840,425**	6,245,920
Total equity		**15,233,873**	15,344,946	**24,363,929**	20,769,424
Non-Current Liabilities					
Obligations under finance leases	11	**–**	–	**2,009,214**	4,729,705
Provisions	12	**–**	–	**740,000**	–
Deferred income tax liabilities	13	**–**	–	**817,643**	880,323
		–	–	**3,566,857**	5,610,028
Current Liabilities					
Trade and other payables	14	**239,258**	278,934	**5,928,973**	4,725,061
Obligations under finance leases	11	**–**	–	**3,172,782**	2,978,946
Accrual for directors' fees		**40,000**	40,000	**40,000**	40,000
Current tax payable		**7,863**	–	**425,642**	262,809
		287,121	318,934	**9,567,397**	8,006,816
Total equity and liabilities		**15,520,994**	15,663,880	**37,498,183**	34,386,268

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND **OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	**Year ended 31 December 2014 $**	Year ended 31 December 2013 $
Revenue	3	**58,707,152**	52,631,049
Other income	15	**1,264,913**	928,762
Changes in inventories and consumables used		**(1,598,712)**	(1,479,944)
Staff costs	16	**(24,575,530)**	(21,088,317)
Depreciation of property, plant and equipment	4	**(2,651,062)**	(1,907,532)
Other operating expenses	17	**(26,230,420)**	(25,909,002)
Finance costs		**(102,648)**	(40,544)
Profit before taxation	18	**4,813,693**	3,134,472
Income tax expense	19	**(556,575)**	(406,200)
Profit for the year		**4,257,118**	2,728,272
Other comprehensive income after tax		**–**	–
Total comprehensive income and profit attributable to owners of the parent		**4,257,118**	2,728,272
Earnings per share	20	**Cents**	Cents
– Basic		**3.21**	2.06
– Diluted		**3.21**	2.06

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital $	Retained profits $	Total $
Balance at 1 January 2013		14,523,504	4,180,261	18,703,765
Profit for the year		–	2,728,272	2,728,272
Other comprehensive income after tax		–	–	–
Total comprehensive income		–	2,728,272	2,728,272
Dividends relating to 2012 paid	21	–	(662,613)	(662,613)
Transactions with owners		–	(662,613)	(662,613)
Balance at 31 December 2013		**14,523,504**	**6,245,920**	**20,769,424**
Profit for the year		**–**	**4,257,118**	**4,257,118**
Other comprehensive income after tax		**–**	**–**	**–**
Total comprehensive income		**–**	**4,257,118**	**4,257,118**
Dividends relating to 2013 paid	21	**–**	**(662,613)**	**(662,613)**
Transactions with owners		**–**	**(662,613)**	**(662,613)**
Balance at 31 December 2014		**14,523,504**	**9,840,425**	**24,363,929**

Retained profits of the Group are distributable.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December 2014 $	Year ended 31 December 2013 $
Cash Flows from Operating Activities		
Profit before taxation	**4,813,693**	3,134,472
Adjustments for:		
Depreciation of property, plant and equipment	**2,651,062**	1,907,532
Property, plant and equipment written off	**58,199**	38,025
Interest expense on finance leases	**102,618**	40,544
Interest expense on overdraft	**30**	–
Gain on disposal of property, plant and equipment	**(45,815)**	(126,963)
Interest income	**(125)**	(2,198)
Operating profit before working capital changes	**7,579,662**	4,991,412
Increase in inventories	**(21,131)**	(28,798)
(Increase)/decrease in operating receivables	**(416,225)**	351,624
Increase in operating payables	**1,203,912**	925,686
Cash generated from operations	**8,346,218**	6,239,924
Interest received	**125**	2,198
Income tax paid	**(456,422)**	(279,381)
Net cash generated from operating activities	**7,889,921**	5,962,741
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	**273,802**	135,614
Acquisition of property, plant and equipment	**(5,074,155)**	(5,805,521)
Net cash used in investing activities	**(4,800,353)**	(5,669,907)
Cash Flows from Financing Activities		
Repayment of finance lease liabilities	**(3,108,169)**	(1,228,172)
Interest paid on finance lease liabilities	**(102,618)**	(40,544)
Interest paid on overdraft	**(30)**	–
Payment of dividends	**(662,613)**	(662,613)
Net cash used in financing activities	**(3,873,430)**	(1,931,329)
Net decrease in cash and cash equivalents	**(783,862)**	(1,638,495)
Cash and cash equivalents at beginning	**7,428,892**	9,067,387
Cash and cash equivalents at end (Note 9)	**6,645,030**	7,428,892

During the year, the Group acquired property, plant and equipment with an aggregate cost of $6,395,669 (2013 – $14,742,344) of which $740,000 (2013 – $Nil) relates to provision for dismantlement and restoration cost and $581,514 (2013 – $8,936,823) was acquired by means of finance leases. Cash payments of $5,074,155 (2013 – $5,805,521) were made to purchase property, plant and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company and 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 those 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(A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared 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.

Critical accounting estimates and assumptions and significant judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Significant judgements

In the process of applying the Group's accounting policy, which are described in Note 2(d), management has made the following judgement that has the most significant effect on the amounts recognised in the financial statement.

Income tax (Note 13 and Note 19)

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The critical accounting estimates and assumptions used and areas involving significant judgement are described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(A) BASIS OF PREPARATION (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 18 years. The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2014 are $Nil (2013: $Nil) and $21,086,780 (2013: $17,628,359) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If depreciation on property, plant and equipment increases/decreases by 10% from management, the Group's profit for the year will decrease/increase by approximately $265,106 (2013: $190,753).

Impairment of loans and receivables (Note 7 and Note 27.3)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 7 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $15,237 (2013: increase by $9,433).

Provision for dismantlement and restoration (Note 12)

The Group has recognised a provision for dismantlement and restoration obligations associated with a leased land. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December was $740,000 (2013: $Nil). If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been lower by $105,880 (2013: $Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2014

On 1 January 2014, the Group adopted the new or amended FRSs and Interpretations of FRS ("INT FRS") 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 FRS and INT FRS. This includes the following FRSs which are relevant to the Group.

Reference	Description
FRS 110	Consolidated Financial Statements
INT FRS 121	Levies
FRS 112	Disclosure of Interests in Other Entities

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine whether entities are controlled and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements.

The Group has reassessed of which entities the Group controls and there are no resulting changes required.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

As this is a disclosure standard it will have no impact to the financial position and financial performance of the Group when applied in.

The adoption of the above amended standards does not have any material impact on the basic and fully diluted EPS of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(C) FRS ISSUED BUT NOT YET EFFECTIVE

The following are the new or amended FRS issued which are relevant to the Group but are not yet effective and may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018
Improvements to FRS (January 2014)		
– FRS 108	Operating Segments	1 July 2014

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

<u>FRS 115 – Revenue from Contracts with Customers</u>

FRS 115 Revenue from Contracts with Customers requires the entity to recognise revenue which depict transfer of promised goods or services to customers in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. FRS 115 is effective for annual periods beginning on or after 1 January 2017. The Group is currently assessing the impact to the financial statements.

<u>FRS 109 – Financial Instruments</u>

FRS 109 Financial Instruments replaces FRS 39 and it is a package of improvements introduced by FRS 109 includes a logical model for classification and measurement, a single forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

<u>Improvements to FRS (January 2014) – Operating Segments</u>

The Improvements to FRS – Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial statements.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Information on its subsidiaries is given in Note 5.

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 but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

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 combination 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Consolidation (Cont'd)

Disposals

When a change in the Group's ownership interest in a subsidiary results 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 or loss.

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 or loss.

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:

Leasehold building and site improvements	:	Over remaining period of lease (original lease period: 18 years)
Plant, equipment and containers	:	5 to 10 years
Office furniture and equipment	:	3 to 5 years
Vehicles	:	5 to 10 years

No depreciation is provided on construction-in-progress.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

During the financial year, the Group reviewed the estimated useful lives of the property, plant and equipment. This review indicated that the actual lives of motor vehicles were longer than the estimated useful lives used for depreciation purposes in the financial statements. As a result, the expected useful lives of these motor vehicles are revised from 5 years to 10 years to better reflect the estimated periods during which these assets will remain in service. The revision in estimate has been applied on a prospective basis from 1 January 2014. The effect of the above revision on depreciation charge in current and future periods are as follows:

	2014	2015	2016	2017	2018	Later
	$	$	$	$	$	$
(Decrease)/Increase in depreciation expense	(28,669)	(42,431)	(42,431)	(32,981)	(17,638)	164,150

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company and the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Except for loans and receivables, the Company and the Group have not designated any financial assets as financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company and the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables and deposits held in bank. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

Inventories

Inventories which principally comprise of consumables and bins, are stated at the lower of cost and net realisable value. Cost is determined on a 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

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(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Financial liabilities

The Group's financial liabilities include trade and other payables, accrual for directors' fee and obligations under finance leases.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as expenses in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Trade and other payables

Trade and other payables and accrual for directors' fees are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

Financial guarantees

The Company has issued corporate guarantees to banks for credit facilities used for issuance of performance bonds of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' credit facilities, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions

Provisions are 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. 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.

A provision for levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

The directors review the provisions 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, provisions are 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.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases

When the Group is the lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

Operating lease

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Where the Group is the lessor,

Operating lease

Assets leased out under operating leases are in respect of the sub-lease of the Group's rented premises. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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 end of reporting period.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Employee benefits

Pension obligations

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.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue 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.

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.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of non-financial assets (Cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss, if any, is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

  An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

Revenue from services rendered in the collection and disposal of waste, repair of waste compactors and cleaning services rendered to customers are recognised when services are performed.

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

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

Government grants are recognised as a receivable at their fair value where there is reasonable assurance that the grant will be received and attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

Functional currencies

Functional and presentation 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 Group and the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured in terms of historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 REVENUE

Revenue represents the invoiced value of services rendered in the collection and disposal of waste, repair of waste compactors and cleaning services rendered to customers.

Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax are as follows:

The Group	**2014** **$**	2013 $
Waste disposal	**33,854,270**	30,928,363
Contract cleaning	**24,852,882**	21,702,686
	58,707,152	52,631,049

4 PROPERTY, PLANT AND EQUIPMENT

The Company	Plant, equipment and containers $	Office furniture and equipment $	Vehicles $	Total $
Cost				
At 1 January 2013	5,359,084	373,453	9,542,308	15,274,845
Additions	11,518	–	–	11,518
Disposals	(762,812)	–	(373,439)	(1,136,251)
Transfer to a subsidiary	(3,782,013)	(373,453)	(9,168,869)	(13,324,335)
At 31 December 2013	**825,777**	**–**	**–**	**825,777**
Disposals	**(825,777)**	**–**	**–**	**(825,777)**
At 31 December 2014	**–**	**–**	**–**	**–**
Accumulated depreciation				
At 1 January 2013	3,954,848	359,430	6,554,385	10,868,663
Additions	112,470	2,582	77,381	192,433
Disposals	(762,812)	–	(373,351)	(1,136,163)
Transfer to a subsidiary	(2,478,729)	(362,012)	(6,258,415)	(9,099,156)
At 31 December 2013	**825,777**	**–**	**–**	**825,777**
Disposals	**(825,777)**	**–**	**–**	**(825,777)**
At 31 December 2014	**–**	**–**	**–**	**–**
Net book value				
At 31 December 2014	**–**	**–**	**–**	**–**
At 31 December 2013	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

	Construction–in-progress $	Leasehold building and site improvements $	Plant, equipment and containers $	Office furniture and equipment $	Vehicles $	Total $
Cost						
At 1 January 2013	–	–	6,507,550	457,084	9,819,890	16,784,524
Additions	2,596,458	–	4,294,331	54,562	7,796,993	14,742,344
Disposals	–	–	(998,471)	(5,326)	(453,299)	(1,457,096)
At 31 December 2013	**2,596,458**	**–**	**9,803,410**	**506,320**	**17,163,584**	**30,069,772**
Additions	**1,090,095**	**2,268,344**	**1,614,232**	**149,332**	**1,273,666**	**6,395,669**
Disposals	**–**	**–**	**(2,258,249)**	**(303,106)**	**(3,415,319)**	**(5,976,674)**
Reclassification	**(3,686,553)**	**3,686,553**	**–**	**–**	**–**	**–**
At 31 December 2014	**–**	**5,954,897**	**9,159,393**	**352,546**	**15,021,931**	**30,488,767**
Accumulated depreciation						
At 1 January 2013	–	–	4,764,247	433,135	6,746,919	11,944,301
Additions	–	–	802,409	19,721	1,085,402	1,907,532
Disposals	–	–	(959,411)	(5,317)	(445,692)	(1,410,420)
At 31 December 2013	**–**	**–**	**4,607,245**	**447,539**	**7,386,629**	**12,441,413**
Additions	**–**	**317,955**	**958,129**	**43,252**	**1,331,726**	**2,651,062**
Disposals	**–**	**–**	**(2,081,611)**	**(302,774)**	**(3,306,103)**	**(5,690,488)**
At 31 December 2014	**–**	**317,955**	**3,483,763**	**188,017**	**5,412,252**	**9,401,987**
Net book value						
At 31 December 2014	**–**	**5,636,942**	**5,675,630**	**164,529**	**9,609,679**	**21,086,780**
At 31 December 2013	2,596,458	–	5,196,165	58,781	9,776,955	17,628,359

(a) Included within additions in the consolidated financial statements are compactors and motor vehicles acquired under finance leases amounting to $Nil (2013 – $2,819,700) and $581,514 (2013 – $6,117,123) respectively.

The carrying amounts of compactors and motor vehicles held under finance leases are $2,678,585 (2013 – $2,991,884) and $6,244,713 (2013 – $6,327,083) respectively at the date of the statement of financial position.

(b) The leasehold 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5 SUBSIDIARIES

The Group	2014 $	2013 $
Unquoted equity investments, at cost		
Balance at beginning	**4,488,705**	4,488,705
Additions	**2**	–
Balance at end	**4,488,707**	4,488,705

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investment		Proportion of ordinary shares directly held by parent and by the Group		Principal activity
		2014 $	2013 $	2014 %	2013 %	
Integrated Property Management Pte Ltd*	Singapore	**1,288,705**	1,288,705	**100**	100	Contract cleaning
Colex Environmental Pte Ltd*	Singapore	**3,200,000**	3,200,000	**100**	100	Refuse disposal
Claridges Pte Ltd[1]	Singapore	**2**	–	**100**	–	Investment holding
		4,488,707	4,488,705			

* audited by Foo Kon Tan LLP

(1) Incorporated on 14 March 2014 and audited for consolidation purposes

The Company does not have any non-wholly owned subsidiaries that have material non-controlling interests.

6 INVENTORIES

The Group	2014 $	2013 $
Inventories, at lower of cost and net realisable value		
Bins	**34,929**	33,853
Consumables	**43,132**	23,077
	78,061	56,930

The cost of inventories recognised as an expense amounted to $1,598,712 (2013 – $1,479,944).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Trade receivables				
– Third parties	**–**	–	**8,498,907**	7,783,473
– Subsidiary	**1,419,296**	1,285,760	**–**	–
Allowance for impairment of losses (Note 27.3)	**–**	–	**(152,370)**	(94,334)
Net trade receivables	**1,419,296**	1,285,760	**8,346,537**	7,689,139
Income receivable	**–**	–	**818,163**	743,517
Amounts owing by subsidiaries – non-trade	**8,672,181**	8,672,181	**–**	–
Staff advance	**–**	–	**3,200**	5,400
Sundry receivables	**1,908**	2,708	**11,051**	192,212
	10,093,385	9,960,649	**9,178,951**	8,630,268

Trade receivables are normally on a 30 days payment terms. The Group does not identify any specific concentrations of credit risk as the amounts resemble a large number of receivables spread over a number of customers. Impairment on trade receivables is made when certain debtors are identified to be irrecoverable.

The non-trade amounts owing by subsidiaries represent the carrying amount of transferred property, plant and equipment and payment on behalf by the Company. The amounts are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances.

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

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

Further details of credit risk on trade and other receivables are disclosed in Note 27.3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8 DEPOSITS

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Rental and utilities deposits	**150**	17,487	**152,468**	150,225
Deposits paid to suppliers of property, plant and equipment	**–**	–	**44,950**	97,900
	150	17,487	**197,418**	248,125

9 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Cash on hand	**–**	–	**904**	2,000
Cash at banks	**931,290**	1,187,971	**5,644,001**	7,426,892
Fixed deposits	**–**	–	**1,000,125**	–
	931,290	1,187,971	**6,645,030**	7,428,892

The fixed deposits have an average maturity period of 4.5 months (2013: Nil) from the end of the financial year. 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. The average effective interest rates of fixed deposits is 0.125% (2013 – Nil%) per annum for the Group.

10 SHARE CAPITAL

	2014	2013
The Company and The Group	**$**	$
132,522,560 ordinary shares with no par value	**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 shareholders' meetings (meetings of the Company). All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

11 OBLIGATIONS UNDER FINANCE LEASES

The Group	**2014** **$**	2013 $
Minimum lease payments payable:		
– Due not later than one year	**3,277,536**	3,077,292
– Due later than one year and not later than five years	**2,075,403**	4,885,731
	5,352,939	7,963,023
Less: Finance charges allocated to future periods	**(170,943)**	(254,372)
Present value of finance lease payments	**5,181,996**	7,708,651
Present value of minimum lease payments:		
– Due not later than one year	**3,172,782**	2,978,946
– Due later than one year and not later than five years	**2,009,214**	4,729,705
	5,181,996	7,708,651

The Group leases compactors and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term. The finance lease obligations are secured by the underlying assets (Note 4(a)).

11.1 Effective interest rates

The weighted average effective interest rates of obligations under finance leases at the end of reporting period is 2.24% (2013 – 2.24%) per annum.

11.2 Carrying amounts and fair values

The carrying amount of current borrowings approximates their fair value. The carrying amount and fair value of non-current borrowings are as follows:

	2014		2013	
	Carrying amounts **$**	**Fair values** **$**	Carrying amounts $	Fair values $
Obligations under finance leases	**2,009,214**	**1,061,066**	4,729,705	3,606,637

The fair value is determined from the discounted cash flows analysis, using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12 PROVISION

	2014	2013
	$	$
Provision for dismantlement and restoration cost	**740,000**	–
Balance at the beginning	**–**	–
Provision during the year	**740,000**	–
Balance at the end	**740,000**	–

A provision for dismantlement and restoration cost is recognised for the expected costs associate with restoring the leasehold land 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 leased land at 8 Tuas South Street 13 (Note 4(b)), 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. The unwinding of discount during the year is insignificant. The total expected costs to be incurred is $1,209,813.

13 DEFERRED INCOME TAX LIABILITIES

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
To be settled within one year	**–**	–	**190,871**	247,244
To be settled after one year	**–**	–	**626,772**	633,079
	–	–	**817,643**	880,323

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

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Balance at beginning	**–**	596,809	**880,323**	613,082
Tax charged to/(from) profit or loss (Note 19)				
– current year	**–**	10,568	**189,485**	275,649
– over provision in previous years	**–**	–	**(252,165)**	(8,408)
Transfer to a subsidiary*	**–**	(607,377)	**–**	–
Balance at end	**–**	–	**817,643**	880,323

13 DEFERRED INCOME TAX LIABILITIES (Cont'd)

The balance comprises tax on the following temporary differences:

The Company	Excess of net book value over tax written down value of qualifying property, plant and equipment $	Provision for unutilised leave $	Total $
At 1 January 2013	607,377	(10,568)	596,809
Credited to profit or loss	–	10,568	10,568
Transfer to a subsidiary*	(607,377)	–	(607,377)
At 31 December 2013 and 31 December 2014	–	–	–
The Group			
At 1 January 2013	640,276	(27,194)	613,082
Credited/(Charged) to profit or loss (Note 19)	282,422	(15,181)	267,241
At 31 December 2013	**922,698**	**(42,375)**	**880,323**
Charged to profit or loss (Note 19)	**(54,835)**	**(7,845)**	**(62,680)**
At 31 December 2014	**867,863**	**(50,220)**	**817,643**

* Transfer to a subsidiary represents the tax impact arising from the transfers of assets from the Company to a subsidiary on 1 April 2013.

Tax consequences of proposed dividends

There are no income tax consequences (2013 – $Nil) attached to the dividends to the shareholders proposed by the Company but are not recognised as a liability in the financial statements (Note 21).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Trade payables	**39,256**	278,934	**5,389,578**	4,417,662
GST payable	**–**	–	**510,887**	307,399
Deposits received	**–**	–	**4,623**	–
Amount due to subsidiaries – non-trade	**200,002**	–	**–**	–
Others	**–**	–	**23,885**	–
	239,258	278,934	**5,928,973**	4,725,061

Trade payables are generally on a 30 days credit terms.

The non-trade amounts due to subsidiaries relate to an advance from a subsidiary of $200,000 and outstanding balance of $2 on the purchase of shares in a subsidiary. The advance is agreed to be offset against future dividend payout from the subsidiary.

Further details of liquidity risk on trade and other payables are disclosed in Note 27.4.

15 OTHER INCOME

The Group	**2014** **$**	2013 $
Operating lease income	**29,169**	96,157
Gain on disposal of property, plant and equipment	**45,815**	126,963
Interest income on fixed deposits	**125**	2,198
Government grant:		
– Skill Development Fund	**93,671**	152,895
– Special Employment Credit Scheme	**927,219**	435,793
Write back of unclaimed wages	**–**	8,371
Late payment charges	**24,301**	24,924
Other income	**144,613**	81,461
	1,264,913	928,762

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16 STAFF COSTS

The Group	2014 $	2013 $
Directors		
– salaries and related costs	**640,527**	533,086
– CPF contributions	**18,413**	20,826
	658,940	553,912
Key management personnel other than directors		
– salaries and related costs	**634,715**	581,426
– CPF contributions	**63,195**	59,607
	697,910	641,033
Other than directors and key management personnel		
– salaries and related costs	**21,252,814**	18,385,763
– CPF contributions	**1,965,866**	1,507,609
	23,218,680	19,893,372
	24,575,530	21,088,317

17 OTHER OPERATING EXPENSES

	2014 $	2013 $
Dumping fees	**16,749,126**	16,266,850
Distillate fees	**1,342,412**	1,240,358
Service agency fees	**1,263,052**	1,160,617
Rental expenses	**605,188**	1,217,214
Subcontractor fees	**3,076,541**	3,189,989
Repair and maintenance	**1,070,345**	739,604
Parts purchased	**80,387**	60,025
Upkeep expense	**262,137**	182,424
Insurance	**234,675**	290,262
Transportation	**141,074**	34,717
Utilities	**137,554**	142,265
Service expense	**123,136**	85,571
Others	**1,144,793**	1,299,106
	26,230,420	25,909,002

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

18 PROFIT BEFORE TAXATION

The Group	Note	**2014** **$**	2013 $
Profit before taxation has been arrived at after charging:			
Bad debt written off – trade		**–**	1,304
Allowance for impairment of trade receivables	27.3	**85,280**	75,744
Audit fee paid to:			
– Auditor of the Company		**75,000**	70,000
Non-audit fee paid to:			
– Auditor of the Company (tax compliance)		**27,000**	21,700
Cost of inventories recognised as expense		**1,598,712**	1,479,944
Depreciation of property, plant and equipment	4	**2,651,062**	1,907,532
Directors' fee		**40,000**	40,000
Property, plant and equipment written off		**58,199**	38,025
Stock written off		**42**	–
Staff costs	16	**24,575,530**	21,088,317
Finance costs:			
– Interest expense on finance leases		**102,618**	40,544
– Interest expense on overdraft		**30**	–
and crediting:			
Gain on disposal of property, plant and equipment		**45,815**	126,963
Operating lease income		**29,169**	96,157
Interest income on fixed deposits		**125**	2,198
Government grant:			
– Skill Development Fund		**93,671**	152,895
– Special Employment Credit Scheme		**927,219**	435,793

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19 INCOME TAX EXPENSE

The Group	**2014** **$**	2013 $
Current income tax	**450,201**	262,809
Deferred income tax (Note 13)	**189,485**	275,649
	639,686	538,458
Under/(over) provision in prior financial years		
– current income tax	**169,054**	(123,850)
– deferred income tax (Note 13)	**(252,165)**	(8,408)
	556,575	406,200

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:

The Group	**2014** **$**	2013 $
Profit before taxation	**4,813,693**	3,134,472
Tax at statutory rate of 17%	**818,328**	532,861
Effect of:		
– expenses not deductible for tax purposes	**99,967**	46,037
– Enhanced allowance/deductions under Productivity and Innovation Credit	**(147,798)**	(49,010)
Tax effect on non-taxable income	**(3,469)**	(15,115)
Singapore statutory stepped income exemption	**(67,301)**	(25,925)
Under/(over) provision of current taxation in respect of prior years	**169,054**	(123,850)
Overprovision of deferred income tax in respect of prior years	**(252,165)**	(8,408)
Tax effect on tax losses not available to carry forward	**–**	89,915
Tax rebate	**(60,000)**	(30,000)
Others	**(41)**	(10,305)
	556,575	406,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20 EARNINGS PER SHARE

The earnings per share is calculated based on the consolidated profit attributable to owners of the parent for the year of $4,257,118 (2013 – $2,728,272) divided by the weighted average number of shares in issue of 132,522,560 (2013 – 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.

The Group	**2014 Cents**	2013 Cents
Earnings per share	**3.21**	2.06

21 DIVIDENDS

The Company and The Group	**2014 $**	2013 $
Ordinary dividends paid		
– final tax-exempt (one-tier) dividend paid in respect of the previous financial year of 0.5 cents (2013 – 0.5 cents) per share	**662,613**	662,613

At the forthcoming Annual General Meeting, a final tax-exempt (one-tier) dividend of 0.5 cents per share amounting to a total of $662,613 will be proposed. These financial statements do not reflect this dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 December 2015. The payment of this dividend will not have any tax consequences for the Group.

22 CORPORATE GUARANTEE

The Company has given corporate guarantee to a bank amounting to $13,600,000 (2013 – $15,600,000) in respect of banker's guarantees granted to subsidiaries Integrated Property Management and Colex Environmental Pte Ltd.

As at 31 December 2014 and at 31 December 2013, the fair values of the corporate guarantee determined based on the expected loss arising from the risk of default are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23 RELATED PARTY TRANSACTIONS

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

The Group	**2014** **$**	2013 $
With companies in which a Director has interest		
Cleaning service fee income	**179,334**	159,148
Waste disposal	**30,479**	28,819
Rental	**20,214**	24,508
With fellow subsidiaries		
Cleaning service fee income	**884,520**	809,128
Waste disposal	**126,187**	128,844
Rental	**8,956**	71,649
With a director		
Cleaning service fee income	**6,200**	6,200

24 OPERATING LEASE INCOME

At the end of the reporting period, the Company and the Group had the following rental income under non-cancellable operating leases of commercial premises:

	The Company		The Group	
	2014 **$**	2013 $	**2014** **$**	2013 $
Lease which expires:				
Not later than one year	**–**	140,051	**4,573**	15,251

The lease on the Company's and the Group's office premise on which rental is received will expire on 30 March 2015. The current rental received for the lease is $1,541 per month. The lease is renewable annually at the prevailing market rates.

25 COMMITMENTS

25.1 Capital commitments

	The Company		The Group	
	2014 **$**	2013 $	**2014** **$**	2013 $
Capital expenditure contracted but not provided for in the financial statements	**–**	–	**321,810**	3,659,403

The capital expenditure contracted is for the acquisition of vehicles and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

25 COMMITMENTS (Cont'd)

25.2 Operating lease commitments (non-cancellable)

At the end of the reporting period, the Company and the Group were committed to making the following rental payments in respect of non-cancellable operating leases for land, staff accommodation and office equipment with an original term of more than one year:

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Lease which expires:				
Not later than one year	**–**	151,400	**425,097**	1,009,128
Later than one year and not later than five years	**–**	–	**1,634,641**	1,731,650
Later than five years	**–**	–	**4,242,075**	4,664,242

The Group

The lease on the land at 8 Tuas South Street 13 will expire on 30 November 2030. Rental from 1 November 2014 to 31 October 2015 is at $31.27 per square meter per annum with annual increase fixed at 3% from the annual rent for each immediately preceding year. The current rental payable is $23,765 (2013 – $23,073) per month.

The lease of staff accommodation will expire at the earliest on 9 April 2015. The current rental payable for each lease ranges from $2,000 per month to $2,600 per month.

The lease of 4 units of Gomic dustdrum will expire on 31 March 2020. Rental payable ranges from $1,950 to $2,200 per unit per month.

The lease on the office equipment will expire on 10 October 2015 and the current rental payable is $253 per month.

26 OPERATING SEGMENTS

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

(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 monitors 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 or loss which in certain respects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26 OPERATING SEGMENTS (Cont'd)

Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

Sales between operating segments are carried out at arm's length.

The Group	Waste disposal $	Contract cleaning $	Others $	Eliminations $	Total $
2014					
Revenue					
External sales	**33,854,271**	**24,852,881**	**–**	**–**	**58,707,152**
Inter-segment sales	**43,900**	**–**	**–**	**(43,900)**	**–**
Dividend income	**–**	**–**	**800,000**	**(800,000)**	**–**
Total revenue	**33,898,171**	**24,852,881**	**800,000**	**(843,900)**	**58,707,152**
Result					
Segment result	**2,029,707**	**3,126,117**	**560,392**	**(800,000)**	**4,916,216**
Interest income	**–**	**125**	**–**	**–**	**125**
Finance costs	**(102,648)**	**–**	**–**	**–**	**(102,648)**
Profit before taxation	**1,927,059**	**3,126,242**	**560,392**	**(800,000)**	**4,813,693**
Income tax expense					**(556,575)**
Profit after taxation from ordinary activities					**4,257,118**
Other information					
Segment assets	**27,042,168**	**9,715,205**	**15,520,996**	**(14,780,186)**	**37,498,183**
Segment liabilities	**19,762,386**	**2,136,265**	**283,796**	**(10,291,479)**	**11,890,968**
Deferred income tax liabilities					**817,643**
Current tax payable					**425,643**
Consolidated total liabilities					**13,134,254**
Capital expenditure	**5,906,572**	**489,097**	**–**	**–**	**6,395,669**
Depreciation of property, plant and equipment	**2,479,475**	**171,587**	**–**	**–**	**2,651,062**
Non-cash expenses other than depreciation					
– Property, plant and equipment written off	**57,125**	**1,074**	**–**	**–**	**58,199**
– Allowance/(Write-back) for impairment of trade receivables	**140,151**	**(54,871)**	**–**	**–**	**85,280**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26 OPERATING SEGMENTS (Cont'd)

The Group	Waste disposal $	Contract cleaning $	Eliminations $	Total $
2013				
Revenue				
External sales	30,928,363	21,702,686	–	52,631,049
Inter-segment sales	61,861	–	(61,861)	–
Total revenue	30,990,224	21,702,686	(61,861)	52,631,049
Result				
Segment result	1,831,919	2,140,899	(800,000)	3,172,818
Interest income	2,198	–	–	2,198
Finance costs	(40,544)	–	–	(40,544)
Profit before taxation	1,793,573	2,140,899	(800,000)	3,134,472
Income tax expense				(406,200)
Profit after taxation from ordinary activities				2,728,272
Other information				
Segment assets	27,160,230	7,226,038	–	34,386,268
Consolidated total assets				34,386,268
Segment liabilities	10,848,325	1,625,387	–	12,473,712
Deferred income tax liabilities				880,323
Current tax payable				262,809
Consolidated total liabilities				13,616,844
Capital expenditure	14,479,199	263,145	–	14,742,344
Depreciation of property, plant and equipment	1,769,830	137,702	–	1,907,532
Non-cash expenses other than depreciation				
– Bad debt written off – trade	1,304	–	–	1,304
– Property, plant and equipment written off	32,892	5,133	–	38,025
– Allowance for impairment of trade receivables	24,473	51,271	–	75,744

(b) Geographical segments

The Group currently operates solely in Singapore.

(c) Segment revenue and expense

All segment revenue and expense is 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.

26 OPERATING SEGMENTS (Cont'd)

(d) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventory and property, plant and equipment, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of payables and obligations under finance leases. Segment assets and liabilities do not include deferred income taxes and taxes payable.

(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 principally 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. Market risk exposures are measured using sensitivity analysis indicated below.

As at 31 December 2014, the Company's and the Group's financial instruments mainly consisted of cash and cash equivalents, receivables and payables.

27.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

27.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

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

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

27.3 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, deposits and bank deposits. 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 exposure to an individual counterparty is restricted by credit limits that are approved by General Manager based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Company and at the Group level by the Executive Director. The Company's and the Group's trade receivables comprise no debtor (2013: 3 debtors) and 2 debtors (2013: 5 debtors) respectively that represented 60% of trade receivables.

Exposure to credit risk

As the Company and the Group do not hold any 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, deposits and bank deposits. Cash is held with reputable financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

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

27.3 Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The credit risk for trade and other receivables based on the information provided to key management is as follows:

(i) Financial assets that are neither past due nor impaired:

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Current	**10,093,535**	9,978,136	**7,617,905**	7,738,849

Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Past due < 2 months	**–**	–	**1,532,638**	726,493
Past due over 2 months	**–**	–	**225,826**	413,051
	–	–	**1,758,464**	1,139,544

Based on historical default rate, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due over 2 months. These receivables are mainly arising by customers that have a good credit record with the Group.

(iii) The carrying amount of trade receivables individually determined to be impaired are as follows:

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Gross amount	**–**	–	**152,370**	94,334
Less: Allowance for impairment of losses	**–**	–	**(152,370)**	(94,334)
	–	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

27.3 Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

(iii) The carrying amount of trade receivables individually determined to be impaired are as follows: (Cont'd)

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Balance at beginning	**–**	42,449	**94,334**	46,049
Allowance made	**–**	5,813	**85,280**	75,744
Allowance utilised	**–**	(7,529)	**(27,244)**	(27,459)
Transfer to a subsidiary, Colex Environmental Pte Ltd	**–**	(40,733)	–	–
Balance at end	**–**	–	**152,370**	94,334

The impaired trade receivables arise mainly from long overdue inactive debtors of the Company and its subsidiaries for which the directors of the Company and the Group are of the opinion that the debts are not recoverable.

27.4 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. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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 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.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

27.4 Liquidity risk (Cont'd)

The Group	Less than 1 year $	Between 2 and 5 years $	Over 5 years $	Total $
At 31 December 2014				
Trade and other payables	**5,418,086**	**–**	**–**	**5,418,086**
Obligations under finance leases	**3,277,536**	**2,075,403**	**–**	**5,352,939**
Accrual for directors' fees	**40,000**	**–**	**–**	**40,000**
	8,735,622	**2,075,403**	**–**	**10,811,025**
At 31 December 2013				
Trade and other payables	4,417,662	–	–	4,417,662
Obligations under finance leases	3,077,292	4,885,731	–	7,963,023
Accrual for directors' fees	40,000	–	–	40,000
	7,534,954	4,885,731	–	12,420,685

The Company	Less than 1 year $	Between 2 and 5 years $	Over 5 years $	Total $
At 31 December 2014				
Trade and other payables	**239,258**	**–**	**–**	**239,258**
Accrual for directors' fees	**40,000**	**–**	**–**	**40,000**
Financial guarantee contracts	**4,876,956**	**2,191,416**	**6,531,628**	**13,600,000**
	5,156,214	**2,191,416**	**6,531,628**	**13,879,258**
At 31 December 2013				
Trade and other payables	278,934	–	–	278,934
Accrual for directors' fees	40,000	–	–	40,000
Financial guarantee contracts	5,569,803	681,854	9,348,343	15,600,000
	5,888,737	681,854	9,348,343	15,918,934

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

27.5 Market 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS

(a) Fair value

FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Company and the Group do not anticipate that the carrying amounts recorded at the end of reporting year would be significantly different from the values that would eventually be received or settled.

(b) Fair value measurement of financial instruments

For the financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

(c) Financial instruments by category

The carrying amount of the different categories of financial instrument is as disclosed on the face of the statements of financial position except the following:

	The Company		The Group	
	2014	2013	**2014**	2013
	$	$	**$**	$
Loans and receivables	**11,024,825**	11,166,107	**16,021,399**	16,307,285
Financial liabilities at amortised cost	**279,258**	318,934	**10,640,082**	12,166,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29 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.

Total capital is calculated as equity plus total borrowings.

The Group	**2014** **$**	2013 $
Total borrowings	**5,181,996**	7,708,651
Total equity	**24,363,929**	20,769,424
Total capital	**29,545,925**	28,478,075
Gearing ratio	**17.54%**	27.07%

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

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.

The Group is not subject to externally imposed capital requirements.

SHAREHOLDINGS **STATISTICS**

AS AT 16 MARCH 2015

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

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	350	23.99	349,250	0.26
1,001 – 10,000	813	55.72	4,551,000	3.43
10,001 – 1,000,000	289	19.81	14,467,750	10.92
1,000,001 AND ABOVE	7	0.48	113,154,560	85.39
Total:	1,459	100.00	132,522,560	100.00

LIST OF 20 LARGEST SHAREHOLDERS

As at 16 March 2015

No.	Name	No. of Shares	%
1	BONVESTS HOLDINGS LIMITED	104,611,560	78.94
2	CHUA SWEE MING	2,188,000	1.65
3	NGO HENRY	1,720,000	1.30
4	LEH BEE HOE	1,289,000	0.97
5	CHIAM HOCK POH	1,210,000	0.91
6	DBS NOMINEES PTE LTD	1,081,000	0.82
7	THIAN YIM PHENG	1,055,000	0.80
8	GBM VENTURE PTE LTD	500,000	0.38
9	UNITED OVERSEAS BANK NOMINEES	497,000	0.38
10	LIU WENYING	480,000	0.36
11	PHILLIP SECURITIES PTE LTD	477,000	0.36
12	KUNG HOOI KOON	400,000	0.30
13	CHUA CHOON CHENG	324,000	0.24
14	FAIRLADY JEWELLERS PTE LTD	324,000	0.24
15	ANG HAO YAO (HONG HAOYAO)	264,000	0.20
16	TOK SHYH LEONG	250,000	0.19
17	PANG CHEOW JOW	248,000	0.19
18	NAH CHONG HWEE NIFTY	229,000	0.17
19	LEE GEE CHOW	220,000	0.17
20	JIN NING	212,000	0.16
Total:		117,579,560	88.73

SHAREHOLDINGS STATISTICS

AS AT 16 MARCH 2015

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 16 MARCH 2015

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	–
Goldvein Holdings Pte. Ltd.	–	*104,611,560
Mr. Henry Ngo		
– in own name	1,720,000	
– through Goldvein Holdings Pte. Ltd.	–	*104,611,560
Mr. Patrick Tse		
– through Goldvein Holdings Pte. Ltd.	–	*104,611,560
Mr. James Sookanan		
– through Goldvein Holdings Pte. Ltd.	–	*104,611,560
Mr. Wilfred Hsieh		
– through Goldvein Holdings Pte. Ltd.	–	*104,611,560

* Goldvein Holdings Pte. Ltd. holds 59.68% shareholdings 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Conference Room, Level 1, 8 Tuas South Street 13, Singapore 637083, on Tuesday, 21 April 2015 at 3.00 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a first and final dividend (one-tier tax-exempt) of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2014. **(Resolution 2)**

3. To re-elect Mr Ding Chek Leh, a Director retiring pursuant to Article 104 of the Articles of Association of the Company. **(Resolution 3)**

   Information on Mr Ding Chek Leh can be found on Page 8 of the annual report.

4. To re-elect Mr Desmond Chan Kwan Ling, a Director retiring pursuant to Article 104 of the Articles of Association of the Company. **(Resolution 4)**

   Information on Mr Desmond Chan Kwan Ling can be found on Page 8 of the annual report.

5. To consider, and if thought fit, to pass the following resolution:

   "That pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, Mr Lim Hock Beng be and is hereby re-appointed a Director of the Company to hold such office until the next annual general meeting of the Company." **(Resolution 5)**

   Mr Lim Hock Beng will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. He will continue to serve as the Chairman of the Remuneration Committee and as a member of Nominating Committee.

6. To approve the payment of Directors' fee of S$40,000 for the financial year ended 31 December 2014 (2013: S$40,000). **(Resolution 6)**

7. To re-appoint Foo Kon Tan LLP, as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business

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

8. 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

NOTICE OF ANNUAL GENERAL MEETING

(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) (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) (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) 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 outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards (as the case may be) 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;

(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 Articles of Association 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 annual general meeting or the date by which the next annual general meeting 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 8)**

[See Explanatory Note 1]

NOTICE OF ANNUAL GENERAL MEETING

9. **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 6 April 2015 ("Appendix") with the class of 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 annual general meeting 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 9)**

[See Explanatory Note 2]

Any other business

10. To transact any other business that may be transacted at an annual general meeting.

By Order of the Board

Foo Soon Soo
Secretary
Singapore
6 April 2015

Free shuttle service will be available to transport shareholders to the annual general meeting's venue. The shuttle bus will depart at 2.00 p.m. from Lakeside MRT Station (at the exit point facing Boon Lay Way). If you wish to use the shuttle service, please contact Ms Jeslyn Chong/Helena Low at tel: +65 6268 7711 or email at wastemgt@colex.com.sg.

Explanatory Note:

1. The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower Directors of the Company from the date of the above annual general meeting until the next annual general meeting of the Company or the date by which the next annual general meeting 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), 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).

NOTICE OF ANNUAL GENERAL MEETING

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) 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.

2. The Ordinary Resolution 9 proposed in item 9 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 annual general meeting until the date the next annual general meeting 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:

1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.
3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Annual General Meeting.

NOTICE OF BOOK CLOSURE DATE AND DIVIDEND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting of the Company to be held on 21 April 2015, a first and final dividend (one-tier tax-exempt) of 0.5 Singapore cents per ordinary share in respect of the financial year ended 31 December 2014 will be paid on 15 May 2015 to shareholders whose names appear in the Register of Members on 6 May 2015 as at 5.00 p.m.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 6 May 2015 after 5.00 p.m. to 8 May 2015, for the purpose of determining shareholders' entitlements to the proposed first and final tax exempt dividend.

Registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte Ltd at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721, up to 5.00 p.m., on 6 May 2015 will be registered before entitlements to the dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 6 May 2015 will be entitled to such proposed dividend.

By Order of the Board

Foo Soon Soo
Secretary
Singapore
6 April 2015

APPENDIX DATED 6 APRIL 2015

(AS REFERRED TO IN RESOLUTION 9 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 at the Conference Room, Level 1, 8 Tuas South Street 13, Singapore 637083 on 21 April 2015 at 3.00 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 prepared by Colex Holdings Ltd (the "**Company**") and its contents has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

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

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 21 April 2015

"Allsland" : Allsland Pte. Ltd.

"Articles" : The articles and association of the Company, as amended or modified from time to time

"Associate(s)" :

(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder

(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

APPENDIX DATED **6 APRIL 2015**

(AS REFERRED TO IN RESOLUTION 9 OF THE NOTICE OF ANNUAL GENERAL MEETING)

(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
"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
"Future Associate(s)":		New Associate(s) of Mr Henry Ngo which may arise in the future
"Goldvein"	:	Goldvein Pte. Ltd.

APPENDIX DATED **6 APRIL 2015**

(AS REFERRED TO IN RESOLUTION 9 OF THE NOTICE OF ANNUAL GENERAL MEETING)

"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"	:	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 currently include Allsland, Goldvein and Richvein, and which will include Future Associates, if any)
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Appendix, being 25 March 2014
"Memorandum"	:	The memorandum of the Company, as amended or modified from time to time
"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 Desmond Chan Kwan Ling, Mr Ding Chek Leh, Mr Fong Heng Boo and Mr Lim Hock Beng
"NTA"	:	Net tangible assets
"Ordinary Resolution"	:	The ordinary resolution 9 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

APPENDIX DATED **6 APRIL 2015**

(AS REFERRED TO IN RESOLUTION 9 OF THE NOTICE OF ANNUAL GENERAL MEETING)

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act.

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 **6 APRIL 2015**

(AS REFERRED TO IN RESOLUTION 9 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 Desmond Chan Kwan Ling *(Director)*
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

6 April 2015

To: The Shareholders of Colex Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Company had at an extraordinary general meeting ("**EGM**") held on 21 April 2014 obtained the IPT Mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules to enable the Group, or any of the companies within the Group, to enter into certain transactions falling within the types of interested person transactions described in the circular relating to the IPT Mandate dated 4 April 2014 ("**Circular**") with persons who are considered interested persons, provided that such transactions are made on normal commercial terms and in accordance with the guidelines and review procedures for interested party transactions as set out in the said Circular. The IPT Mandate took effect from the date of the passing of the ordinary resolution at the EGM and shall continue in force until 21 April 2015, being the date of the forthcoming AGM of the Company.

The Directors propose that the IPT Mandate be renewed at the forthcoming AGM in the terms of the Ordinary Resolution 9 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 Group'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 Group's wholly-owned subsidiary, Integrated Property Management Pte. Ltd., which provides cleaning services to industrial, commercial and residential properties.

APPENDIX DATED 6 APRIL 2015

(AS REFERRED TO IN RESOLUTION 9 OF THE NOTICE OF ANNUAL GENERAL MEETING)

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 the Latest Practicable Date, Mr Henry Ngo has a 0.90% direct interest in Bonvests. He also has a 40.00% interest in the issued share capital of Goldvein Holdings, which in turn has a 59.68% interest in the issued share capital of Bonvests. Bonvests wholly owns Goldvein and Richvein. Accordingly, Mr Henry Ngo is deemed interested in the entire issued share capital of Goldvein and Richvein by virtue of Section 7 of the Act and Goldvein and Richvein are each an interested person as defined by the Chapter 9 of the Catalist Rules. Allsland is wholly-owned by Mr Henry Ngo and accordingly, is 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.

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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 2014, the audited NTA of the Group was approximately S$24,363,929. 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$1,218,196 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 during the same financial year, is of a value equal to, or more than, approximately S$1,218,196.

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 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 company,

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

in the ordinary course of its business, to enter into the IPT(s) 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.

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 statements and in its annual report.

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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 general meeting) continue in force until the next annual general meeting. Approval from the 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 Classes 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 currently include Allsland, Goldvein and Richvein, and will include Future Associates, if any).

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. Finally, transactions with other interested persons (other than the classes 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 placed 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;

(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;

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(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.

(d) Half-Yearly Review by 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.

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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 Company 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 the Company's 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	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)

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%[1]
Directors						
Henry Ngo						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	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*	78.94	–	–	104,611,560	78.94
Goldvein Holdings Pte. Ltd.	–	–	104,611,560*	78.94	104,611,560	78.94
Patrick Tse						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94	104,611,560	78.94
James Sookanan						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94	104,611,560	78.94
Wilfred Hsieh						
– through Goldvein Holdings Pte. Ltd.	–	–	104,611,560	78.94	104,611,560	78.94

* Goldvein Holdings Pte. Ltd. has a 59.68% interest in the issued share capital of Bonvests Holdings Limited. Accordingly, Golvein 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.

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.

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 EGM held on 21 April 2014; and

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(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 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 9 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 Group 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

PROXY FORM
ANNUAL GENERAL MEETING

Colex Holdings Limited

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

IMPORTANT:

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company Secretary of Colex Holdings Limited. If they wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____ (Name)

of ____ (Address)

being a member/members of COLEX HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or [delete as appropriate]

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Conference Room, Level 1, 8 Tuas South Street 13, Singapore 637083, on Tuesday, 21 April 2015 at 3.00 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 together with the reports of the Directors and the Auditors thereon.				
2.	To approve the payment of a first and final dividend (one-tier-tax exempt) of 0.5 Singapore cents per ordinary share in respect of the financial year ended 31 December 2014.				
3.	To re-elect Mr Ding Chek Leh as Director of the Company.				
4.	To re-elect Mr Desmond Chang Kwan Ling as Director of the Company.				
5.	To re-appoint Mr Lim Hock Beng as Director of the Company.				
6.	To approve the payment of Directors' fee of S$40,000 for the financial year ended 31 December 2014.				
7.	To re-appoint Foo Kon Tan LLP, as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.				
8.	To authorise Directors to allot and issue shares in the capital of the Company.				
9.	To renew the shareholders' mandate for Interested Person Transactions.				

* *Please indicate your vote "For" or "Against" with a "✓" within the box provided.*
** *If you wish to exercise all your votes "For" or "Against", please tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of _________________ 2015.

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 (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, 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 a proxy or proxies shall be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).

2. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the nomination shall be deemed to be in the alternative.

4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority, if any, under which it is signed or a duly certified copy thereof, shall be attached to the instrument of proxy and must be deposited at the Registered Office at 541 Orchard Road #16-00 Liat Towers, Singapore 238881, not later than 3.00 p.m. on 19 April 2015.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if the appointor is a corporation, under its seal, or under the hand of its attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

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The Company Secretary

COLEX HOLDINGS LIMITED

8 Tuas South Street 13

Singapore 637083

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6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

7. Please indicate with a "✓" in the appropriate space how you wish your proxy to vote. If this proxy form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of member whose shares in the Company are deposited in The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Company Registration Number: 197101485G
8 Tuas South Street 13
Singapore 637083
Tel: +65 6268 7711
Fax: +65 6264 1219
Email: wastemgt@colex.com.sg