PRESS RELEASE

PROPOSED PRIVATISATION OF COLEX HOLDINGS LIMITED BY BONVESTS HOLDINGS LIMITED

- **Scheme Consideration of S$0.23 in cash per Target Company Scheme Share represents:**
  - **a premium of 25.0% and 13.9% over the last traded share price and one-month Adjusted VWAP respectively;**
  - **an implied EV/EBITDA multiple of 29.2x, which represents a significant premium to (i) the average implied EV/EBITDA of precedent transactions in the regional waste management sector of 10.1x; and (ii) the average trading EV/EBITDA of other listed regional waste management peers of 9.6x;**
  - **an implied P/NAV multiple of 1.62x, which exceeds the average P/NAV of regional precedent waste management transactions and listed regional waste management peers of 1.44x and 1.20x respectively; and**
  - **a total return of 80.2% for a Scheme Shareholder who acquired the Target Company Shares 36 months prior to the Last Trading Date.**

*All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the joint announcement dated 17 October 2022 (the "**Joint Announcement**"). This press release should be read in conjunction with the Joint Announcement, copies of which are available on the SGXNET.*

Singapore, 17 October 2022 – Bonvests Holdings Limited (the "**Offeror**") and Colex Holdings Limited ("**Target Company**") have today jointly announced the proposed privatisation of the Target Company through the acquisition (the "**Privatisation**") of all the issued ordinary shares in the capital of the Target Company (the "**Target Company Shares**"), other than the Target Company Shares held by the Offeror and Coop International Pte. Ltd. (a wholly owned subsidiary of the Offeror) (the "**Target Company Excluded Shares**") (the Target Company Shares excluding the Target Company Excluded Shares, the "**Target Company Scheme Shares**"), by the Offeror, by way of a scheme of arrangement (the "**Scheme**") in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

Under the Scheme, the Offeror proposes to acquire the Target Company Scheme Shares at S$0.23 in cash per Target Company Scheme Share ("**Scheme Consideration**"). This represents:

- a premium of 25.0%, 13.9% and 13.3% to the last traded price, one-month and three-month volume weighted average price ("**VWAP**") up to and including the Last Trading Date, adjusted to exclude trading from 23 February 2022 to 5 May 2022[1], respectively ("**Adjusted VWAP**");

[1] The evaluation of VWAP has been adjusted to exclude trading from 23 February 2022 to 5 May 2022 to eliminate the trading volatility due to the payment of the special dividend from the evaluation. This

- an enterprise value ("**EV**") to earnings before interest, tax, depreciation and amortisation ("**EBITDA**") (the "**EV/EBITDA**")[2] of 29.2x which represents a significant premium to the average EV/EBITDA of regional precedent waste management transactions and listed regional waste management peers of 10.1x and 9.6x respectively;

- a price to net asset value ("**NAV**") (the "**P/ NAV**") of 1.62x which exceeds the average P/NAV of regional precedent waste management transactions and listed regional waste management peers of 1.44x and 1.20x respectively;

- a P/NAV of 1.62x which implies a premium[3] of 42.6%, 88.0%, and 73.7% to the historical 1-year, 3-year and 5-year average P/NAV multiples of the Target Company Shares for the period up to and including 12 October 2022, being the last full trading day immediately prior to the Joint Announcement Date ("**Last Trading Date**"); and

- a total return of 80.2% for a Scheme Shareholder who had acquired the Target Company Shares 36 months prior to the Last Trading Date.

The Offeror and the Target Company have jointly put forth the Scheme for Target Company Scheme Shareholders having considered the following:

a. An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term. The Target Company has been experiencing increased competition in participation for the National Environment Agency's ("**NEA**") tenders for Public Waste Collection ("**PWC**") licenses for domestic and trade premises in Singapore with the next tender cycle only commencing in 2025. With the expiry of the PWC contract for Jurong sector in March 2020, the contribution of the Target Company's waste disposal segment has been declining. The contract cleaning segment faces similar challenges with stiff competition in the market. Consequently, the Target Company ended FY2021 loss making, further exacerbated by the roll-back of temporary government grants which were previously made available during the pandemic e.g. Jobs Support Scheme. Going forward, top-line and bottom-line pressures will continue to build due to increasing competition for tenders, and higher wage costs due to implementation of the revised Progressive Wage Model ("**PWM**").

b. The Target Company's listing status serves limited purpose as it has not tapped on the equity capital markets to raise funds and is unlikely to do so, yet it continues

---

period pertains to the trading period between the dividend declaration date and ex-dividend date of the special dividend of S$7.55 cents and the first and final dividend of S$0.45 cents.

[2] EV is derived from the implied market capitalisation of the Target Company by the Scheme Consideration as at the Last Trading Date, and adjusted for: (i) current and non-current lease liabilities, and (ii) cash and cash equivalents from the Target Company's financial position as at 30 June 2022. EBITDA is derived from the Target Company's financial performance over the last twelve months ending 30 June 2022 calculated by its profit before tax adjusted for: (i) one-off and / or non-recurring items including impairment losses on property, plant and equipment; and government grants received under the jobs support scheme, jobs growth incentive, wage credit scheme and senior employment credit scheme; (ii) depreciation expenses; (iii) finance costs; and (iv) interest income.

[3] The respective premium is rounded to the nearest one (1) decimal place, discrepancies in the figures herein between the listed amounts and derived amounts from the P/NAV are due to rounding.

to incur substantial costs associated with being listed. Since its initial public offering in 1999, the Target Company has not carried out any exercise to raise funds from the equity capital markets and does not have any near-term plans for substantial capital expenditures for the rest of its businesses. In maintaining its listed status, the Target Company incurs compliance costs and other associated costs of close to S$150,000 each year which is significant relative to its current earnings. In the event the Target Company is delisted, it will be able to save on such expenses and focus its resources on better positioning the business to face the sector's increasingly challenging operating environment.

c. **A Privatisation confers greater management flexibility to navigate a challenging operating environment.** The Offeror believes that a Privatisation will allow the Target Company's management more flexibility to manage the business and facilitate the implementation of any operational change (if required), without the corresponding costs and regulatory restrictions associated with a listing on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

d. **Opportunity for Scheme Shareholders who may otherwise find it difficult to exit their investment due to low trading liquidity, to realise their investment at a premium without incurring brokerage fees.** In light of the pressures facing the Target Company, the low trading liquidity and the uncertainties associated with navigating the challenging operating environment, the proposed Privatisation represents a credible opportunity for Shareholders to realise their investment immediately at a premium with the greatest certainty.

e. **The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit.**

f. **The Scheme Consideration implies a total return of 80.2% for investors over a 36-month holding period, this includes the S$24.5 million paid in dividends over this period which includes one-off special dividends.** Special dividends were paid out following the Target Company's unsuccessful NEA tenders for PWC as the Board had decided that it was in the best interests of shareholders to distribute the capital that it had set aside to fund capital expenditures in the event of a successful tender. The Target Company's cash and cash equivalents of S$5.5 million as of 30 June 2022 represents the minimum amount of cash retained in order to preserve its working capital. It is therefore very unlikely that the amounts of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021. Accounting for the S$24.5 million distributed over the past 36 months, the Scheme Consideration implies a total return of 80.2% and annualised returns of 21.7% per annum for a Scheme Shareholder who had acquired Target Company Shares 36 months prior to the Last Trading Date

Mr. Ding Chek Leh, Executive Director, Colex Holdings Limited said: "We recognise the challenging operating environment ahead and the uncertainties facing Colex Holdings Limited. Together with Bonvests Holdings Limited, the proposed Privatisation provides us the best chance of navigating Colex Holdings Limited through this period. Having evaluated the offer put forth by Bonvests Holdings Limited, we believe that the proposed Privatisation is the best option for Scheme Shareholders to immediately realise their investment."

Mr. Gary Xie, Joint Managing Director, Bonvests Holdings Limited, commented: “We have put forward a credible offer for Scheme Shareholders to consider. We believe that the Privatisation of Colex Holdings Limited is necessary in providing it with the operational and financial flexibility to navigate this challenging operating environment.”

Next steps

The Scheme will require the necessary regulatory and court approvals. The outcome of the Scheme Meeting will be decided solely by Scheme Shareholders whereby approval by a majority in number representing at least 75.0% in value of the total number of Target Company Scheme Shares held by Scheme Shareholders present and voting either in person or by proxy is required.

The Offeror and its concert parties, as well as persons who are both (i) substantial shareholders of the Offeror and its concert parties, and (ii) substantial Shareholders of the Target Company (i.e. those holding 5% or more interests in both the Offeror and its concert parties and the Target Company), will abstain from voting on the Scheme.

A copy of the notice of the Scheme Meeting to approve the Scheme will be included in the Scheme Document containing full details of the Scheme and will be despatched or made available to Scheme Shareholders in due course.

DBS is the financial adviser to the Offeror in respect of the Privatisation and the Scheme.

Wait for the release of the Scheme Document

Scheme Shareholders are advised to wait for and to consider the full details in the Scheme Document (which will also contain recommendations from the Company's Non-conflicted Directors and Independent Financial Adviser on the Scheme) before taking any action in relation to their Target Company Scheme Shares.

-END-

About The Target Company

The Target Company was incorporated in Singapore on 31 December 1971 and has been listed on the SESDAQ (now known as the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) since April 1999. The Target Company and its subsidiaries are veterans of waste management in Singapore providing services through its waste disposal and contract cleaning segments and has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today.

About the Offeror

The Offeror is a company incorporated in Singapore on 15 May 1969. It is listed on the Mainboard of the SGX-ST. The Offeror and its subsidiaries have core businesses in (a) property development and investment; (b) hotel ownership and management; and (c) waste management and contract cleaning of buildings. The controlling shareholder of the Offeror is

Goldvein Holdings Pte. Ltd. holding 240,026,769 shares, comprising approximately 59.78% shareholding interest, in the Offeror. Mr Henry Ngo, Mr Djitu Sianandar, Mr James Sookanan and Mr Witu Sianandar are deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd. Mr Henry Ngo also holds an additional 98,146,928 shares (directly and indirectly), comprising approximately 24.44% shareholding interest (both direct and deemed), in the Offeror. Mr Henry Ngo is also a director of the boards of the Offeror and the Target Company. The rest of the shareholding interest in the Offeror (being 15.65%) is held in the hands of the public.

For investor queries on the Privatisation please contact:

DBS Strategic Advisory
Telephone: +65 6878 6347

Responsibility Statement

Target Company. The directors of the Target Company (including any who may have delegated detailed supervision of the preparation of this release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this release which relate to the Target Company are fair and accurate and that, where appropriate, no material facts which relate to the Target Company have been omitted from this release, and the directors of the Target Company jointly and severally accept responsibility accordingly.

Where any information which relates to the Target Company has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Relevant Persons, the sole responsibility of the directors of the Target Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this release. The directors of the Target Company do not accept any responsibility for any information relating to the Relevant Persons or any opinion expressed by the Relevant Persons.

Offeror. The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this release (excluding information relating to the Target Company or any opinion expressed by the Target Company) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this release, and the directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Target Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this release. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Target Company.