Colex Holdings Limited

Privatisation by Bonvests Holdings Limited

17 October 2022

Important Notice

All statements other than statements of historical facts are or may be forward looking-statements. Forward-looking statements include, but are not limited to, those using words such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “strategy” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s and/or the Target Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently-available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those expressed or implied in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, shareholders and investors of the Offeror and the Target Company should not place undue reliance on such forward-looking statements, and none of the Offeror or the Target Company guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements. The past performance of the Offeror or the Target Company is not indicative of future performance.

No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither the Offeror or the Target Company nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this presentation) 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.

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 Offeror, 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 Offeror or any opinion expressed by the Offeror.

Table of Contents

1. Transaction Overview 4
2. Transaction Rationale 6
3. Timeline 14

1. Transaction Overview

Transaction Overview

Offeror	• Bonvests Holdings Limited (the "**Offeror**")
Transaction Structure	• Proposed privatisation of Colex Holdings Limited ("**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 (the "**Companies Act**") and the Singapore Code on Take-overs and Mergers (the "**Code**").
Scheme Consideration	• **S$0.23 in cash per Target Company Scheme Share ("Scheme Consideration")**
Key Approvals Required	• Scheme Meeting - the approval of the Scheme by a majority in number of the Scheme Shareholders(1) representing three-fourths in value of the Target Company Scheme Shares held by Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting. • The Offeror and its concert parties, and the common substantial shareholders of the Offeror and the Target Company will abstain from voting on the Scheme. • Court sanction for: (i) convening the Scheme Meeting; and (ii) the approval of the Scheme (if approved at the Scheme Meeting). • Satisfaction of regulatory approvals including approval from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the proposed delisting of the Target Company

(1) Refers to holders of the Target Company Scheme Shares (each a "**Scheme Shareholder**", collectively the "**Scheme Shareholders**")

2. Transaction Rationale

Overview of the transaction rationale

1. An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term
2. 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 to incur substantial costs associated with being listed
3. A Privatisation confers greater management flexibility to navigate a challenging operating environment
4. 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
5. The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit
6. 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

Transaction Rationale

1 **An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term**

a) Increased competition in participation for 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

- The contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020
- This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition
- With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future

b) Increased competition in the contract cleaning segment

- Contract cleaning segment profit margins are under pressure due to increased competition in tenders for new contracts, and increasing manpower costs

c) The Target Company ended FY2021 loss making, with the overall profitability of the Target Company expected to face further downward pressures

- FY2021 was a challenging year for the Target Company, although the worst of the pandemic is over, the entry into a COVID-19 endemic phase is expected to bring new pressures to profitability including the full roll-back of temporary government grants extended due to the pandemic such as the Jobs Support Scheme. The Jobs Support Scheme contributed S$3.3 million and S$2.4 million in FY2020 and FY2021 respectively
- Excluding these amounts in FY2021, the Target Company's losses before income tax would have extended to approximately S$3.8 million. This is expected to be further exacerbated by stiff market competition, rising material costs and higher wage costs stemming from the implementation of the revised Progressive Wage Model ("**PWM**") in both the waste disposal segment and contract cleaning segment

Transaction Rationale (cont'd)

2 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 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
- Further, as the Target Company was not successful in its NEA tenders for PWC in FY2020 and FY2021, and there is no near-term plans for any substantial capital expenditures for the rest of its businesses, the Target Company does not see a need to maintain its listing status to tap the capital markets to raise funds in the near future
- 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

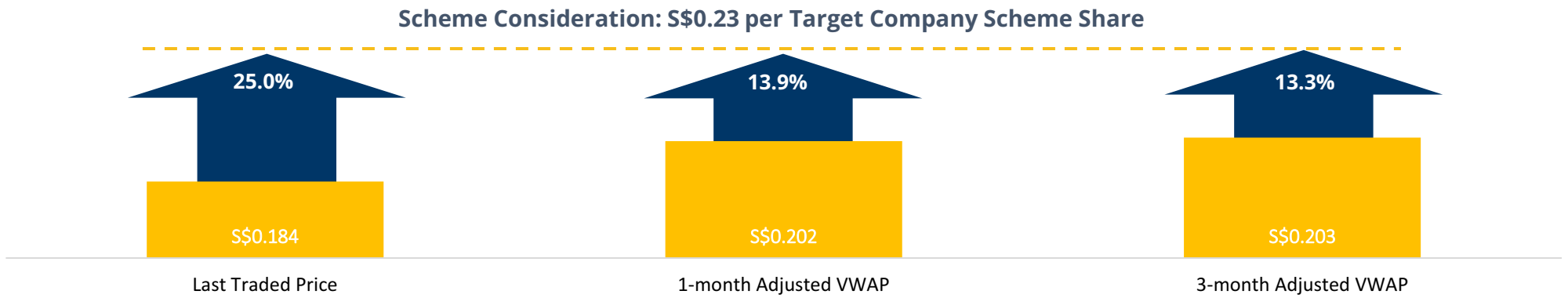
3 A Privatisation confers greater management flexibility to navigate a challenging operating environment

- 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 SGX-ST

Transaction Rationale (cont'd)

4 **Opportunity for a Scheme Shareholder 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 and the uncertainties associated with navigating the challenging operating environment, the proposed Privatisation therefore represents a credible opportunity for Scheme Shareholders to realise their investment at a premium with the greatest certainty
  a) The Scheme Consideration of S$0.23 represents a premium of 25.0%, 13.9% and 13.3% to the last traded price(1), one-month and three-month Adjusted VWAP (2)(3) respectively up to and including the Last Trading Date



Source: Bloomberg L.P.

(1) Refers to the closing price on 10 October 2022, being the last full trading day where trades were done for the Target Company Shares prior to the date of the Joint Announcement ("**Joint Announcement Date**")

(2) After the announcement of the special dividend of S$7.55 cents and the first and final dividend of S$0.45 cents on 22 February 2022, trading price of the Target Company Shares rose from its last traded price of S$0.215 on 22 February 2022 to a high of S$0.345 on 28 April 2022 before closing at S$0.250 on the ex-dividend date on 6 May 2022. The evaluation of volume weighted average price ("**VWAP**") has been adjusted to exclude trading from 23 February 2022 to 5 May 2022 ("**Adjusted VWAP**") to eliminate the trading volatility due to the payment of the special dividend from the evaluation

(3) The Adjusted VWAPs of the Target Company Shares are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including 12 October 2022, being the last full trading day immediately prior to the Joint Announcement Date ("**Last Trading Date**"). The respective premia are rounded to the nearest one (1) decimal place

Transaction Rationale (cont'd)

4 Opportunity for a Scheme Shareholder 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 (cont'd)

- Considering the low historical trading liquidity of the Target Company Shares on SGX-ST, the proposed Privatisation represents an opportunity for Scheme Shareholders who may otherwise find it difficult, to exit their investment immediately

  a) Trading volumes on the Target Company Shares have been low with no trades being done for the majority of trading days with the counter experiencing low average daily trading volumes and average daily turnover

	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of the total number of Target Company Shares[1]	0.001%[2]	0.004%[2]	0.015%[2]	0.022%[2]
Average daily turnover of the Target Company Shares	S$135	S$1,035	S$5,314	S$7,686

	One-month	Three-month	Six-month	Twelve-month
# of SGX-ST trading days	22	66	131	261
# of SGX-ST trading days where trades were done for the Target Company Shares	6	18	58	125

Source: Bloomberg L.P. as at the Last Trading Date

(1) The average daily trading volume as a percentage of the total number of Target Company Shares is based on data extracted from Bloomberg L.P. as at the Last Trading Date and calculated using the average daily trading volume of the Target Company Shares divided by the total number of the Target Company Shares

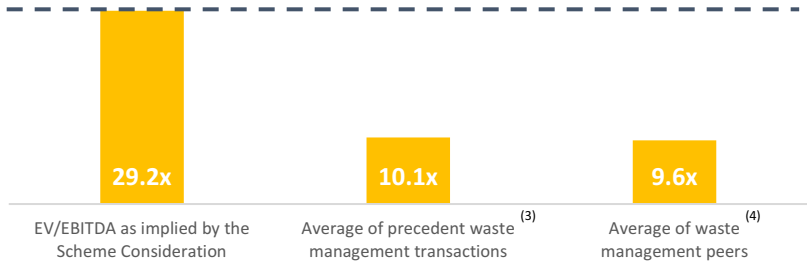
(2) The percentage figures are rounded to the nearest three (3) decimal places

Transaction Rationale (cont'd)

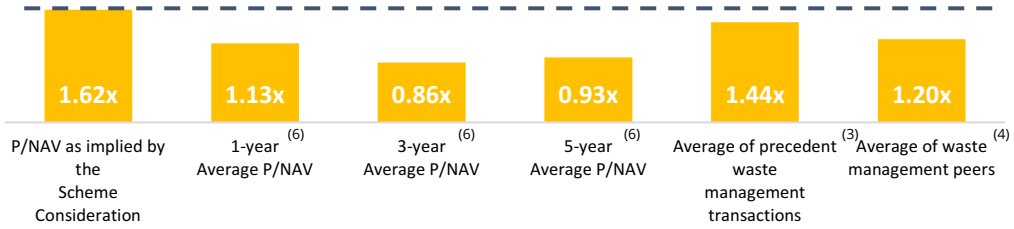
5

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

- The enterprise value ("**EV**") to earnings before interest, tax, depreciation and amortisation ("**EBITDA**") (the "**EV/EBITDA**")(1) as implied by the Scheme Consideration of 29.2x represents significant premium(2) of 190.8% and 203.4% to the EV/EBITDA as implied by the average of precedent waste management transactions of 10.1x and the average of waste management peers of 9.6x



- The price to net asset value ("**NAV**") (the "**P/NAV**")(5) as implied by the Scheme Consideration of 1.62x represents a premium 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 the Last Trading Date. The P/NAV as implied by the Scheme Consideration exceeds the average of precedent waste management transactions of 1.44x, and exceeds the P/NAV implied by the average of waste management peers of 1.20x



Source: Bloomberg L.P., Capital IQ and company filings

(1) 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

(2) 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 EV/EBITDA are due to rounding.

(3) Please refer to paragraph 3.5 of the Joint Announcement for full list of the selected precedent waste management transactions

(4) Please refer to paragraph 3.5 of the Joint Announcement for full list of the selected waste management peers

(5) Derived from the Target Company's latest reported NAV of S$18,864,000 on 30 June 2022

(6) The historical average is computed daily up to and including the Last Trading Date and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and the Target Company filings

Transaction Rationale (cont'd)

6 **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 of directors of the Target Company (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 following 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 total returns of 21.7% per annum for a Scheme Shareholder who had acquired the Target Company Shares 36 months prior to the Last Trading Date

Closing price 36 months prior to the Last Trading Date(1)	Scheme Consideration	Dividends for the past 36 month up to and including the Last Trading Date(2)	Sum of Scheme Consideration and total dividends up to the Last Trading Date	Total returns over the past 36 months(3)	Annualised total returns over the past 36 months(3)
S$0.230	S$0.230	S$0.1845	S$0.4145	80.2%	21.7%

Source: Bloomberg L.P., and company filings

(1) Based on the last traded price of the Target Company Shares prior to the 36 months period prior to the Last Trading Date sourced from Bloomberg L.P.

(2) This refers to the total dividends distributed per Target Company Share for the past 36 months prior to the Last Trading Date, and includes the special tax-exempt one-tier dividend of S$10.00 cents per Target Company Share paid on 31 August 2020 and the special tax-exempt one-tier dividend of S$7.55 cents per Target Company Share paid on 19 May 2022

(3) Total return is rounded to one (1) decimal place and subject to rounding difference

3. Timeline

Expected Indicative Timeline

The Scheme is expected to be effective in the 1st quarter 2023

Event	Date
Expected date of Scheme Meeting for Scheme Shareholders(1)	First quarter of 2023
Expected Effective Date of the Scheme(2)	First quarter of 2023
Expected delisting of the Target Company	First quarter of 2023

Notes: The above timeline is indicative only and may be subject to change. Please refer to future SGXNET announcement(s) by the Target Company and/or the Offeror for the exact dates of these events

(1) The dates of the Court hearings of the application to (a) convene the Scheme Meeting and (b) approve the Scheme will depend on the dates that are allocated by the Court

(2) The Scheme will become effective upon the lodgement of the Scheme Court Order in accordance with Section 210(5) of the Companies Act with the Accounting and Regulatory Authority of Singapore. Please refer to the Joint Announcement for more details.

Investor Contact

For any enquiries relating to the Privatisation

DBS Bank Ltd.

Strategic Advisory

Telephone: +65 6878 6347

Thank You