COLEX HOLDINGS LTD

ANNUAL REPORT 2013

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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 relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this annual report.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, 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 of Singapore Exchange Securities Trading Limited) 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 was attained in May 2010.

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.

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 2013 ("FY2013") increased by 15.62% from S$45.52 million for the financial year ended 31 December 2012 ("FY2012") to S$52.63 million in FY2013. The waste disposal segment had a 14.61% increase in revenue from S$26.99 million in FY2012 to S$30.93 million in FY2013. Revenue from the contract cleaning segment increased by 17.10% from S$18.53 million in FY2012 to S$21.70 million in FY2013. The increase in revenue from both segments was mainly due to the successful tender for the refuse collection services in the Jurong sector, renewal of existing contracts at higher value and more new contracts secured during FY2013.

Group operating profit before tax increased by 37.77% from S$2.28 million in FY2012 to S$3.13 million in FY2013. Operating profit before tax for the waste disposal segment increased by S$0.67 million from S$0.32 million in FY2012 to S$0.99 million in FY2013 due to the successful renewal of Jurong sector municipal waste contract at better margin. Operating profit before tax for the contract cleaning segment increased by S$0.18 million from S$1.96 million in FY2012 to S$2.14 million in FY2013. This was mainly due to higher revenue and better contract margin for new contracts as well as existing contracts upon renewal.

Earnings per share increased from 1.49 Singapore cents in FY2012 to 2.06 Singapore cents in FY2013, while the net tangible assets per share increased from 14.11 Singapore cents as at 31 December 2012 to 15.67 Singapore cents as at 31 December 2013.

OPERATIONS HIGHLIGHTS

The Group continued to show good improvement in their overall bottom line for FY2013. More new contracts were secured and existing contracts were renewed with better margins. This has helped to partially offset higher operating costs such as increase in wages, foreign worker levies and accommodation costs for the foreign workers. The renewal of the public waste collection contract for the Jurong sector at higher rates which commenced on 1 April 2013 has also bolstered the overall profitability for the waste disposal segment.

Our continuous drive to deliver excellent services is founded on the premise that our customers are at the heart of our business. This belief is strongly embedded and manifested in our ISO 9001 Quality Management System, 14001 Environmental Management System, BizSafe Level 3 for Workplace Health & Safety, strategic thinking, operational planning and the investment we make in new technologies and capabilities. Leveraging on the insight gained from our vast working experience with our customers and the time spent with them, we have optimised our operations systems and procedures to serve their diverse needs. On all levels of our engagement with our customers from ensuring prompt delivery of services to enhancing conveniences, our dedicated workforce and a team of professionals constantly works at maximising customer experience.

We have completed the reorganisation of the Company's industrial and commercial waste ("ICW") and the public waste collection ("PWC") businesses on 1 April 2013. These businesses are now under Colex Environmental Pte Ltd ("CEPL"), a wholly owned subsidiary of Colex Holdings Limited ("Colex") which has become the investment holding company. CEPL has moved to its new depot at 8 Tuas South St 13 on 17 February 2014. The land is leased from Jurong Town Corporation ("JTC") and the lease period is 18 years from November 2012. The leased depot at 20 Jalan Tukang has been returned to JTC on 28 February 2014.

CHAIRMAN'S STATEMENT

DIVIDEND

For FY2013, 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$662,613 (FY2012's tax-exempt (one-tier) first and final dividend of 0.5 Singapore cents per ordinary share amounted to S$662,613). The first and final dividend, if approved at the Company's forthcoming Annual General Meeting on 21 April 2014, will be paid on 15 May 2014.

OUTLOOK

The outlook for the financial year ending 31 December 2014 will continue to be challenging due to the uncertain global economic outlook. To continue to be successful in the years ahead, we will keep building on our strengths and hold fast to our values. Recruitment of manpower in the near future due to the tightening of the foreign workers dependency ratios by the Singapore Government will remain an uphill task and we will continue to enhance our productivity and to improve efficiency in our operations.

CEPL will be installing the Material Recovery Facilities in the 4th quarter of 2014 for sorting the recyclables from the ICW and PWC businesses. This is in line with our aim to increase the recycling rate to save the environment.

We will remain disciplined in pursuing businesses and customers using the right business models where the long term interests of shareholders and the objectives of management are aligned. The challenges ahead are to continue to build the Group's presence and brand in the markets and to seek the right opportunities for the Group to grow to the next level.

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
11 March 2014

OPERATIONS REVIEW

OPERATIONS REVIEW

We have come a long way to build up our customer base and continue to foster our good working relationships and ties with all our valued customers. These achievements have been well accepted by our customers and have provided us with great impetus to continue to innovate and deliver excellent customer experience. The impetus to constantly keep pace with evolving customer needs and preferences has enabled us to secure new contracts and renewals with better rates in tandem with rising operating costs despite intense competition and challenging labour market conditions such as labour crunch, higher worker's salaries and increase in foreign worker's levy.

In December 2013, the contract cleaning segment obtained the Clean Mark Silver award under the Enhanced Clean Mark Accreditation Scheme administered by the National Environment Agency ("NEA"). A key requirement of the award is that at least 50% of our cleaning operatives have to undergo at least 2 modules of Singapore Workforce Skills Qualifications in Environmental Cleaning, commonly known as ("ECWSQ"), developed by the Singapore Workforce Development Agency ("WDA") together with the industry players. Our cleaning operatives trained with ECWSQ are equipped with the skills to improve work performance and thus are able to enhance our competitive edge in the industry.

The Group was able to harness the strength of our resources to deliver holistic and tailored solutions to all our customers. Our staff has displayed tireless effort to work closely with all our customers to ensure that the customers' needs are met because customer needs and preferences are becoming increasingly sophisticated. We will always keep track of customers' expectation ensuring that the Group remains poised to meet any challenges that may arise from time to time.

Recycling efforts had also been intensified to promote recycling. The recycling culture has started to gain traction whereby households, industrial and trade premises were seen to be very supportive in their recycling efforts. Although their impact on the reduction in the waste stream is not very significant, we believe that over time, the results will be encouraging.

OPERATIONS REVIEW

THE TEAM

The Group recognise that our employees are the backbone of the Group and we devote significant attention towards fostering employees' satisfaction and growing talent. To ensure that growth in our talents is well paced and executed seamlessly, we have been progressively investing in the development of our employees and their career progression. This will enhance our employees' performance which is key in providing excellent customer service and meeting our customers' expectation. We strive to attract and retain the best talents by providing them with training opportunities, career mobility and career development opportunities.

MOVING AHEAD

With the perpetual intense competition and the continuous difficult operating environment as anticipated in year 2014, the Group remains focused on its core businesses and to reinforce its market position. We will continue to leverage on our strengths and core values in our business model which draws upon the diversity of our markets environment that will help to sustain our business viability.

Towards the end of last year, the Labour Union announced that in year 2014, it will, together with other government agencies, roll out more measures and initiatives aimed at achieving a breakthrough in raising the salary of low-wage resident workers, among whom are our cleaning operatives. The overall operating costs are therefore expected to increase in the very near future and we are mindful of the impact on the overall bottom line. Efforts will be taken to optimise the resources and to improve productivity and efficiency in all our systems and work processes in order to remain competitive and relevant.

In January 2014, the Ministry of the Environment and Water Resources, which regulates the cleaning sector, introduced The Environmental Public Health ("EPH") Amendment Bill to provide for a new compulsory licensing scheme for cleaning firms. Under the provisions of the bill, cleaning firms must have a licence to operate within five months of the provisions coming into force, which is expected to be in April 2014. A key requirement of the licence is that cleaning firms must adopt a progressive wage model ("PWM") to pay their resident cleaning operatives. The PWM for cleaning sector, a tiered wage scheme, is introduced to ensure that resident cleaning operatives receive wages that commensurate with their skills and tasks they perform. Cleaning costs will rise further as resident cleaning operatives are expected to be paid more in the near future under the licensing PWM regime. Cleaning firms that do not follow PWM will be punished for not complying with the licence requirements, including having their licence suspended or revoked. Customers who hire cleaning firms without licence will also be punished. Our cleaning segment is well geared and prepared for the application of the licence when the licensing scheme is due to be implemented in September 2014.

Backed by a strong base of resources and an anticipated pipeline of future growth business, the Group is confident to rise to the challenges of the increasingly volatile markets and intensifying competition. Expansion through selective acquisitions and mergers if opportunities arise, in addition to driving organic growth, is our strategy to reinforce and improve our market position to the next level of growth.

CORPORATE DATA

COMPANY REGISTRATION NUMBER
197101485G

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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 Grant Thornton 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

	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
REVENUE	52,631	45,519	41,052	38,622	40,687
PROFIT BEFORE TAXATION	3,134	2,275	1,495	638	1,480
PROFIT AFTER TAXATION	2,728	1,970	1,457	570	1,389
GROSS DIVIDEND PER SHARE (SINGAPORE CENTS)	0.50	0.50	0.50	0.30	0.80
EARNINGS PER SHARE (SINGAPORE CENTS) AFTER TAX	2.06	1.49	1.10	0.43	1.05
DILUTED EARNINGS PER SHARE (SINGAPORE CENTS) AFTER TAX	2.06	1.49	1.10	0.43	1.05
NET TANGIBLE ASSETS PER SHARE (SINGAPORE CENTS)	15.67	14.11*	13.13*	12.33*	12.70*
DIVIDEND COVER (TIMES)	4.12	2.97	2.20	1.43	1.31
FIXED ASSETS	17,628	4,840*	4,902*	8,707*	9,228*
NET CURRENT ASSETS	8,751	14,476	13,196	8,440	8,243
SHAREHOLDERS' FUND	20,769	18,704	17,396	16,336	16,827

* 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 entire 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 Director 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 is currently the Director (Special Duties) in Singapore Totalisator Board. Prior to this appointment, 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 is a Fellow member of the Institute of Singapore Chartered Accountants and 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, overseeing the waste disposal operations and recycling activities of the Company. 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 and was responsible for all issues related to waste disposal operations of the Company.

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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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.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 2013 ("FY2013"):

	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 FY2013

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

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

The Company will also provide training 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 FY2013, 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 FY2013 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;

CORPORATE GOVERNANCE STATEMENT (CONT'D)

- 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 Singapore Institute of Directors.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment 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 Fong will retire by rotation at the forthcoming AGM and be eligible for re-election. 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 judgment 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 judgment 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 Board's review of their independence.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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.

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

The Chairman's responsibilities include:

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

In assuming his roles and responsibilities, Mr Henry Ngo consults with the Board, AC, NC and RC on major issues and as such, the Board believes that there 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 not directly associated with any 10% shareholder of the Company.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 Henry Ngo and Mr Fong Heng Boo 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 (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 Henry Ngo will, upon re-election as a Director of the Company, remain as the Executive Chairman, and a member of the AC, RC and the NC. Mr Henry Ngo is considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.

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

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, Mr Fong Heng Boo and Mr Henry Ngo each, 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 (CONT'D)

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)
Mr Henry Ngo	Member of Singapore Institute of Directors	Chairman and Executive	Member: Audit Committee Nominating Committee Remuneration Committee	03.11.1983	19.04.2012	Bonvests Holdings Limited
Mr Desmond Chan Kwan Ling	Bachelor of Engineering (Honours) and Master of Science	Executive	–	07.09.2012	17.04.2013	–
Mr Ding Chek Leh	Bachelor of Engineering (Honours)	Executive	–	26.03.1999	17.04.2013	–
Mr Fong Heng Boo	Fellow, Certified Public Accountant (Singapore)	Independent Non-Executive	Chairman: Audit Committee Nominating Committee Member: Remuneration Committee	26.03.1999	19.04.2011	Pteris Global Limited Capital Retail China Trust Management Limited (CRCTML) Sapphire Corporation Ltd
Mr Lim Hock Beng	Member of Singapore Institute of Directors	Independent Non-Executive	Chairman: Remuneration Committee Member: Audit Committee Nominating Committee	26.03.1999	17.04.2013	Huan Hsin Holdings Limited GP Industries Limited King Wan Corporation Limited TA Corporation Ltd

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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, 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.

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 FY2013 and is of the view that the performance of the Board as a whole, the Board Committees and each individual Director, has been satisfactory. 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.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

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. 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 is necessary for this purpose.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 based on their operating unit performance and their individual performance. For key management personnels, they are paid a fixed monthly salary and variable bonus based on their operating unit performance. The performance targets have been met for FY2013. 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 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 FY2013 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 FY2013 is set out below:

	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total Compensation
DIRECTORS					
Between S$250,000 and S$500,000					
Ding Chek Leh	49%	40%	–	11%	100%
Below S$250,000					
Henry Ngo	–	–	–	–	–
Desmond Chan	65%	27%	–	8%	100%
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 (CONT'D)

Top 6 Key Management Personnel (who are not Directors)

	Mix of Remuneration			
	Salary	**Bonus**	**Others**	**Total**
Below S$250,000				
Executive 1	77%	12%	11%	100%
Executive 2	74%	13%	13%	100%
Executive 3	75%	12%	13%	100%
Executive 4	85%	13%	2%	100%
Executive 5	85%	13%	2%	100%
Executive 6	56%	29%	15%	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$641,000 for FY2013.

There are no retirement 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 FY2013.

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 (CONT'D)

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 a very competitive one 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Financial risk

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

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

The Group has policies in place to ensure that transactions are conducted with customers with strong credit ratings. The Group's credit risks and amount owing by customers are monitored on an on-going basis by the General Managers. The waste disposal division relies on an external agent to carry out its billing for municipal waste collection and for private contracts. Therefore, it is exposed to the risk of uncollectable payables as it is dependent on the external agent for the collection of the payables. The external agent has comprehensive collection procedures to follow up on all the outstanding dues and reports such as aging are given for our regular review. 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 26 of the financial statements on Page 69 of the Annual Report for a more comprehensive disclosure of our financial risk management.

For FY2013, 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 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. 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 is a Fellow member of the Institute of Singapore Chartered Accountants ("ISCA") and holds a Bachelor Degree in Accountancy (Honours) from the University of Singapore. As a Fellow member of ISCA, he maintains a continuing practice development programme to keep abreast of current accounting standards. 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 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 judgments 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 AC, having reviewed the range and value of non-audit services performed by the external auditors, Foo Kon Tan Grant Thornton LLP, during FY2013 which amounted to S$21,700 or 31% 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 Grant Thornton 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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.

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 FY2013 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, and reviews performed by Management and the various Board Committees, 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 were adequate during FY2013.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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.

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 FY2013, the Board has proposed a first and final dividend of Singapore cents 0.5 (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 Directors and employees of the Company 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 (CONT'D)

The Group has a general mandate for recurrent interested person transactions approved by shareholders at the extraordinary general meeting held on 17 April 2013. Save as disclosed below, there are no other interested person transactions for FY2013.

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$246,295	–
Allsland Pte Ltd [(2)]	S$212,475	–
Richvein Pte Ltd [(3)]	S$687,180	S$385,380

(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 FY2013 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 2013.

Non-Sponsor Fees

The amount of non-sponsor fees paid to PrimePartners Corporate Finance Pte. Ltd. for FY2013 was S$15,000.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2013.

NAMES OF DIRECTORS

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

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 OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

		Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
Name of director	Name of company in which shares are held	As at 1.1.2013	**As at 31.12.2013 and 21.1.2014**	As at 1.1.2013	**As at 31.12.2013 and 21.1.2014**
The Company					
Henry Ngo	Colex Holdings Limited	–	**–**	106,331,560	**106,331,560**
Immediate holding company					
Henry Ngo	Bonvests Holdings Limited	3,620,831	**3,620,831**	327,951,066	**328,077,066**
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	**2,596,474**
Henry Ngo	Singapore Tunisian Investment Company Immobiliere	–	**–**	187,800	**187,800**
Henry Ngo	Singapore Tunisian Investment Company Douz	–	**–**	1,500,000	**1,500,000**
Henry Ngo	Singapore Tunisian Investment Company Medina	–	**–**	–	**300,000**

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 2014.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except as disclosed in the accompanying financial statements, and except that one of the directors 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 31 December 2013.

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

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 2013 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).

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 Grant Thornton LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan Grant Thornton 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 22 to the financial statements.

On behalf of the Directors

DESMOND CHAN KWAN LING

FONG HENG BOO

Dated: 11 March 2014

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 2013 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: 11 March 2014

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") set out on pages 35 to 75, which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2013, 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 judgment, 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 (CONT'D)

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 2013 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 Grant Thornton LLP
Public Accountants and
Chartered Accountants

Tei Tong Huat
Partner in charge of the audit
Date of appointment: since financial year 2012

Singapore, 11 March 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	The Company 31 December 2013 $	The Company 31 December 2012 (restated) $	The Company 1 January 2012 (restated) $	The Group 31 December 2013 $	The Group 31 December 2012 (restated) $	The Group 1 January 2012 (restated) $
ASSETS							
Non-Current							
Property, plant and equipment	4	**–**	4,406,182	4,666,843	**17,628,359**	4,840,223	4,901,928
Subsidiaries	5	**4,488,705**	4,488,705	1,288,707	**–**	–	–
Deferred expenditure	6	**–**	–	–	**–**	–	–
		4,488,705	8,894,887	5,955,550	**17,628,359**	4,840,223	4,901,928
Current							
Inventories	7	**–**	8,580	6,369	**56,930**	28,132	27,435
Trade and other receivables	8	**9,960,649**	4,403,693	3,742,512	**8,630,268**	7,470,946	6,446,242
Deposits	9	**17,487**	1,936,742	34,972	**248,125**	2,009,037	90,912
Prepayments		**9,068**	76,237	79,304	**393,694**	143,728	110,791
Cash and cash equivalents	10	**1,187,971**	3,764,030	9,267,690	**7,428,892**	9,067,387	10,524,632
		11,175,175	10,189,282	13,130,847	**16,757,909**	18,719,230	17,200,012
Total assets		**15,663,880**	19,084,169	19,086,397	**34,386,268**	23,559,453	22,101,940
EQUITY AND LIABILITIES							
Capital and reserves attributable to equity holders of the Company							
Share capital	11	**14,523,504**	14,523,504	14,523,504	**14,523,504**	14,523,504	14,523,504
Retained profits		**821,442**	1,327,691	1,190,446	**6,245,920**	4,180,261	2,872,620
Total equity		**15,344,946**	15,851,195	15,713,950	**20,769,424**	18,703,765	17,396,124
LIABILITIES							
Non-Current							
Obligations under finance leases	12	**–**	–	–	**4,729,705**	–	–
Deferred income tax liabilities	13	**–**	596,809	690,456	**880,323**	613,082	701,580
		–	596,809	690,456	**5,610,028**	613,082	701,580
Current							
Trade and other payables	14	**278,934**	2,450,929	2,542,653	**4,725,061**	3,799,375	3,723,177
Obligations under finance leases	12	**–**	–	–	**2,978,946**	–	–
Accrual for directors' fees		**40,000**	40,000	35,000	**40,000**	40,000	35,000
Current tax payable		**–**	145,236	104,338	**262,809**	403,231	246,059
		318,934	2,636,165	2,681,991	**8,006,816**	4,242,606	4,004,236
Total equity and liabilities		**15,663,880**	19,084,169	19,086,397	**34,386,268**	23,559,453	22,101,940

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	**Year ended 31 December 2013 $**	Restated Year ended 31 December 2012 $
Revenue	3	**52,631,049**	45,518,895
Other income	15	**928,762**	532,384
Changes in inventories and consumables used		**(1,479,944)**	(1,438,430)
Staff costs	16	**(21,088,317)**	(17,134,431)
Depreciation of property, plant and equipment	4	**(1,907,532)**	(1,312,084)
Other operating expenses		**(25,909,002)**	(23,891,168)
Finance costs		**(40,544)**	–
Profit before taxation	17	**3,134,472**	2,275,166
Income tax expense	18	**(406,200)**	(304,912)
Profit for the year		**2,728,272**	1,970,254
Other comprehensive income after tax		**–**	–
Total comprehensive income		**2,728,272**	1,970,254
Profit attributable to:			
Owners of the parent		**2,728,272**	1,970,254
Non-controlling interests		**–**	–
		2,728,272	1,970,254
Total comprehensive income attributable to:			
Owners of the parent		**2,728,272**	1,970,254
Non-controlling interests		**–**	–
		2,728,272	1,970,254
Earnings per share	20	**Cents**	Cents
– Basic		**2.06**	1.49
– Diluted		**2.06**	1.49

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Share capital $	Retained profits $	Total $
Balance at 1 January 2012		14,523,504	2,872,620	17,396,124
Total comprehensive income		–	1,970,254	1,970,254
Dividends relating to 2011 paid	19	–	(662,613)	(662,613)
Balance at 31 December 2012		**14,523,504**	**4,180,261**	**18,703,765**
Total comprehensive income		**–**	**2,728,272**	**2,728,272**
Dividends relating to 2012 paid	19	**–**	**(662,613)**	**(662,613)**
Balance at 31 December 2013		**14,523,504**	**6,245,920**	**20,769,424**

Retained profits of the Group are distributable.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Year ended 31 December 2013 $	Year ended 31 December 2012 $ (restated)
Cash Flows from Operating Activities		
Profit before taxation	**3,134,472**	2,275,166
Adjustments for:		
Depreciation of property, plant and equipment	**1,907,532**	1,312,084
Property, plant and equipment written off	**38,025**	25,476
Interest expense on finance leases	**40,544**	–
Gain on disposal of property, plant and equipment	**(126,963)**	(28,369)
Interest income	**(2,198)**	(14,067)
Operating profit before working capital changes	**4,991,412**	3,570,290
Increase in inventories	**(28,798)**	(697)
Increase in operating receivables	**(1,439,105)**	(1,087,137)
Increase in operating payables	**925,686**	81,198
Cash generated from operations	**4,449,195**	2,563,654
Interest received	**2,198**	14,067
Income tax paid	**(279,381)**	(236,237)
Net cash generated from operating activities	**4,172,012**	2,341,484
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	**135,614**	29,448
Deposits paid to suppliers of property, plant and equipment	**–**	(1,888,629)
Acquisition of property, plant and equipment	**(4,014,792)**	(1,276,935)
Net cash used in investing activities	**(3,879,178)**	(3,136,116)
Cash Flows from Financing Activities		
Repayment of finance lease liabilities	**(1,228,172)**	–
Interest paid on finance lease liabilities	**(40,544)**	–
Payment of dividends	**(662,613)**	(662,613)
Net cash used in financing activities	**(1,931,329)**	(662,613)
Net decrease in cash and cash equivalents	**(1,638,495)**	(1,457,245)
Cash and cash equivalents at beginning	**9,067,387**	10,524,632
Cash and cash equivalents at end (Note 10)	**7,428,892**	9,067,387

During the year, the Group acquired property, plant and equipment with an aggregate cost of $14,742,344 (2012 – $1,276,935) of which $8,936,823 (2012 – $Nil) was acquired by means of finance leases. Cash payments of $4,014,792 (2012 – $1,276,935) were made to purchase property, plant and equipment after netting deposits paid in prior year to suppliers amounting to $1,790,729.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 December 2013 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, with the registered office at 541 Orchard Road #16-00, Liat Towers, Singapore 238881.

The principal activities of the Company are those of an investment holding company and a provider of waste management services, namely, waste disposal services to commercial, industrial and residential properties and other waste disposal related business. 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.

On 1 November 2012, the Board of Directors of the Company and the Group announced a reorganisation of the Company's industrial and commercial waste ("ICW") and future public waste collection ("PWC") businesses (the "Reorganisation"). Under the Reorganisation, the Company transferred all of its property, plant and equipment and its ICW and future PWC businesses to its wholly-owned subsidiary, Colex Environmental Pte Ltd ("CEPL"). The Reorganisation was effected during the financial year and the book value of the assets and liabilities transferred from the Company to CEPL on the date of the transfer on 1 April 2013 were as follows:

	$
Property, Plant and Equipment – Cost	13,324,335
Property, Plant and Equipment – Accumulated Depreciation	(9,099,156)
Net book value of Property, Plant and Equipment	4,225,179
Deposit	2,053,765
Trade and other receivables	2,399,779
Allowance for impairment of trade receivables	(40,733)
Trade and other payables	(212,021)
Deferred income tax liabilities	(607,377)
Net fair value of assets and liabilities transferred to CEPL	(7,818,592)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Significant accounting estimates and 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 disclosures 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.

The critical accounting estimates and assumptions used and areas involving a higher degree of judgement are described below.

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.

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 10 years. The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2013 are $NIL and $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.

Impairment in investment in subsidiaries (Note 5)

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

Allowance for bad and doubtful debts (Note 8 and Note 26.3)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Significant accounting estimates and judgements (Cont'd)

Allowance for bad and doubtful debts (Note 8 and Note 26.3) (Cont'd)

If the net present values of estimated cash flows had been higher/lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group and the Company would have been lower/higher by $9,433 and $Nil respectively.

Income tax (Note 13 and 18)

Significant judgement is required in determining the group-wide provision for income taxes. There are also 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 accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2013

On 1 January 2013, the Group adopted the amended FRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRS which are relevant to the Group.

Reference	Description
FRS 1	Presentation of Items of Other Comprehensive Income
FRS 19	Employee Benefits
FRS 16	Property, Plant & Equipment
FRS 107	Disclosures – Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurements
Improvements to FRSs 2012	

FRS 1 Presentation of items of Other Comprehensive Income

The amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) are effective for financial periods beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be classified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

Amendment to FRS 16 Property, Plant and Equipment – Classification of spare parts and servicing equipment

The Group has adopted the above amendment on 1 January 2013. The Group has previously classified the bins that are expected to be used over more than one period as deferred expenditure. Upon adopting the above amendment, the Group has re-classified the deferred expenditure as property, plant and equipment, and depreciated them over their expected usage period of 5 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2013 (Cont'd)

FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 107 provides disclosure requirements that are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures require information about the gross amount of financial assets and liabilities before offsetting and the amounts set off in accordance with the offsetting model in FRS 32.

FRS 113 Fair Value Measurement

FRS 113 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of FRS 113 is broad and it applies for both financial and non-financial items for which other FRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

FRS 113 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

The Group has applied FRS 113 for the first time in the current year.

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

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

2(C) FRS ISSUED BUT NOT YET EFFECTIVE

The following are the new or amended FRS and INT FRS issued in 2013 that are not yet effective but may be early adopted for the current financial year:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs 2014		
– Amendments to FRS 16	Property, Plant and Equipment	1 July 2014
– Amendments to FRS 24	Related Party Disclosures	1 July 2014
– Amendments to FRS 38	Intangible Assets	1 July 2014
– Amendments to FRS 40	Investment Property	1 July 2014
– Amendments to FRS 102	Share-based Payment	1 July 2014
– Amendments to FRS 103	Business Combinations	1 July 2014
– Amendments to FRS 108	Operating Segments	1 July 2014
– Amendments to FRS 113	Fair Value Measurement	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(C) FRS ISSUED BUT NOT YET EFFECTIVE (Cont'd)

- FRS 110 Consolidated Financial Statements

  FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group will apply FRS 110 from 1 January 2014, but this is not expected to have any significant impact on the financial statements of the Group.

- FRS 111 Joint Arrangements

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

- FRS 112 Disclosure of Interests in Other Entities

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

The Group will apply FRS 112 prospectively from 1 January 2014. FRS 112 will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statement.

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.

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 entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Consolidation (Cont'd)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which 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 balance sheet. 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 by the Group.

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

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 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 fair value of the net identifiable assets acquired is recorded as goodwill.

Disposals of subsidiaries or businesses

When a change in the Company'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 investment at the date when control is lost and its fair value is recognised in profit or loss. Please refer to the paragraph "Subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Consolidation (Cont'd)

Transactions with non-controlling interests

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

Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

On disposal, 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 computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Financial assets (Cont'd)

Loans and receivables (Cont'd)

Loans and receivables include trade and other receivables. 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 writeback is recognised in the profit or loss.

The carrying amount of current financial assets carried at amortised cost approximate their fair values.

Inventories

Inventories which principally comprise of consumables, 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 on hand and cash at bank.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Financial liabilities (Cont'd)

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.

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).

The carrying amounts of current financial liabilities carried at amortised cost approximate their fair values.

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 comply with the terms of their credit facilities.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

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.

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 pretax 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.

Leases

Finance leases

Where the Group is the lessee

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 leases

Where the Group is the lessee

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Income taxes (Cont'd)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Employee benefits (Cont'd)

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.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

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.

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.

All individual assets or cash-generating units are tested for impairment at least annually. All 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. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

Impairment of non-financial assets (Cont'd)

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.

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. 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 and 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 Dollar, which is also the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

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.

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.

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 management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management objectives and policies are provided in Note 26 to the financial statements.

3 PRINCIPAL ACTIVITIES AND REVENUE

Revenue represents the invoiced value of services rendered in the collection and disposal of waste and 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	**2013** **$**	2012 $
Waste disposal	**30,928,363**	26,985,221
Contract cleaning	**21,702,686**	18,533,674
	52,631,049	45,518,895

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4 PROPERTY, PLANT AND EQUIPMENT

	Plant, equipment and containers $	Office furniture and equipment $	Vehicles $	Construction–in-progress $	Total $
The Company					
Cost					
At 1 January 2012 as previously reported	4,505,222	373,018	9,322,667	–	14,200,907
Effects of adoption of the amendments to FRS 16	770,101	–	–	–	770,101
At 1 January 2012 (restated)	5,275,323	373,018	9,322,667	–	14,971,008
Additions	243,127	1,420	709,362	–	953,909
Disposals	(159,366)	(985)	(489,721)	–	(650,072)
At 31 December 2012	**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**
Accumulated depreciation					
At 1 January 2012 as previously reported	2,925,808	339,435	6,444,853	–	9,710,096
Effects of adoption of the amendments to FRS 16	594,069	–	–	–	594,069
At 1 January 2012 (restated)	3,519,877	339,435	6,444,853	–	10,304,165
Depreciation	569,036	20,980	599,149	–	1,189,165
Disposals	(134,065)	(985)	(489,617)	–	(624,667)
At 31 December 2012	**3,954,848**	**359,430**	**6,554,385**	**–**	**10,868,663**
Depreciation	**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**
Net book value					
At 31 December 2013	–	–	–	–	–
At 31 December 2012 (restated)	1,404,236	14,023	2,987,923	–	4,406,182

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Plant, equipment and containers $	Office furniture and equipment $	Vehicles $	Construction–in-progress $	Total $
The Group					
At 1 January 2012 as previously reported	5,543,850	452,429	9,505,754	–	15,502,033
Effect of adoption of the amendments to FRS 16 (Note 29(i))	770,101	–	–	–	770,101
At 1 January 2012 (restated)	6,313,951	452,429	9,505,754	–	16,272,134
Additions	467,438	5,640	803,857	–	1,276,935
Disposals	(273,839)	(985)	(489,721)	–	(764,545)
At 31 December 2012	**6,507,550**	**457,084**	**9,819,890**	**–**	**16,784,524**
Additions	**4,294,331**	**54,562**	**7,796,993**	**2,596,458**	**14,742,344**
Disposals	**(998,471)**	**(5,326)**	**(453,299)**	**–**	**(1,457,096)**
At 31 December 2013	**9,803,410**	**506,320**	**17,163,584**	**2,596,458**	**30,069,772**
Accumulated depreciation					
At 1 January 2012 as previously reported	3,754,660	408,997	6,612,480	–	10,776,137
Effect of adoption of the amendments to FRS 16 (Note 29(i))	594,069	–	–	–	594,069
At 1 January 2012 (restated)	4,348,729	408,997	6,612,480	–	11,370,206
Depreciation	662,905	25,123	624,056	–	1,312,084
Disposals	(247,387)	(985)	(489,617)	–	(737,989)
At 31 December 2012	**4,764,247**	**433,135**	**6,746,919**	**–**	**11,944,301**
Depreciation	**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**
Net book value					
At 31 December 2013	**5,196,165**	**58,781**	**9,776,955**	**2,596,458**	**17,628,359**
At 31 December 2012 (restated)	1,743,303	23,949	3,072,971	–	4,840,223

(a) Included within additions in the consolidated financial statements are compactors and motor vehicles acquired under finance leases amounting to $2,819,700 (2012 – $Nil) and $6,117,123 (2012 – $Nil) respectively.

The carrying amounts of compactors and motor vehicles held under finance leases are $2,678,584 (2012 – $Nil) and $5,668,402 (2012 – $Nil) respectively at the date of the statement of financial position.

(b) During the financial year, the Company transferred property, plant and equipment with a carrying amount of $4,225,179 to its subsidiary, Colex Environmental Pte Ltd, as part of the Group's reorganisation [Note 1].

(c) The construction-in-progress relates to the construction of a 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

5 SUBSIDIARIES

The Company	**2013** **$**	2012 $
Unquoted equity investments, at cost		
Balance at beginning	**4,488,705**	1,288,707
Addition	**–**	3,199,998
Balance at end	**4,488,705**	4,488,705

On 1 November 2012, the Company increased its investment in its wholly-owned subsidiary, Colex Environmental Pte Ltd via cash injection of $3,199,998 for future working capital requirements of the subsidiary. There is no change in the percentage of the equity held by the Company after the capital injection.

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investment		Percentage of equity held		Principal activity
		2013 **$**	2012 $	**2013** **%**	2012 %	
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
		4,488,705	4,488,705			

* audited by Foo Kon Tan Grant Thornton LLP

6 DEFERRED EXPENDITURE

The Company and The Group	**2013** **$**	2012 $
Cost of bins		
Balance at beginning	**–**	770,101
Reclassified to property, plant and equipment (Note 29(i))	**–**	(770,101)
Balance at end	**–**	–
Accumulated amortisation		
Balance at beginning	**–**	594,069
Reclassified to property, plant and equipment (Note 29(i))	**–**	(594,069)
	–	–

The Company was awarded a 7-year contract by the National Environment Agency commencing 1 April 2006 to provide waste disposal services to the Jurong Sector. The distribution of bins to the Jurong Sector took place in April 2006. Additional bins were distributable during the 7-year contract period. The cost of bins was amortised over the remaining period of the 7-year contract, which expired on 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7 INVENTORIES

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Consumables	**–**	8,580	**56,930**	28,132

8 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Trade receivables				
– Third parties	**–**	3,318,609	**7,783,473**	6,844,905
– Subsidiary	**1,285,760**	–	**–**	–
Allowance for impairment of trade receivables	**–**	(42,449)	**(94,334)**	(46,049)
Net trade receivables	**1,285,760**	3,276,160	**7,689,139**	6,798,856
Income receivable	**–**	519,750	**743,517**	519,750
Interest receivable	**–**	2,183	**–**	2,183
Amounts owing by subsidiaries – non-trade	**8,672,181**	600,000	**–**	–
Staff advance	**–**	5,600	**5,400**	7,400
Others	**2,708**	–	**192,212**	142,757
	9,960,649	4,403,693	**8,630,268**	7,470,946

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 (2012 – dividend receivable). The amounts are unsecured, interest-free and repayable on demand.

Trade and other receivables are denominated in Singapore dollar.

Further details of credit risks on trade and other receivables are disclosed in Note 26.3.

9 DEPOSITS

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Deposits	**17,487**	48,113	**150,225**	120,408
Deposits paid to suppliers of property, plant and equipment	**–**	1,888,629	**97,900**	1,888,629
	17,487	1,936,742	**248,125**	2,009,037

Deposits are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Cash on hand	**–**	457	**2,000**	2,457
Cash at banks	**1,187,971**	2,157,787	**7,426,892**	7,459,144
Fixed deposits	**–**	1,605,786	**–**	1,605,786
	1,187,971	3,764,030	**7,428,892**	9,067,387

The fixed deposits in prior year had on average maturity period of 3 months from the end of the financial year and earned interest at the effective rate of 0.2910% per annum for the Company and for the Group.

Cash and cash equivalents are denominated in Singapore dollar.

11 SHARE CAPITAL

	2013	2012
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. All shares rank equally with regard to the Company's residual assets.

12 OBLIGATIONS UNDER FINANCE LEASES

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].

	2013	2012
The Group	**$**	$
Minimum lease payments due:		
– Not later than one year	**3,077,292**	–
– Between one and five years	**4,885,731**	–
	7,963,023	–
Less: Future finance charges	**(254,372)**	–
Present value of finance lease liabilities	**7,708,651**	–
Present value of minimum lease liabilities are analysed as follows:		
– Not later than one year	**2,978,946**	–
– Between one and five years	**4,729,705**	–
	7,708,651	–

Obligations under finance leases are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

12 OBLIGATIONS UNDER FINANCE LEASES (Cont'd)

12.1 Effective interest rates

The effective interest rates of obligation under finance lease at the end of reporting period is 2.24% per annum.

12.2 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:

	2013		2012	
	Carrying amounts $	**Fair values $**	Carrying amounts $	Fair values $
Between one and five years	**4,729,705**	**4,623,802**	–	–

The fair value is determined from the discounted cash flows analysis, using a discount rate based upon the hire-purchase interest rate which the directors expect would be available to the Group at the end of the reporting period.

13 DEFERRED INCOME TAX LIABILITIES

	The Company		The Group	
	2013 $	2012 $	**2013 $**	2012 $
Deferred tax liabilities				
To be settled within one year	**–**	102,184	**247,244**	115,393
To be settled after one year	**–**	494,625	**633,079**	497,689
	–	596,809	**880,323**	613,082

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

	The Company		The Group	
	2013 $	2012 $	**2013 $**	2012 $
Balance at beginning	**596,809**	690,456	**613,082**	701,580
Tax charged to/(from) income statement (Note 18)				
– current year	**10,568**	(96,723)	**275,649**	(88,057)
– under provision/(over provision) in previous years	**–**	3,076	**(8,408)**	(441)
Transfer to a subsidiary (Note 1)	**(607,377)**	–	**–**	–
Balance at end	**–**	596,809	**880,323**	613,082

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

13 DEFERRED INCOME TAX LIABILITIES (Cont'd)

The balance comprises tax on the following temporary differences:

	Excess of net book value over tax written down value of qualifying property, plant and equipment	Provision for unutilised leave	Unabsorbed capital allowance	Total
	$	$	$	$
The Company				
At 1 January 2012	700,028	(9,572)	–	690,456
Charged to profit or loss (Note 18)	(92,651)	(996)	–	(93,647)
At 31 December 2012	**607,377**	**(10,568)**	**–**	**596,809**
Credited to profit or loss (Note 18)	**–**	**10,568**	**–**	**10,568**
Transfer to a subsidiary (Note 1)	**(607,377)**	**–**	**–**	**(607,377)**
At 31 December 2013	**–**	**–**	**–**	**–**
The Group				
At 1 January 2012	726,076	(24,496)	–	701,580
Charged to profit or loss (Note 18)	(85,800)	(2,698)	–	(88,498)
At 31 December 2012	**640,276**	**(27,194)**	**–**	**613,082**
Credited/(Charged) to profit or loss (Note 18)	**469,606**	**(15,181)**	**(187,184)**	**267,241**
At 31 December 2013	**1,109,882**	**(42,375)**	**(187,184)**	**880,323**

Subject to agreement with the relevant tax authorities, the Group has unabsorbed capital allowances of approximately $1,101,000 (2012 – $Nil) available for offset against future taxable profits provided that the provisions of relevant countries' tax legislations are complied with.

14 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Trade payables	**278,934**	2,279,307	**4,723,963**	3,627,003
Retention amount from employees	**–**	74,350	**–**	74,350
Deposits received	**–**	96,243	**–**	96,243
Others	**–**	1,029	**1,098**	1,779
	278,934	2,450,929	**4,725,061**	3,799,375

Trade payables are generally on a 30 days credit terms.

Trade and other payables are denominated in Singapore dollar.

Further details of liquidity risks on trade and other payables are disclosed in Note 26.4.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

15 OTHER INCOME

The Group	2013 $	2012 $
Operating lease income	**96,157**	88,862
Gain on disposal of property, plant and equipment	**126,963**	28,369
Interest income on fixed deposits	**2,198**	14,067
Government grant:		
– Skill Development Fund	**152,895**	37,324
– Special Employment Scheme	**435,793**	222,283
Write back of unclaimed wages	**8,371**	16,272
Late payment charges	**24,924**	29,065
Other income	**81,461**	96,142
	928,762	532,384

16 STAFF COSTS

The Group	2013 $	Restated 2012 $
Directors		
– salaries and related costs	**533,086**	471,031
– CPF contributions	**20,826**	24,104
	553,912	495,135
Key management personnel other than directors		
– salaries and related costs	**581,426**	610,056
– CPF contributions	**59,607**	60,085
	641,033	670,141
Other than directors and key management personnel		
– salaries and related costs	**18,385,763**	14,820,996
– CPF contributions	**1,507,609**	1,148,159
	19,893,372	15,969,155
	21,088,317	17,134,431

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

17 PROFIT BEFORE TAXATION

The Group	Note	2013 $	Restated 2012 $
Profit before taxation has been arrived at after charging:			
Bad debt written off		**1,304**	2,761
Allowance for impairment of trade receivables	26.3	**75,744**	–
Allowance for impairment of trade receivables written back	26.3	**–**	(4,730)
Audit fee paid to:			
– Auditor of the Company		**70,000**	54,800
Non-audit fee paid to:			
– Auditor of the Company (tax compliance)		**21,700**	11,700
Cost of inventories recognised as expense		**1,479,944**	1,438,430
Depreciation of property, plant and equipment	4	**1,907,532**	1,312,084
Directors' fee		**40,000**	40,000
Distillate fees		**1,240,358**	1,266,283
Dumping fees		**16,266,850**	15,778,722
Service agency fees		**1,160,617**	992,522
Operating lease rentals		**1,729,189**	1,056,557
Property, plant and equipment written off		**38,025**	25,476
Staff costs	16	**21,088,317**	17,134,431
Interest expense on finance leases		**40,544**	–
and crediting:			
Gain on disposal of property, plant and equipment		**126,963**	28,369
Operating lease income		**96,157**	88,862
Interest income on fixed deposits		**2,198**	14,067
Government grant:			
– Skill Development Fund		**152,895**	37,324
– Special Employment Credit Scheme		**435,793**	222,283

18 INCOME TAX EXPENSE

The Group	2013 $	2012 $
Current income tax	**262,809**	403,230
Deferred income tax (Note 13)	**275,649**	(88,057)
	538,458	315,173
Under/(over) provision in prior years		
– current income tax	**(123,850)**	(9,820)
– deferred income tax (Note 13)	**(8,408)**	(441)
	406,200	304,912

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

18 INCOME TAX EXPENSE (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

The Group	**2013** **$**	2012 $
Profit before taxation	**3,134,472**	2,275,166
Tax at statutory rate of 17%	**532,861**	386,778
Effect of:		
– expenses not deductible for tax purposes	**46,037**	40,631
– tax incentives	**(49,010)**	(31,842)
Tax effect on non-taxable income		
– government grants	**(7,796)**	(17,120)
– other non-taxable income	**(7,319)**	(11,389)
Singapore statutory stepped income exemption	**(25,925)**	(51,850)
Overprovision of tax	**(132,258)**	(10,261)
Others	**(10,305)**	–
Tax effect on tax losses not available to carry forward	**89,915**	–
Tax rebate	**(30,000)**	(35)
	406,200	304,912

19 DIVIDENDS

The Company and The Group	**2013** **$**	2012 $
Ordinary dividends paid		
– final tax-exempt (one-tier) dividend paid in respect of the previous financial year of 0.5 cents (2012 – 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 recommended. These financial statements do not reflect this dividends, which will be accounted for in shareholders' equity as a appropriation of retained profits in the financial year ending 31 December 2014.

20 EARNINGS PER SHARE

The Group	**2013** **Cents**	2012 Cents
Earnings per share	**2.06**	1.49

The earnings per share is calculated based on the consolidated profit attributable to owners of the parent for the year of $2,728,272 (2012 – $1,970,254) divided by the weighted average number of shares in issue of 132,522,560 (2012 – 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

21 CORPORATE GUARANTEE

The Company

The Company has given corporate guarantee to a bank amounting to $15,600,000 (2012 – $1,600,000) in respect of banking facilities for performance bonds granted to subsidiaries, Integrated Property Management Pte Ltd and Colex Environmental Pte Ltd.

These banking facilities have been utilised amounting to $8,638,059 (2012 – $1,253,329). As at 31 December 2013 and at 31 December 2012, there is insignificant effect on the financial guarantee which may require adjustment to fair value to be made to the financial statements.

22 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 rate:

The Group	**2013** **$**	2012 $
With companies in which a Director has interest		
Cleaning service fee income	**159,148**	136,095
Waste disposal	**28,819**	25,160
Rental	**24,508**	20,692
With fellow subsidiaries		
Cleaning service fee income	**809,128**	715,347
Waste disposal	**128,844**	121,023
Rental	**71,649**	68,176
Others	**–**	(1,040)

23 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	
	2013 **$**	2012 $	**2013** **$**	2012 $
Lease which expires:				
Not later than one year	**140,051**	36,736	**15,251**	23,070

The leases on the Company's and the Group's office premises on which rentals are received will expire on 30 March 2014. The current rental received for each lease ranges from $2,121 per month to $5,971 per month.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 COMMITMENTS

24.1 Capital commitments

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Capital expenditure contracted but not provided for in the financial statements	**–**	10,027,196	**3,659,403**	10,027,196

The capital expenditure contracted is for the acquisition of vehicles and equipment for replacement of older fleets and construction costs of depot at 8 Tuas South Street 13.

24.2 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, office premises, staff accommodation, vehicles and office equipment:

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Lease which expires:				
Not later than one year	**151,400**	935,210	**1,009,128**	1,259,123
Later than one year and not later than five years	**–**	228,365	**1,731,650**	349,866
Later than five years	**–**	–	**4,664,242**	–

The Company and the Group

In previous years, the Company surrendered the lease of its premises and entered into a new lease agreement with JTC Corporation for its continued operations from 31 March 2011. The monthly rental for land and building is $25,233 for 1st year with effect from 31 March 2011, $50,467 for 2nd year and $75,700 for 3rd year and with a further term of up to 1 year at a monthly rental based on the prevailing market rate. The Company had informed JTC Corporation that the land and building will be returned to them by 28 February 2014.

The Group

The lease on the land at 8 Tuas South Street 13 will expire on 30 November 2030. Rental from 1 November 2013 to 31 October 2014 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 lease of staff accommodation will expire at the earliest on 14 January 2014 and not later than 30 June 2015. The current rental payable for each lease ranges from $2,000 to $3,400 per month.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 COMMITMENTS (Cont'd)

24.2 Operating lease commitments (non-cancellable) (Cont'd)

The Group

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.

The lease on the office space by a subsidiary will expire on 31 December 2015 and the current rental payable is $6,042 per month.

During the year, the leases on the vehicles expire at the earliest on 30 April 2013 and not later than 25 May 2013. The current rental payable for each lease ranges from $2,950 per month to $3,555 per month.

25 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 management 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

25 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	**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**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

25 OPERATING SEGMENTS (Cont'd)

The Group	Waste disposal $	Contract cleaning $	Eliminations $	Total $
2012				
Revenue				
External sales	26,985,221	18,533,674	–	45,518,895
Inter-segment sales	46,911	–	(46,911)	–
Total revenue	27,032,132	18,533,674	(46,911)	45,518,895
Result				
Segment result	902,978	1,958,121	(600,000)	2,261,099
Interest income	14,067	–	–	14,067
Profit before taxation	917,045	1,958,121	(600,000)	2,275,166
Income tax expense				(304,912)
Profit after taxation from ordinary activities				1,970,254
Other information				
Segment assets	15,581,893	6,371,774	–	21,953,667
Fixed deposits	1,605,786	–	–	1,605,786
Consolidated total assets				23,559,453
Segment liabilities	2,487,619	1,351,756	–	3,839,375
Deferred income tax liabilities	–	–	–	613,082
Current tax payable	–	–	–	403,231
Consolidated total liabilities				4,855,688
Capital expenditure	953,909	323,026	–	1,276,935
Depreciation of property, plant and equipment	1,189,165	122,919	–	1,312,084
Non-cash expenses other than depreciation				
– Bad debt written off	2,761	–	–	2,761
– Property, plant and equipment written off	25,301	175	–	25,476
– Allowance for impairment of trade receivables written back	15,970	(20,700)	–	(4,730)

(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.

(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, taxes currently receivable and payable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

25 OPERATING SEGMENTS (Cont'd)

(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.

26 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.

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 2013, the Company's and the Group's financial instruments mainly consisted of cash and cash equivalents, receivables and payables.

26.1 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 dollar which is the functional currency. There is insignificant exposure to any risk arising from movements in foreign currency exchange rates.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

26.3 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 Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts 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 management and at the Group.

Based on management information, the credit risk for trade receivables are based in Singapore and there is no significant related parties customers.

Exposure to credit risk

As the Company and the Group does 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 receivables and other receivables and bank deposits. Cash is held with reputable financial institutions.

The credit risk for trade 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	
	2013	2012	**2013**	2012
	$	$	**$**	$
Trade receivables	**–**	2,388,813	**6,549,595**	4,232,694

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

26.3 Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

(ii) Financial assets that are past due but not impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Past due < 2 months	**–**	778,630	**726,493**	2,299,950
Past due over 2 months	**–**	108,717	**413,051**	266,212
	–	887,347	**1,139,544**	2,566,162

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) Financial assets that are past due and impaired

The carrying amount of trade and other receivables individually determined to be impaired are as follows:

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Past due < 2 months	**–**	–	**21,147**	–
Past due over 2 months	**–**	42,449	**73,187**	46,049
Gross amount	**–**	42,449	**94,334**	46,049
Less: Allowance for impairment of trade receivables	**–**	(42,449)	**(94,334)**	(46,049)
	–	–	**–**	–

	The Company		The Group	
	2013	2012	**2013**	2012
	$	$	**$**	$
Balance at beginning	**42,449**	79,518	**46,049**	103,818
Allowance made	**5,813**	15,970	**75,744**	–
Allowance utilised	**(7,529)**	(53,039)	**(27,459)**	(53,039)
Transfer to a subsidiary, Colex Environmental Pte Ltd	**(40,733)**	–	**–**	–
Allowance written back	**–**	–	**–**	(4,730)
Balance at end	**–**	42,449	**94,334**	46,049

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

26.4 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 mismatched 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.

The Group	Less than 1 year $	Between 2 and 5 years $	Over 5 years $	Total $
At 31 December 2013				
Trade and other payables	**4,725,061**	**–**	**–**	**4,725,061**
Obligations under finance leases	**3,077,292**	**4,885,731**	**–**	**7,963,023**
Accrual for directors' fees	**40,000**	**–**	**–**	**40,000**
	7,842,353	**4,885,731**	**–**	**12,728,084**
At 31 December 2012				
Trade and other payables	3,799,375	–	–	3,799,375
Accrual for directors' fees	40,000	–	–	40,000
	3,839,375	–	–	3,839,375

The Company				
At 31 December 2013				
Trade and other payables	**278,934**	**–**	**–**	**278,934**
Accrual for directors' fees	**40,000**	**–**	**–**	**40,000**
	318,934	**–**	**–**	**318,934**
At 31 December 2012				
Trade and other payables	2,450,929	–	–	2,450,929
Accrual for directors' fees	40,000	–	–	40,000
	2,490,929	–	–	2,490,929

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

26.5 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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

27 FINANCIAL INSTRUMENTS

(a) Fair values

FRSs define 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.

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) 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	
	2013	2012	**2013**	2012
	$	$	**$**	$
Loans and receivables				
Trade and other receivables	**9,960,649**	4,403,693	**8,630,268**	7,470,946
Deposits	**17,487**	1,936,742	**248,125**	2,009,037
Cash and cash equivalents	**1,187,971**	3,764,030	**7,428,892**	9,067,387
	11,166,107	10,104,465	**16,307,285**	18,547,370
Financial liabilities at amortised cost				
Trade and other payables	**278,934**	2,450,929	**4,725,061**	3,799,375
Obligations under finance leases	**–**	–	**7,708,651**	–
Accrual for directors' fees	**40,000**	40,000	**40,000**	40,000
	318,934	2,490,929	**12,473,712**	3,839,375

28 CAPITAL MANAGEMENT

The Company's and the Group's objectives when managing capital are:

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

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

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

(d) To provide an adequate return to shareholders.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

28 CAPITAL MANAGEMENT (Cont'd)

The Company and the Group monitor capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented in the statement of financial position.

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

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

29 PRIOR YEAR RECLASSIFICATION ADJUSTMENTS

(i) Reclassification of deferred expenditure to property, plant and equipment

The Group has adopted the amendments to FRS 16 Property, Plant and Equipment – Classification of spare parts and servicing equipment on 1 January 2012. As a result, bins which had previously been classified as deferred expenditure have been reclassified as property, plant and equipment and depreciated over their expected usage period of 5 years. The reclassification had no impact on prior year profit after tax, opening retained earnings and earnings per share. The change in the accounting policy has been applied retrospectively. The effects on adoption are as follows:

The Company	As previously reported 1 January 2012 $	Adjustment $	As restated 1 January 2012 $
Statement of financial position			
Property, plant and equipment	4,490,811	176,032	4,666,843
Deferred expenditure	176,032	(176,032)	–

The Company	As previously reported 31 December 2012 $	Adjustment $	As restated 31 December 2012 $
Statement of financial position			
Property, plant and equipment	4,354,582	51,600	4,406,182
Deferred expenditure	51,600	(51,600)	–

The Group	As previously reported 1 January 2012 $	Adjustment $	As restated 1 January 2012 $
Statement of financial position			
Property, plant and equipment	4,725,896	176,032	4,901,928
Deferred expenditure	176,032	(176,032)	–

The Group	As previously reported 31 December 2012 $	Adjustment $	As restated 31 December 2012 $
Statement of financial position			
Property, plant and equipment	4,788,623	51,600	4,840,223
Deferred expenditure	51,600	(51,600)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

29 PRIOR YEAR RECLASSIFICATION ADJUSTMENTS (Cont'd)

(i) Reclassification of deferred expenditure to property, plant and equipment (Cont'd)

The reclassification of the above on the Cash flows are as follows:

The Group	As previously reported 31 December 2012 $	Adjustment $	As restated 31 December 2012 $
Consolidated statement of cash flows			
Cash Flows from Operating Activities			
Depreciation of property, plant and equipment	1,141,451	170,633	1,312,084
Amortisation of deferred expenditure	170,633	(170,633)	–
Cash Flows from Investing Activities			
Purchase of bins	(46,201)	46,201	–
Acquisition of property, plant and equipment	(1,230,734)	(46,201)	(1,276,935)

(ii) Reclassification of other operating expenses to staff costs

In 2012, one of the subsidiaries, Integrated Property Management Pte Ltd, had classified rental of worker accommodation ($454,336), staff incentive ($10,300) and transport allowance ($676,151) under other operating expenses. The reclassification is to conform to the group presentation and had no impact on prior year profit after tax, opening retained earnings and earnings per share. The reclassification has been accounted for retrospectively in accordance with FRS 8. The effects of the reclassification are disclosed below:

The Group	As previously reported 31 December 2012 $	Adjustment $	As restated 31 December 2012 $
Consolidated statement of profit or loss and other comprehensive income			
Staff cost	15,993,644	1,140,787	17,134,431
Other operating expenses	25,031,955	(1,140,787)	23,891,168

SHAREHOLDINGS STATISTICS

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

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1	0.06	250	0.00
1,000 – 10,000	1,236	79.59	5,303,000	4.00
10,001 – 1,000,000	311	20.03	16,328,750	12.32
1,000,001 AND ABOVE	5	0.32	110,890,560	83.68
GRAND TOTAL	1,553	100.00	132,522,560	100.00

LIST OF 20 LARGEST SHAREHOLDERS
As at 14 March 2014

No.	Name	No. of Shares	%
1	BONVESTS HOLDINGS LIMITED	104,611,560	78.94
2	CHUA SWEE MING	2,188,000	1.65
3	BANKAMERICA NOM (1993) PTE LTD	1,720,000	1.30
4	ANG HAO YAO (HONG HAOYAO)	1,327,000	1.00
5	CHIAM HOCK POH	1,044,000	0.79
6	THIAN YIM PHENG	1,000,000	0.75
7	LEH BEE HOE	975,000	0.74
8	DBS NOMINEES PTE LTD	583,000	0.44
9	UNITED OVERSEAS BANK NOMINEES	501,000	0.38
10	KUNG HOOI KOON	400,000	0.30
11	FAIRLADY JEWELLERS PTE LTD	324,000	0.24
12	LEE GEE CHOW	320,000	0.24
13	CHUA CHOON CHENG	309,000	0.23
14	LIM GUAN SENG	254,000	0.19
15	NAH CHONG HWEE NIFTY	229,000	0.17
16	TOK SHYH LEONG	222,000	0.17
17	YOONG TAT MIN	220,000	0.17
18	PHILLIP SECURITIES PTE LTD	197,000	0.15
19	LOI POH MUN	171,000	0.13
20	TAN AH MAI VERONICA	170,000	0.13
Total:		116,765,560	88.11

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 14 MARCH 2014

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 Singapore Exchange Securities Trading Pte. Ltd. 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		
– through Goldvein Holdings Pte. Ltd.	–	*104,611,560
– through BankAmerica Nominees (1993) Pte Ltd	–	1,720,000
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 Monday, 21 April 2014 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 2013 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 2013. **(Resolution 2)**

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

   *Mr Henry Ngo will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered non-independent for the purposes of Rule 704(7) of Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Pte. Ltd. ("**SGX-ST**") ("**Catalist Rules**"). He will also remain as the Executive Chairman of the Company and a member of the Remuneration and Nominating Committees.*

4. To re-elect Mr Fong Heng Boo, a Director retiring pursuant to Article 104 of the Articles of Association of the Company. **(Resolution 4)**

   Mr Fong Heng Boo will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. He will also remain as Chairman of the Nominating Committee and a member of the Remuneration Committee.

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' fees of S$40,000 for the financial year ended 31 December 2013 (2012: S$40,000). **(Resolution 6)**

7. To re-appoint Foo Kon Tan Grant Thornton 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 (CONT'D)

(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 (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 and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares 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 (CONT'D)

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 4 April 2014 ("**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
4 April 2014

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 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 (CONT'D)

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 of 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 2014, 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 2013 will be paid on 15 May 2014 to shareholders whose names appear in the Register of Members on 6 May 2014 as at 5.00 p.m.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 6 May 2014 after 5.00 p.m. to 8 May 2014, 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 2014 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 2014 will be entitled to such proposed dividend.

By Order of the Board

Foo Soon Soo
Secretary

Singapore
4 April 2014

APPENDIX DATED 4 APRIL 2014

(AS REFERERD 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 2014 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 the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Appendix.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, 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 2014
"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 (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

APPENDIX DATED 4 APRIL 2014 (CONT'D)

(AS REFERERD 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.

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

"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.
"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

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders' Securities Accounts
"Shares"	:	Ordinary shares in the capital of the Company
"Substantial Shareholders"	:	A person who holds directly or indirectly 5% or more of the total issued share capital of the Company
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"%"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 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 4 APRIL 2014 (CONT'D)

(AS REFERERD 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

4 April 2014

To: The Shareholders of Colex Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Company had at an extraordinary general meeting ("**EGM**") held on 17 April 2013 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 2 April 2013 ("**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 2014, 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 4 APRIL 2014 (CONT'D)
(AS REFERERD 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.

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

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

For illustration purposes, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013, the audited NTA of the Group was approximately S$20,769,424. 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$1,038,471 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$1,038,471.

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.

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

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.

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

2.4 Benefits of the Proposed Renewal of the IPT Mandate

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

2.5 Validity Period of the IPT Mandate, if Renewed

The IPT Mandate, if renewed, will take effect from the passing of the Ordinary Resolution, and will (unless revoked or varied by the Company in 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.

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

(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

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

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;

(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;

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

(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.

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

(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.

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.

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

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)

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
– through BankAmerica Nominees (1993) Pte. Ltd.	–	–	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.

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

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 17 April 2013; and

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

5. ABSTENTATION 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.

APPENDIX DATED 4 APRIL 2014 (CONT'D)

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

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.

I/We ______________________________ (Name)

of ______________________________ (Address)

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

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or [delete as appropriate]

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

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 Monday, 21 April 2014 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 2013 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 2013.				
3.	To re-elect Mr Henry Ngo as Director of the Company.				
4.	To re-elect Mr Fong Heng Boo 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 2013.				
7.	To re-appoint Foo Kon Tan Grant Thornton 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 ________________ 2014.

Total number of Shares held

____
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 2014.
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.
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 of Singapore.
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.

First Fold Here

Please Affix Postage Stamp Here

The Company Secretary

COLEX HOLDINGS LIMITED

541 Orchard Road

#16-00 Liat Towers

Singapore 238881

Second Fold Here

Company Registration Number: 197101485G
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Singapore 637083
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Fax: +65 6264 1219
Email: wastemgt@colex.com.sg