# Reclaims Global Limited
# 绿达环球有限公司

Company Registration No. 201834755M
Registered Address: 10 Tuas South Street 7 Singapore 637114

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**Unaudited Full Year Financial Statements and Dividend Announcement**
**For the Financial Year Ended 31 January 2021 ("FY2021")**

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road #21-00, AIA Tower, Singapore 048542.

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Reclaims Global Limited (the "**Company**" and together with its subsidiaries, the "**Group**") was listed on the Catalist of the SGX-ST on 11 March 2019, pursuant to an initial public offering (the "**IPO**") exercise. The Group is an eco-friendly integrated service provider in the construction industry, specialising in the recycling of construction and demolition waste, customisation of excavation solutions and operating fleet management. The Group's business is organised into three main business segments as follows: (1) recycling; (2) excavation services; and (3) logistics and leasing. Since 2009, the Group has built an established reputation and a proven track record for effective execution and timely delivery of services of different nature and scales.

The Company was incorporated in Singapore on 11 October 2018 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of "Reclaims Global Pte. Ltd.". On 23 January 2019, pursuant to the restructuring exercise (the "**Restructuring Exercise**") undertaken to rationalise the corporate structure of our Group in preparation for the IPO as disclosed in the Company's offer document dated 1 March 2019 (the "**Offer Document**"), the Company became the parent company of the Group. The Company was converted into a public limited company on 23 January 2019 and the Company's name was changed to "Reclaims Global Limited". Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purposes of this announcement, the Group's results for the financial year ended 31 January 2020 ("**FY2020**") have been prepared using the pooling-of-interest method, and the consolidated financial statements are presented as if the combination has occurred since the beginning of the earliest period presented.

## Part I Information Required for Quarterly, Half-Year and Full Year Announcements

### 1(a)(i) Statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | | |
|---|---|---|---|
| | **Unaudited FY2021 S$'000** | **Audited FY2020 S$'000** | **Increase/ (Decrease) %** |
| Revenue | 24,722 | 34,213 | (27.7) |
| Interest income | 5 | 6 | N.M. |
| Other gains | 980 | 477 | 105.5 |
| Cost of materials, services and consumables | (11,360) | (18,974) | (40.1) |
| Other losses | (473) | - | N.M. |
| Finance costs | (112) | (190) | (41.1) |
| Depreciation expense | (2,108) | (2,257) | (6.6) |
| Depreciation of right-of-use-asset | (253) | (253) | - |
| Employee benefits expense | (5,449) | (6,628) | (17.8) |
| Other expenses | (3,251) | (4,302) | (24.4) |
| Profit before tax from continuing operations | 2,701 | 2,092 | 29.1 |
| Income tax expense | (531) | (531) | N.M. |
| Profit from continuing operations, net of tax and total comprehensive income | 2,170 | 1,561 | 39.0 |
| Profit, net of tax and total comprehensive income attributable to owners of the Company | 2,170 | 1,561 | 39.0 |

N.M. = Not meaningful

### 1(a)(ii) Total comprehensive income is arrived after crediting/(charging) the following:

| | Group | | |
|---|---|---|---|
| | **Unaudited FY2021 S$'000** | **Audited FY2020 S$'000** | **Increase/ (Decrease) %** |
| Foreign exchange adjustment gain | 1 | - | N.M. |
| Interest income | 5 | 6 | N.M. |
| Interest expense | (112) | (190) | (41.3) |
| Depreciation of property, plant and equipment | (2,108) | (2,257) | (6.6) |
| Depreciation of right-of-use-asset | (253) | (253) | - |
| Allowance for impairment of trade receivables | (520) | - | N.M. |
| Reversal of impairment of trade receivables | 47 | - | N.M. |
| Net adjustments for under provision of tax in respect of prior years | (6) | (80) | (92.1) |
| Gain on disposal of plant and equipment | 85 | 177 | (52.0) |
| Government grants | 885 | 241 | 267.2 |

N.M. = Not meaningful

**1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited As at 31 January 2021 S$'000 | Audited As at 31 January 2020 S$'000 | Unaudited As at 31 January 2021 S$'000 | Audited As at 31 January 2020 S$'00 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment in subsidiaries | - | - | 15,327 | 15,327 |
| Property, plant and equipment | 10,374 | 11,616 | - | - |
| Right-of-use asset | 3,737 | 3,989 | - | - |
| **Total non-current assets** | 14,111 | 15,605 | 15,327 | 15,327 |
| **Current assets** | | | | |
| Inventories | 29 | 17 | - | - |
| Trade and other receivables | 8,619 | 6,884 | 5,726 | 4,077 |
| Other assets | 3,298 | 5,394 | 8 | 42 |
| Cash and cash equivalents | 7,975 | 4,333 | 166 | 782 |
| **Total current assets** | 19,921 | 16,628 | 5,900 | 4,901 |
| **Total assets** | 34,032 | 32,233 | 21,227 | 20,228 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | 19,388 | 19,388 | 19,388 | 19,388 |
| Retained earnings | 4,625 | 2,953 | 1,654 | 784 |
| Other reserve | (1) | - | - | - |
| **Total equity** | 24,012 | 22,341 | 21,042 | 20,172 |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | 635 | 715 | - | - |
| Loans and borrowings | 2,253 | 2,351 | - | - |
| Financial liabilities – lease liabilities, non-current | 258 | 486 | - | - |
| **Total non-current liabilities** | 3,146 | 3,552 | - | - |
| **Current liabilities** | | | | |
| Income tax payable | 868 | 609 | - | - |
| Trade and other payables | 4,280 | 4,393 | 185 | 56 |
| Loans and borrowings | 1,127 | 915 | - | - |
| Financial liabilities – lease liabilities, current | 599 | 423 | - | - |
| **Total current liabilities** | 6,874 | 6,340 | 185 | 56 |
| **Total liabilities** | 10,020 | 9,892 | 185 | 56 |
| **Total equity and liabilities** | 34,032 | 32,233 | 21,227 | 20,228 |

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

**Amount repayable in one year or less, or on demand:**

| | Group | | | |
|---|---|---|---|---|
| | Unaudited As at 31 January 2021 | | Audited As at 31 January 2020 | |
| | Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| Bank loans | 1,127 | - | 915 | - |
| Lease liabilities | 599 | - | 423 | - |
| | 1,726 | - | 1,338 | - |

**Amount repayable after one year:**

| | Group | | | |
|---|---|---|---|---|
| | Unaudited As at 31 January 2021 | | Audited As at 31 January 2020 | |
| | Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| Bank loans | 2,253 | - | 2,351 | - |
| Lease liabilities | 258 | - | 486 | - |
| | 2,511 | - | 2,837 | - |

**Details of collaterals relating to the above borrowing(s):**

Bank loans

The bank loans comprised of:

1) Bank borrowings drawn down to finance the land acquisition and construction of the Group's corporate headquarters at 10 Tuas South Street 7 Singapore 637114 ("**Tuas Property**") and are repayable by equal monthly instalments until October 2023; and
2) Long term loan for working capital purpose which is repayable by equal monthly instalments until October 2025.

Bank loans under item (1) above are secured by:

a) Corporate guarantee from the Company;
b) First legal mortgage over the leasehold Tuas Property; and
c) Assignment of all rights, title and benefits under existing and future tenancy agreements and rental income in respect of the leasehold Tuas Property.

Bank loan under item (2) above is secured by corporate guarantee from the Company.

Lease liabilities

Lease liabilities are relating to finance the purchases of plant and equipment and repayable within 2 to 3 years.

The obligations under lease liabilities are secured by:

a) The lessors' charge over the leased assets; and
b) Corporate guarantee from the Company.

**1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | Group | |
|---|---|---|
| | **Unaudited FY2021 S$'000** | **Audited FY2020 S$'000** |
| **Cash flows from operating activities** | | |
| Profit before tax | 2,701 | 2,092 |
| Adjustments for: | | |
| Interest income | (5) | (6) |
| Interest expense | 112 | 190 |
| Allowance for trade receivables | 473 | - |
| Depreciation of property, plant and equipment | 2,108 | 2,257 |
| Depreciation of right-of-use-asset | 253 | 253 |
| Gain on disposal of plant and equipment | (85) | (177) |
| Net effect of exchange rate changes in consolidating subsidiary | (1) | - |
| Operating cash flows before changes in working capital | 5,556 | 4,609 |
| Inventories | (12) | 65 |
| Trade and other receivables | (2,208) | (549) |
| Other assets | 2,096 | (1,071) |
| Trade and other payables | (312) | 1,384 |
| Net cash flows from operations | 5,120 | 4,438 |
| Income taxes paid | (352) | (540) |
| **Net cash flows from operating activities** | 4,768 | 3,898 |
| **Cash flows from investing activities** | | |
| Purchase of plant and equipment | (1,060) | (2,658) |
| Proceeds from disposal of plant and equipment | 477 | 746 |
| Interest received | 5 | 6 |
| **Net cash flows used in investing activities** | (578) | (1,906) |
| **Cash flows from financing activities** | | |
| Cash restricted in use | 325 | (325) |
| Dividends paid (Note 1) | (498) | (1,500) |
| Interest paid | (112) | (190) |
| Repayment of bills payable | - | (1,408) |
| Proceeds from bank borrowings | 1,000 | - |
| Repayment of borrowings | (886) | (1,175) |
| Lease liabilities – principal portion paid | (518) | (342) |
| Proceeds from issuance of ordinary shares, net of share issue expenses | - | 4,061 |
| Increase in finance lease liabilities | 466 | 757 |
| **Net cash flows used in financing activities** | (223) | (122) |
| **Net increase in cash and cash equivalents** | 3,967 | 1,870 |
| Cash and cash equivalents, beginning balance | 4,008 | 2,138 |
| **Cash and cash equivalents, ending balance** | 7,975 | 4,008 |
| **Cash and cash equivalents comprise:** | | |
| Not restricted in use | 7,975 | 4,008 |
| Cash pledged for bank facility | - | 325 |
| | 7,975 | 4,333 |

Note 1:
Dividend paid of S$0.5 million in FY2021 pertains to final dividend declared by the Company for FY2020. Dividend paid of S$1.5 million during FY2020 pertains to final dividend declared by the Group's subsidiary for FY2018 approved in July 2018.

**1(d)(i) Statement (for the issuer and group) showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year**

| GROUP | Total equity S$'000 | Share capital S$'000 | Retained earnings S$'000 | Other reserve S$'000 |
|---|---|---|---|---|
| **FY2021 (Unaudited):** | | | | |
| Balance at 1 February 2020 | 22,341 | 19,388 | 2,953 | - |
| Total comprehensive income for the year | 2,170 | - | 2,170 | - |
| Dividends paid on ordinary shares | (498) | - | (498) | - |
| Foreign currency translation reserve | (1) | - | - | (1) |
| Balance at 31 January 2021 | 24,012 | 19,388 | 4,625 | (1) |
| **FY2020 (Audited):** | | | | |
| Balance at 1 February 2019 | 16,719 | 15,327 | 1,392 | - |
| Total comprehensive income for the year | 1,561 | - | 1,561 | - |
| Initial public offering: | | | | |
| - Issuance of new shares | 4,370 | 4,370 | - | - |
| - Share issue expenses capitalised | (309) | (309) | - | - |
| Balance at 31 January 2020 | 22,341 | 19,388 | 2,953 | - |

| COMPANY | Total equity S$'000 | Share capital S$'000 | Retained earnings / (Accumulated losses) S$'000 |
|---|---|---|---|
| **FY2021 (Unaudited):** | | | |
| Balance at 1 February 2020 | 20,172 | 19,388 | 784 |
| Total comprehensive income for the year | 1,368 | - | 1,368 |
| Dividends paid on ordinary shares | (498) | - | (498) |
| Balance at 31 January 2021 | 21,042 | 19,388 | 1,654 |
| **FY2020 (Audited):** | | | |
| Balance at 1 February 2019 | 15,275 | 15,327 | (52) |
| Total comprehensive income for the year | 836 | - | 836 |
| Initial public offering: | | | |
| - Issuance of new shares | 4,370 | 4,370 | - |
| - Share issue expenses capitalised | (309) | (309) | - |
| Balance at 31 January 2020 | 20,172 | 19,388 | 784 |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

| | Company | |
|---|---|---|
| | **Number of ordinary shares '000** | **Share capital S$'000** |
| As at 31 January 2021 and 31 January 2020 | 131,000 | 19,388 |

There were no changes in the Company's share capital during FY2021.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 January 2021 and 31 January 2020.

**1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

| | **At 31 January 2021 (Unaudited)** | **At 31 January 2020 (Audited)** |
|---|---|---|
| Total number of issued ordinary shares (excluding treasury shares) | 131,000,000 | 131,000,000 |

The Company did not have any treasury shares as at 31 January 2021 and 31 January 2020.

**1(d)(iv) Statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) Statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**
**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainly relating to going concern.**

Not applicable. The Group's latest audited financial statements for FY2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Save as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as presented in the audited combined financial statements of the Group for FY2021.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group adopted the new and/or revised Singapore Financial Reporting Standards (International) (the "**SFRS(I)s**") that are effective for reporting periods beginning on or after 1 February 2020. Changes to the Group's accounting policies and methods of computation, including any required by the SFRS(I)s, have been made in accordance with the transition provisions in the respective SFRS(I)s. The adoption of the new and/or revised SFRS(I)s did not result in any substantial changes or significant impact on the Group's financial statements for the current financial period reported on.

**6 Earnings per ordinary share ("EPS") of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | Group | |
|---|---|---|
| | **Unaudited FY2021** | **Audited FY2020** |
| Profit attributable to owners of the Company (S$'000) | 2,170 | 1,561 |
| Weighted average number of ordinary shares ('000) | 131,000 | 129,126 |
| EPS (Basic and diluted) (cents) | 1.66 | 1.21 |

Diluted EPS is the same as basic EPS as no potential dilutive ordinary shares exist during the respective reporting years.

**7 Net asset value ("NAV") (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 January 2021 | 31 January 2020 | 31 January 2021 | 31 January 2020 |
| NAV attributable to owners of the Company (S$'000) | 24,012 | 22,341 | 21,042 | 20,172 |
| Total number of issued shares excluding treasury shares ('000) | 131,000 | 131,000 | 131,000 | 131,000 |
| NAV per ordinary share (cents) | 18.33 | 17.05 | 16.06 | 15.40 |

**8 Review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business**

**(a) Significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factor**

**Revenue**

| | Unaudited FY2021 S$'000 | Audited FY2020 S$'000 | Increase/ (Decrease) $ | Increase/ (Decrease) % |
|---|---|---|---|---|
| Recycling | 4,440 | 4,511 | (71) | (1.6%) |
| Excavation services | 11,326 | 19,668 | (8,342) | (42.4%) |
| Logistics and leasing | 8,820 | 9,717 | (897) | (9.2%) |
| Others | 136 | 317 | (181) | (57.1%) |
| Total | 24,722 | 34,213 | (9,491) | (27.7%) |

The Group registered a lower revenue of S$24.7 million in FY2021 as compared to S$34.2 million in FY2020. The substantial decrease was mainly as a result of suspension of most of the construction activities during the Circuit Breaker measures by the Singapore Government in April 2020. In addition, there were additional Covid-19 safety measures imposed by the Singapore Government in the foreign workers dormitory and the construction sector to mitigate the risk of any increase in Covid-19 cases during the Circuit Breaker period and reduce the potential risk of a further outbreak after the Circuit Breaker.

Recycling and logistic and leasing services recovered after the Circuit Breaker was lifted on the building and construction sector. However, the pace of excavation services slowed down because of the enhanced Covid-19 safety measures implemented by the Singapore Government and shortage of manpower in the construction industry.

**Other gains**

Other gains increased by S$0.5 million or 105.5% from S$0.5 million in FY2020 to S$1.0 million in FY2021 mainly due to the grants received from the Singapore Government's Jobs Support Scheme and foreign worker levy rebate which provided wage support to employers during the period of economic uncertainty.

**Cost of materials, services and consumables**

Cost of materials, services and consumables decreased by S$7.6 million or 40.1% from S$19.0 million in FY2020 to S$11.4 million in FY2021 in tandem with the decrease in the business activities. As a percentage of revenue, cost of materials, services and consumables decreased to 46% in FY2021 from 55% in FY2020, mainly due to decrease in diesel cost as a result of the decrease in diesel price during the year.

**Other losses**

Other losses amounting to S$0.5 million pertains to allowances made for impairment on trade receivables. There were no such allowances made in FY2020.

**Finance costs**

Finance costs decreased by S$78,000 or 41.1% from S$190,000 in FY2020 to S$112,000 in FY2021 due to lower bank loans interest charges as a result of lower utilisation of our banking facilities during the year.

**Depreciation expense**

Depreciation expense decreased by S$0.2 million or 6.6% from S$2.3 million in FY2020 to S$2.1 million in FY2021. This was mainly due to decrease in additions to plant and equipment and some plant and equipment were fully depreciated during the year.

**Employee benefits expense**

Employee benefits expense decreased by S$1.2 million or 17.8% from S$6.6 million in FY2020 to S$5.4 million in FY2021 mainly due to decrease in wages as a result of the decrease in the business activities and foreign worker levy waiver granted by the Singapore Government. To support the suspension of business operation and the lower activity during these tough times, the executive directors and CEO took a pay cut including their annual bonuses.

**Other expenses**

Other expenses decreased by S$1.0 million or 24.4% from S$4.3 million in FY2020 to S$3.3 million in FY2021. The decrease was mainly due to lower expenses incurred including rental of equipment and machineries, repair and maintenances and upkeep lorries, after our business activities was stalled due to the Circuit Breaker and additional Covid-19 safety measures implemented. The decrease was partially offset by expenses incurred in the project with MPOB, amounting to S$0.1 million.

**Profit before tax**

As a result of the above, profit before tax for FY2021 amounted to S$2.7 million compared to profit before tax for FY2020 of S$2.1 million.

**Income tax expense**

The Group operates in Singapore and is subject to Singapore corporate tax. Our effective tax rates for FY2021 and FY2020 were 19.7% and 25.4% respectively. The effective tax rate for FY2021 has decreased mainly due to decrease in the capital allowances claimed, increase in non-taxable income and business losses recorded in the Company’s foreign subsidiary.

**(b) Material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Financial Position Review**

**Non-current assets**

Non-current assets decreased by S$1.5 million or 9.6% from S$15.6 million as at 31 January 2020 to S$14.1 million as at 31 January 2021.

Property, plant and equipment decreased by S$1.2 million or 10.7% from S$11.6 million as at 31 January 2020 to S$10.4 million as at 31 January 2021. The decrease was due to depreciation expense charged amounting to S$2.1 million and disposal of plant and equipment of net book value amounting to S$0.4 million during FY2021, partially offset by additions to plant and equipment amounting to S$1.3 million.

Right-of-use asset pertained to the land lease prepaid to Jurong Town Corporation for land parcel at 10 Tuas South Street 7 Singapore 637114. The decrease of S$0.3 million or 6.3% from S$4.0 million as at 31 January 2020 to S$3.7 million as at 31 January 2021 was due to depreciation charged during the year.

**Current assets**

Current assets increased by S$3.3 million or 19.8% from S$16.6 million as at 31 January 2020 to S$19.9 million as at 31 January 2021. This was due mainly to the increase in trade and other receivables and cash and cash equivalents amounting to S$1.7 million and S$3.7 million respectively. These increases were partially offset by decrease in other assets of S$2.1 million.

Trade receivables turnover days has increased due mainly to the business activities resumed in last quarter of FY2021. $5.6 million out of the total $8.6 million trade receivables was either not past due or past due less than 30 days.

Other assets as at 31 January 2021 mainly comprise contract assets pertaining to work performed but not billed amounting to S$2.4 million (31 January 2020: S$4.3 million). The decrease in contract assets as at 31 January 2021 was due to the slowdown in project-based contracts after the Circuit Breaker and additional Covid-19 safety measures being implemented and in payment certification from our customers for the work performed. There was also a decrease in advance payment to suppliers by S$0.2 million in view of decreased operations.

**Non-current liabilities**

Non-current liabilities decreased by S$0.5 million or 11.4% from S$3.6 million as at 31 January 2020 to S$3.1 million as at 31 January 2021. This was due mainly to the decrease in deferred tax liabilities, loans and borrowings and lease liabilities amounting to S$0.1 million, S$0.1 million and S$0.3 million respectively.

Loans and borrowings decreased by S$0.1 million or 4.2% from S$2.4 million as at 31 January 2020 to S$2.3 million as at 31 January 2021. The decrease was due to repayment of Tuas Property loans amounting to S$0.8 million. The decrease was partially offset the proceeds from long term loan drawdown for working capital purposes amounting to $0.7 million.

Lease liabilities decreased by S$0.3 million or 46.9% from S$0.5 million as at 31 January 2020 to S$0.3 million as at 31 January 2021. The decrease was due to repayment of the lease liabilities amounting to S$0.8 million during the year, partially offset by increase in lease liabilities amounting to S$0.5 million.

**Current liabilities**

Current liabilities increased by S$0.6 million or 8.4% from S$6.3 million as at 31 January 2020 to S$6.9 million as at 31 January 2021. The increase was due to increase in income tax payable, loans and borrowings and lease liabilities of S$0.3 million, S$0.2 million and S$0.2 million respectively, partially offset by decrease in trade and other payables of S$0.1 million.

Loans and borrowings and lease liabilities increase was due mainly to the proceeds from long term loan drawdown and increase in lease liabilities as mentioned in non-current liabilities.

Trade payables' turnover days was 135 as at 31 January 2021 compared to 84 as at 31 January 2020. The turnover days has increased due mainly to the business activities resumed in last quarter of FY2021.

**Cash Flow Review**

In FY2021, net cash flows from operating activities was S$4.8 million due to operating cash inflows before changes in working capital of S$5.6 million, partially offset by net cash outflows from working capital changes of S$0.4 million and income tax paid of S$0.4 million. The net cash outflows from working capital changes was mainly due to increase in trade and other receivables and decrease in trade and other payables amounting to S$2.2 million and S$0.3 million respectively, and partially offset by a decrease in other assets of S$2.1 million. The main reason was due to slower pace in business activities in the construction industry after the disruption from the Circuit Breaker.

Net cash flows used in investing activities amounting to S$0.6 million was mainly attributable to cash outflows for purchase of plant and equipment of S$1.1 million. This was partially offset by proceeds from disposal of plant and equipment of S$0.5 million.

Net cash flows used in financing activities amounting to S$0.2 million was mainly due to the final dividend paid amounting to S$0.5 million, repayment of bank borrowings, lease liabilities and interest of S$0.9 million, S$0.5 million and S$0.1 million respectively. These outflows were partially offset by increase in lease liabilities amounting to S$0.5 million, proceeds from long term loan drawdowns amounting to S$1.0 million and decrease in cash restricted in use of S$0.3 million. The final dividend was approved in the Company last Annual General Meeting for financial year ended 31 January 2020.

As a result of the above, there was a net increase of S$4.0 million in cash and cash equivalents for FY2021. Cash and cash equivalents as at 31 January 2021 stood at S$8.0 million.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement disclosed to shareholders previously.

**10 Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Public sector projects

Based on the projection by the Building and Construction Authority of Singapore ("**BCA**"), construction demand in 2021 is expected to range between S$23 billion and S$28 billion, with the public sector contributing about 65% of the total demand. Some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2. We expect the economy outlook for the construction industry to remain challenging due to the competitive environment, labour shortage, rising operating cost and higher compliance cost

on safe management measures imposed on construction industry amidst the Covid-19 pandemic. We also acknowledge that there is a heightened risk associated with sub-contracting from main contractors. The management will continue to tender for public sector projects competitively, and possibly, explore other business opportunities during this period.

Recycled product range

Refer to the Company's announcement dated 11 September 2020, the project with Malaysia Palm Oil Board ("**MPOB**") has resumed after the Malaysia Government announced the fourth extension of the MCO, with loosening restrictions under the conditional Movement Control Order ("**MCO**"). The renovation to the pilot plant and the installation of the machineries into the pilot plant was completed and the pilot plant was fully commissioned by end November 2020. Since November 2020, the Malaysian Government imposed another MCO, including subsequently closing borders which prevented us to visit Malaysia. All further progress had to be done on a remote basis. Currently, we are optimising the pilot plant with a target of producing small quantities of commercial size boards for advance marketing purposes. Operating with our counterparts in MPOB on a remote basis is challenging, however, we believe that the optimisation will be achieved by end of second quarter of 2021. If the borders open sooner, we may be able to shorten the time required.

Overall

In view of the challenging economic outlook, the Group will remain operationally and financially prudent, conserve resources in preparation for the post pandemic recovery and possible opportunities. We are also mindful that the economic health of Singapore is still uncertain in so far as we may or may not enter a recession. The Group will continue to focus on reducing operational expenditure, managing working capital and maintaining liquidity.

The Company will stay vigilant and continue to adjust its business and strategies as the Covid-19 situation evolves, always bearing in mind to create shareholder value.

## 11 Dividend

### (a) Dividend declared for the current financial period

The Board of Directors is pleased to recommend a one-tier tax exempt final dividend of S$0.01 per ordinary share in respect of FY2021 for approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course.

| | |
|---|---|
| Name of dividend | Final dividend |
| Dividend type | Cash |
| Dividend per ordinary shares | 1.00 Singapore cents |
| Total dividend | S$1,310,000 |

### (b) Dividend declared for the previous corresponding period of the immediately preceding financial year

| | |
|---|---|
| Name of dividend | Final dividend |
| Dividend type | Cash |
| Dividend per ordinary shares | 0.38 Singapore cents |
| Total dividend | S$500,000 |

**(c) Date payable**

Subject to approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course, and to be announced at a later date.

**(d) Record date**

Subject to approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course, and to be announced at a later date.

**12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

Not applicable.

**13 If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

Renewal of the general mandate for IPTs was obtained at the Annual General Meeting held on 12 June 2020.

In FY2021, the Group entered into the following IPTs:

| Name of Interested Persons and nature of transactions | Aggregate value of all IPTs during FY2021 (excluding transactions less than S$100,000) | |
|---|---|---|
| | Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S$'000 | Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S$'000 |
| **New Development Construction ("NDC")[(1)]:** Rendering of logistics services to NDC | - | 934 |

Note 1:

NDC is owned by New Development Contractors Pte. Ltd., which in turn is solely owned by Tan Lay Khim, who is the wife of the Executive Chairman of the Company, Chan Chew Leh. As such, NDC is an associate of Chan Chew Leh and is considered an interested person.

**14 Confirmation that the issuer has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

## 15 Use of IPO Proceeds

The Company raised gross proceeds of S$4.4 million from the IPO ("**Gross Proceeds**").

The Company had subsequently announced the utilisation and reallocation of the Gross Proceeds on 1 April 2019, 2 May 2019, 22 May 2019, 4 June 2019, 19 August 2019, 5 September 2019, 31 March 2020 and 11 September 2020 ("**Announcements**") and in its annual reports for FY2019 and FY2020 released on 15 May 2019 and 27 May 2020 respectively ("**Annual Reports**"). Please refer to the Announcements and Annual Reports for further details.

The utilisation of the Gross Proceeds as at the date of this announcement are as follows:

| Use of proceeds (as set out in the Offer Document) | Amount allocated S$'000 | Amount re-allocated S$'000 | Aggregate amount utilised per Announce-ments / Annual Reports S$'000 | Amount utilised post Announce-ments / Annual Reports S$'000 | Amount unutilised as at date of this announcement S$'000 |
|---|---|---|---|---|---|
| Expansion of operational capacity | 600 | - | (600) | - | - |
| Expansion of recycled product range | 500 | - | (256) | (102) | 142 |
| Expansion through acquisition, joint ventures and/or strategic alliances | 300 | (300) | - | - | - |
| General working capital purposes | 1,363 | 552 | (1,615) | (300) | - |
| Net proceeds | 2,763 | 252 | (2,471) | (102) | 142 |
| Share issue and listing expenses | 1,607 | (252) | (1,355) | - | - |
| Gross Proceeds | 4,370 | - | (3,826) | (102) | 142 |

As disclosed in the Company's announcement dated 3 March 2020, the Group has entered into a Memorandum of Agreement ("**MOA**") dated 28 February 2020 with MPOB to plan and execute the production of strandboard from empty fruit bunch fibre, which is part of the Group strategy to expand its recycled product range. Subsequent to the released of the Announcements dated 11 September 2020, the Group has further utilised S$102,000 from the Gross Proceeds to finance Phase 1 of the pilot plant setup costs (including the expenses incurred during machineries commissioning, optimisation, lawyer fees and manpower costs). Provisional application on the intellectual property of the technology process and the patent of the strandboard have been filed in Malaysia.

Save as disclosed above, the utilisation of Gross Proceeds is in line with the intended use and allocation of Gross Proceeds as set out in the Offer Document. Specifically, the latest use of proceeds for general working capital purposes of S$300,000 was for managing the operational cash flows. The Company will continue to make periodic announcements via SGXNET on the utilisation of the remaining proceeds as and when such balance of the proceeds is materially disbursed, and will also provide a status report on the use of proceeds in the annual reports of the Company.

## Part II Additional Information Required for Full Year Announcement

**16 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business segments

| FY2021 | Group | | | | |
|---|---|---|---|---|---|
| | Recycling S$'000 | Excavation services S$'000 | Logistics and leasing S$'000 | Unallocated S$'000 | Total S$'000 |
| **Revenue by segment** | | | | | |
| Total revenue | 4,440 | 11,326 | 8,820 | 136 | 24,722 |
| **Recurring EBITD**[#] | 1,192 | 499 | 3,746 | (268) | 5,169 |
| Depreciation expense | (456) | (1,139) | (258) | (255) | (2,108) |
| Depreciation of right-of-use-asset | (114) | - | - | (139) | (253) |
| **ORBIT** ^ | 622 | (640) | 3,488 | (662) | 2,808 |
| Interest income | | | | | 5 |
| Finance costs | | | | | (112) |
| Income tax expense | | | | | (531) |
| **Profit, net of tax** | | | | | 2,170 |
| **As at 31 January 2021** | | | | | |
| **Assets and reconciliations** | | | | | |
| Segment assets | 6,139 | 12,026 | 2,997 | 4,895 | 26,057 |
| Cash and cash equivalents | | | | | 7,975 |
| Total assets | | | | | 34,032 |
| **Liabilities and reconciliations** | | | | | |
| Segment liabilities | 2,025 | 2,591 | 1,052 | 2,849 | 8,517 |
| Deferred tax liabilities | | | | | 635 |
| Income tax payable | | | | | 868 |
| Total liabilities | | | | | 10,020 |
| **Other material items and reconciliations** | | | | | |
| Impairment of assets, net allowance | - | 431 | 43 | - | 474 |
| Expenditure for non-current assets | 458 | 361 | 135 | 304 | 1,258 |

[#] Earnings before interests, income taxes, depreciation expense and depreciation of right-of-use asset
^ Operating results before interests and income taxes

Business segment (Cont'd)

| FY2020 | Group | | | | |
|---|---|---|---|---|---|
| | Recycling S$'000 | Excavation services S$'000 | Logistics and leasing S$'000 | Unallocated S$'000 | Total S$'000 |
| **Revenue by segment** | | | | | |
| Total revenue | 4,511 | 19,668 | 9,717 | 317 | 34,213 |
| **Recurring EBITD**[#] | 1,054 | 2,062 | 2,032 | (362) | 4,786 |
| Depreciation expense | (479) | (1,179) | (353) | (246) | (2,257) |
| Depreciation of right-of-use-asset | (114) | - | - | (139) | (253) |
| **ORBIT** ^ | 461 | 883 | 1,679 | (747) | 2,276 |
| Interest income | | | | | 6 |
| Finance costs | | | | | (190) |
| Income tax expense | | | | | (531) |
| **Profit, net of tax** | | | | | 1,561 |
| **As at 31 January 2020** | | | | | |
| **Assets and reconciliations** | | | | | |
| Segment assets | 6,036 | 14,860 | 2,122 | 4,882 | 27,900 |
| Cash and cash equivalents | | | | | 4,333 |
| Total assets | | | | | 32,233 |
| **Liabilities and reconciliations** | | | | | |
| Segment liabilities | 2,079 | 3,128 | 1,220 | 2,141 | 8,568 |
| Deferred tax liabilities | | | | | 715 |
| Income tax payable | | | | | 609 |
| Total liabilities | | | | | 9,892 |
| **Other material items and reconciliations** | | | | | |
| Expenditure for non-current assets | 56 | 2,672 | 337 | 86 | 3,151 |

[#] Earnings before interests, income taxes, depreciation expense and depreciation of right-of-use asset
^ Operating results before interests and income taxes

Geographical information

The Group's activities are located primarily in Singapore. The geographical locations of the Group's customers and assets are primarily in Singapore.

**17 Review of segmental performance - Factors leading to any material changes in contributions to turnover and earnings by the operating segments**

Please refer to commentaries in paragraph 8(a).

**18 Breakdown of sales and operating profit are as follow:**

| | Group | | |
|---|---|---|---|
| | **FY2021 S$'000** | **FY2020 S$'000** | **Increase/ (Decrease) %** |
| Sales reported for: | | | |
| - First half year | 8,239 | 15,160 | (45.7) |
| - Second half year | 16,483 | 19,053 | (13.5) |
| Operating profit after tax (before deducting non-controlling interests) reported for: | | | |
| - First half year | 59 | 450 | (86.9) |
| - Second half year | 2,111 | 1,111 | 90.0 |

There were no non-controlling interests during FY2021 and FY2020.

**19 Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

| | **FY2021** | **FY2020** |
|---|---|---|
| | **S$'000** | **S$'000** |
| Ordinary | 1,310 | 500 |
| Preference | - | - |
| **Total** | **1,310** | **500** |

**20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| **Name** | **Age** | **Family relationship with any director and/or substantial shareholder** | **Current position and duties, and the year the position was first held** | **Details of changes in duties and position held, if any, during the year** |
|---|---|---|---|---|
| Chan Bih Tzy | 34 | Niece of Executive Chairman, Chan Chew Leh and spouse of Executive Director, Tan Kok Huat | **Current position:** General Manager<br><br>**First appointment date:** February 2018<br><br>**Duties:** Oversees the planning and coordination of the operations, administration and human resource departments | Not applicable |

BY ORDER OF THE BOARD

Andrew Dekguang Jhou Chew
Executive Director and CEO
1 April 2021