

RECLAIMS GLOBAL LIMITED



ECO-FRIENDLY INTEGRATED
CONSTRUCTION SERVICE
PROVIDER SINCE 2009

ANNUAL REPORT 2019

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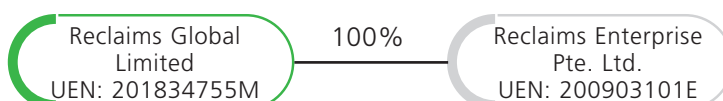
This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified 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 Annual Report, 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 Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road #21-00, AIA Tower, Singapore 048542.

CORPORATE PROFILE

Reclaims Global Limited (together with its subsidiary, the “**Group**”) is an eco-friendly integrated service provider which serves the construction industry of Singapore. The Group specialises in the recycling of construction and demolition (“**C&D**”) waste, customisation of excavation solutions and operating fleet management.

Group Structure



Established in 2009 by our Executive Directors, Mr Chan Chew Leh and Mr Tan Kok Huat, the Group’s business is organised into three main business segments as follows:



RECYCLING

Our recycling segment focuses on the reclaiming and recycling of C&D waste for sale as recycled building materials to our customers. The key recycled products are the recycled concrete aggregates (“**RCA**”), such as recycled graded stone, recycled quarry dust and 20-mm recycled aggregate. These RCA are typically used for foundations and roads and the production of ready-mixed concrete.

EXCAVATION SERVICES

Our excavation services include earth moving, mass excavation, deep basement excavation, foundation, pile cap excavation and reshaping of land. Our customers from this business segment comprise mainly contractors who are involved in public sector projects and works, for example, those who are involved in projects relating to civil infrastructures.

LOGISTICS AND LEASING

Our logistics and leasing segment provides material transportation and disposal services using our fleet of tipper trucks. From time to time, we lease our machinery and equipment such as excavators, articulated dump trucks, mobile jaw crushers, tipper trucks and mobile screeners to our customers.

The Group maintains a sizeable fleet of tipper trucks and other construction and recycling equipment and has a wide network of vendors, such as transport companies, materials suppliers and diesel suppliers. Leveraging on these resources, the Group has over the years built an established reputation and a proven track record for effective execution and timely delivery of services of different nature and scales.

CHAIRMAN'S STATEMENT



**MOVING
FORWARD,
WE WILL BUILD
ON OUR CORE
COMPETENCIES
AND BUSINESS
FOUNDATION
AND CONTINUE
GROWING OUR
BUSINESS FROM
STRENGTH TO
STRENGTH.**

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the “**Board**” or “**Directors**”) of Reclaims Global Limited (“**Reclaims**” or the “**Company**”, and together with its subsidiary, the “**Group**”), I am pleased to present you our inaugural annual report for the financial year ended 31 January 2019 (“**FY2019**”).

NEW CHAPTER OF GROWTH

2019 has been an eventful year for the Group thus far. In January 2019, we celebrated our 10th anniversary in the construction services business. Shortly after, we marked another significant milestone – our successful listing on the Catalist Board of the Singapore Exchange on 11 March 2019.

Since we began operations in 2009, we have built an established reputation and a proven track record for effective execution and timely delivery of our services of different scales and nature. We strive to be responsive to our customers’ requirements and meet or exceed their expectations through a customer-oriented approach.

We believe that our listing on the Singapore Exchange will enhance our visibility as an eco-friendly integrated service provider in the construction industry, and more importantly, provide access to funds as we continue to strive to expand our operations and recycled product range.

GROUP REVENUE AND PROFITABILITY

The Group registered a 14.7% increase in revenue to S\$31.6 million for FY2019, from S\$27.5 million for the financial year ended 31 January 2018 (“**FY2018**”). This was mainly driven by the expanding excavation services segment with a higher number of excavation projects secured from existing customers. The increase was also attributable to an increase in demand for the Group’s logistics services on the back of higher level of construction activities in Singapore. Less revenue was generated from the recycling segment as the Group undertook less reinstatement and demolition works resulting in less construction and demolition waste being recycled and sold.

Profit before tax for FY2019 amounted to S\$0.8 million compared to S\$3.6 million for FY2018. Excluding listing-related expenses amounting to S\$2.6 million, profit before tax for FY2019 would have been S\$3.4 million.

DIVIDEND

No dividend has been declared for FY2019 as the Group wishes to conserve cash for business growth. Barring unforeseen circumstances, the Group intends to start declaring dividends from FY2020 onwards. In particular, the Board intends to recommend a dividend of not less than 20% of the Group’s net profit attributable to shareholders in respect of the financial year ending 31 January 2020.

OUTLOOK

The Building and Construction Authority (“**BCA**”) projected construction demand of between S\$27.0 billion and S\$32.0 billion for 2019 and that

CHAIRMAN'S STATEMENT

construction demand may increase to between S\$27.0 billion and S\$35.0 billion per year for 2020 to 2023. Public sector construction demand is expected to contribute about 60% of 2019's projected construction demand. From 2020 to 2023, BCA expects that public sector construction demand will continue to propel overall demand. In addition to public housing developments, public sector construction demand over the medium term is expected to be supported by major infrastructure projects such as Changi Airport Terminal 5, the Cross Island MRT Line and developments at Jurong Lake District.

The projected increase in construction demand in Singapore is expected to augur well for the Group's businesses. However, the pace of growth in the Singapore economy for 2019 is expected to be slow on the backdrop of uncertainties and downside risks in the global economy. The Ministry of Trade and Industry has maintained the Gross Domestic Product ("GDP") growth forecast between 1.5% and 3.5% for 2019, with growth expected to come in slightly below the mid-point of the forecast range. The GDP growth was 3.2% in 2018, a moderation from the 3.9% growth in 2017. We will remain vigilant and respond to market changes, its resultant risks when they arise as well as opportunities that would benefit the Group.

GROWTH STRATEGIES

In our view, the business prospects for Reclaims remain healthy. Moreover, with the net proceeds raised from our Initial Public Offering, the Group is well-positioned to grow through the following expansion plans:

Continuing our focus on public sector projects

In view of the consistent pipeline of public sector projects and the creditworthiness of government agencies, we will continue to focus on public sector projects as they tend to be larger in scale and longer in duration.

Expanding our operational capacity

We will expand the operational capacity of our core activities, namely the provision of excavation and logistics services and supply of recycled construction materials, by acquiring more plant and equipment to support the anticipated increase in business.

Expanding our recycled product range

We intend to further harness our expertise and experience in the recycling arena and expand our existing recycled product range. This would enable us to acquire more business from our existing customers and widen our customer base in the industry.

Expanding through acquisitions, joint ventures and/or strategic alliances

Besides deploying the additional capital resources to grow organically, we may consider expanding our business through acquisitions, joint ventures or strategic alliances with parties who provide synergistic values to our existing business or to the culture and philosophy of our Company.

SUSTAINABILITY

Sustainability creates business value and contributes positively to the society. When formulating the Group's strategic direction and policies, the Board and management consider sustainability issues. We are proud to incorporate our first sustainability report in this annual report and showcase how we identify and respond to material risks and opportunities.

The Board believes that business success in today's world is driven by technology and we are taking steps to digitalise, automate and integrate our value chain by investing in a customised enterprise resource planning system, which includes a proprietary project management module and an optimised job assignment and route mapping module. This would enable us to serve customers more effectively and raise the productivity of our operations and thereby, achieving customer service excellence, one of the material topics identified during our materiality assessment.

APPRECIATION

The continued success of the Group does not come by chance. I would like to thank our staff and the management team for their dedication and the hard work they have put in.

I would also like to express my sincere appreciation to my fellow Directors for their counsel and guidance provided for the successful listing of Reclaims and in the course of our business.

Last but not least, I would like to thank our shareholders for supporting us in our new corporate journey, as well as our customers, suppliers and business associates for their unwavering support and faith in Reclaims.

Moving forward, we will build on our core competencies and business foundation and continue growing our business from strength to strength.

Chan Chew Leh
Executive Chairman

BOARD OF DIRECTORS



CHAN CHEW LEH, AGE 57
EXECUTIVE CHAIRMAN

Mr Chan Chew Leh was appointed as our Executive Chairman on 11 October 2018 and is responsible for spearheading our corporate direction. Mr Chan has worked in the construction industry since the 1970s. He founded Reclaims Enterprise Pte. Ltd. with our Executive Director, Mr Tan Kok Huat, in 2009 and has been instrumental in leading our Group to be an established player in the industry. Mr Chan passed the Skills Evaluation Test in formwork conducted by the Construction Industry Development Board

(now known as Building and Construction Authority) in 1988 and obtained the Skills Evaluation Certificate for hydraulic excavator operation issued by Construction Industry Development Board in 1998.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil



TAN KOK HUAT, AGE 46
EXECUTIVE DIRECTOR

Mr Tan Kok Huat was appointed as our Executive Director on 11 October 2018 and is responsible for overseeing the execution of our projects. Mr Tan has worked in the construction industry since late 1990. He founded Reclaims Enterprise Pte. Ltd. with our Executive Chairman, Mr Chan Chew Leh, and has been pivotal in driving the growth of the Group to be an established player in the industry. Mr Tan obtained the Skills Evaluation Certificate for plumbing and

pipelifting issued by the Construction Industry Development Board (now known as Building and Construction Authority) in 1994.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil

BOARD OF DIRECTORS



ANDREW DEKGUANG JHOU CHEW, AGE 56
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER ("CEO")

Mr Andrew Chew was appointed as our Executive Director and CEO on 11 October 2018. Mr Chew joined our Group in March 2018 and is responsible for charting strategies for the future growth of our Group. He started his career in the banking sector and worked in various financial institutions between 1988 and 2004. From 2005 to 2018, he held directorships in several financial advisory and health science companies. Mr Chew graduated

with a Bachelor of Business Administration degree from Ohio University in 1987.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil



JONG VOON HOO, AGE 46
LEAD INDEPENDENT DIRECTOR

Mr Jong Voon Hoo was appointed as our Lead Independent Director on 24 January 2019. Mr Jong is the chief executive officer and an executive director of Global Invest & Advisory Pte Ltd, which provides investment consultancy and advisory services. He started his career as an auditor with Arthur Andersen in 1996. Subsequently, he joined Ernst & Young as an audit manager and Deloitte & Touche as a senior manager. In 2004, he joined Green Build Technology Limited (formerly known as Youyue International Limited) as its chief financial officer where he was responsible for overseeing the group's

accounting and finance matters. Mr Jong graduated with a Bachelor of Accountancy degree from Nanyang Technological University in 1996. He is a Chartered Accountant of Singapore.

Present directorships in other listed companies:
Sheng Siong Group Ltd.
SingAsia Holdings Limited

Past directorships in other listed companies (Preceding 5 years):
Nil

BOARD OF DIRECTORS



CHANG CHI HSUNG, AGE 40
INDEPENDENT DIRECTOR

Mr Chang Chi Hsung was appointed as our Independent Director on 24 January 2019. Mr Chang is the managing director of OA International Holdings Pte. Ltd. and the managing director of OA Assurance PAC, providing corporate secretarial, valuation, audit, tax and advisory services. He started his career as an auditor with KPMG Malaysia in 2001 and joined KPMG Singapore in 2004, he left as an assistant manager in 2008. From 2008 to 2015, he worked at Mazars Singapore and left as an associate director. Mr Chang graduated with a Bachelor of

Commerce degree in Accounting and Finance from The University of New South Wales in 2001. He is a Chartered Accountant of Singapore and a member of the Malaysian Institute of Accountants. He is a fellow of CPA Australia and is also qualified as an ASEAN Chartered Professional Accountant.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil



LIM HUI CHEE, AGE 47
INDEPENDENT DIRECTOR

Ms Lim Hui Chee was appointed as our Independent Director on 24 January 2019. Ms Lim is a non-executive board member of Samaritans of Singapore, a non-profit organisation. She has more than 20 years of experience in accounting and audit. During her tenures in various listed and non-listed companies in Singapore, she oversaw various finance and accounting functions and was involved in various corporate transactions. In November 2010, she was appointed the group chief financial officer of Equation Corp Limited (now known as DISA Limited). Between August 2016 and February 2018,

she was the chief financial officer of Octopus Group Holdings Pte Ltd. Ms Lim is a Fellow Chartered Accountant of Singapore and a Fellow member of The Association of Chartered Certified Accountants. She obtained her Master of Applied Finance degree from Macquarie University in 2004.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil

BOARD OF DIRECTORS



TAN HEOK PING JOSHUA, AGE 48
INDEPENDENT DIRECTOR

Mr Joshua Tan was appointed as our Independent Director on 24 January 2019. Mr Tan is currently the managing director of JT Legal LLC in Singapore, a law firm specialising in capital markets, mergers and acquisitions, corporate and commercial practices. He has 20 years of experience in legal practice and focuses on corporate finance transactions, including mergers and acquisitions, rights and warrant issues as well as advised on securities regulations. Mr Tan graduated with a Bachelor of Arts degree (Honours) in Law and Management Science from University of Keele in 1995 and obtained a Master of Laws degree from

University of London, King's College London in 1998. He is an advocate and solicitor of the Supreme Court of Singapore, a solicitor of the Supreme Court of England & Wales as well as a barrister-at-law of the Middle Temple, United Kingdom. He is a member of the Singapore Institute of Directors and the Singapore Academy of Law.

Present directorships in other listed companies:
Nil

Past directorships in other listed companies (Preceding 5 years):
Nil

EXECUTIVE OFFICERS

WU PEICONG FINANCIAL CONTROLLER

Mr Wu joined us as our Financial Controller in June 2018. He is in charge of our Group's financial and corporate affairs, including financial reporting, tax, treasury, internal controls, corporate governance and corporate secretarial matters. He

began his career as an auditor with a mid-tier audit firm. Before joining the Group, he was the financial controller of Hafary Holdings Limited. Mr Wu is a Fellow member of the Association of Chartered Certified Accountants, a non-practising Chartered Accountant

of Singapore and a member of the Institute of Internal Auditors. He obtained his Master of Science in Professional Accountancy degree from University of London in 2017.

CHAN BIH TZY GENERAL MANAGER

Ms Chan has been our General Manager since February 2018. She oversees the planning and coordination of the operations, administration and human resource departments and has since joining, restructured the work process of various departments which

has resulted in higher efficiency and productivity. Prior to joining the Group in January 2013, she was employed in the food and beverage and retail industry and was responsible for various functions, such as business planning and staff training and development. Ms Chan

graduated with an Honours Degree of Bachelor of Science (Management) from National University of Ireland, Dublin in 2012. She obtained a Specialist Diploma in Construction Management issued by the Building and Construction Authority in 2016.

FINANCIAL HIGHLIGHTS

Group	FY2019* S\$'000	FY2019 S\$'000	FY2018 S\$'000	FY2017 S\$'000
FOR THE REPORTING YEAR				
Revenue by segment:				
Recycling	5,504	5,504	11,505	12,241
Excavation services	14,422	14,422	8,264	7,205
Logistics and leasing	11,466	11,466	7,769	10,280
Others	198	198	4	51
Total revenue	31,590	31,590	27,542	29,777
Percentage of total revenue:				
Recycling	17.4%	17.4%	41.8%	41.1%
Excavation services	45.7%	45.7%	30.0%	24.2%
Logistics and leasing	36.3%	36.3%	28.2%	34.5%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,091	3,447	6,349	6,411
EBITDA margin	19.3%	10.9%	23.1%	21.5%
Profit before income tax (PBIT)	3,438	794	3,641	4,088
PBIT margin	10.9%	2.5%	13.2%	13.7%
Net profit	2,914	270	3,196	3,676
Net profit margin	9.2%	0.9%	11.6%	12.3%
AT END OF THE REPORTING YEAR				
Non-current assets	15,280	15,280	15,265	16,664
Current assets	13,700	13,131	12,199	13,935
Total assets	28,980	28,411	27,464	30,599
Non-current liabilities	3,947	3,947	5,181	6,496
Current liabilities	7,500	7,745	5,664	6,850
Total liabilities	11,447	11,692	10,845	13,346
Total debt	5,850	5,850	5,741	6,797
Cash and cash equivalents	2,707	2,138	4,946	2,589
Net debt	3,143	3,712	795	4,208
Shareholders' equity	17,533	16,719	16,619	17,253
Weighted average number of ordinary shares ('000)				
– Basic and diluted ^	112,000	112,000	112,000	112,000
FINANCIAL RATIOS				
Profitability				
Revenue growth	14.7%	14.7%	-7.5%	-16.5%
Net profit growth	-8.8%	-91.6%	-13.1%	-46.9%
Return on assets (Net profit/Total assets)	10.3%	1.0%	11.6%	12.0%
Return on equity (Net profit/Shareholders' equity)	17.4%	1.6%	19.2%	21.3%
Liquidity				
Current ratio (times)	1.8	1.7	2.2	2.0
Net assets per share (cents)	15.7	14.9	14.8	15.4
Leverage				
Net debt to equity ratio (times) (Net debt/Shareholders' equity)	0.2	0.2	0.1	0.2
Interest cover (times) (EBITDA/Finance costs)	37.4	21.1	27.1	27.3
Investors' Ratio				
Earnings per share (cents) (Basic and diluted)	2.6	0.2	2.9	3.3

* Added back listing-related expenses amounting to S\$2.6 million in profit or loss and reversing listing expenses (excluding share-based payment) amounting to S\$0.8 million on statement of financial position, for illustration purpose only.

^ Pre-invitation number of shares

FINANCIAL REVIEW

Group	FY2019 S\$'000	FY2018 S\$'000	Change S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME				
Revenue	31,590	27,542	4,048	14.7
Interest income	4	3	1	33.3
Other gains	315	52	263	505.8
Cost of materials, services and consumables	(17,366)	(14,345)	(3,021)	21.1
Other losses	(381)	(393)	12	(3.1)
Finance costs	(163)	(234)	71	(30.3)
Depreciation and amortisation expense	(2,494)	(2,477)	(17)	0.7
Employee benefits expense	(4,823)	(3,904)	(919)	23.5
Other expenses	(5,888)	(2,603)	(3,285)	126.2
Profit before tax from continuing operations	794	3,641	(2,847)	(78.2)
Income tax expense	(524)	(445)	(79)	17.8
Profit from continuing operations, net of tax and total comprehensive income	270	3,196	(2,926)	(91.6)
Profit, net of tax and total comprehensive income attributable to owners of the Company	270	3,196	(2,926)	(91.6)

REVENUE

The overall increase in revenue of S\$4.0 million or 14.7% in the financial year ended 31 January ("FY") 2019 was mainly driven by the expanding excavation services segment with higher number of excavation projects secured from existing customers. The increase was also attributable to an increase in demand for the Group's logistics services on the back of higher level of construction activities in Singapore. Less revenue was generated from the recycling segment as the Group undertook less reinstatement and demolition works resulting in less construction and demolition waste being recycled and sold.

OTHER GAINS

The increase in other gains of S\$0.2 million or 505.8% from S\$52,000 in FY2018 to S\$0.3 million in FY2019 was mainly due to: (a) an increase in government grants of S\$0.1 million; and (b) an increase in gain on disposal of plant and equipment of S\$0.1 million.

COST OF MATERIALS, SERVICES AND CONSUMABLES

The increase in cost of materials, services and consumables of S\$3.0 million or 21.1% from S\$14.3 million in FY2018 to S\$17.3 million in FY2019 was mainly due to increase in transportation services received, disposal costs and diesel costs.



OTHER LOSSES

Other losses which amounted to S\$0.4 million for both FY2018 and FY2019 pertain to allowances made for impairment on trade receivables.

FINANCE COSTS

The decrease in finance costs of S\$0.1 million or 30.3% from S\$0.2 million in FY2018 to S\$0.1 million in FY2019 was mainly due to lower interest paid on the bank loan after the loan was re-financed in June 2017. The decrease was also due to a reduction in the outstanding principal balance of the bank loan during FY2019.

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense amounted to S\$2.5 million for both FY2018 and FY2019. Although additions in plant and equipment was higher in FY2019 compared to FY2018, depreciation and amortisation expenses for FY2019 and FY2018 are comparable as more plant and equipment were fully depreciated at the beginning of FY2019 as compared to FY2018.

FINANCIAL REVIEW

EMPLOYEE BENEFITS EXPENSE

The increase in employee benefits expense of S\$0.9 million or 23.5% from S\$3.9 million in FY2018 to S\$4.8 million in FY2019 was mainly due to increase in headcount, salary increments and hiring of management personnel to prepare for the Company's Initial Public Offering and execute expansion plans during FY2019. As at 31 January 2019, the Group had 125 employees as compared to 97 employees as at 31 January 2018.

OTHER EXPENSES

The increase in other expenses of S\$3.3 million or 126.2% from S\$2.6 million in FY2018 to S\$5.9 million in FY2019 was mainly due to listing-related expenses amounting to S\$2.6 million (including an equity-settled share-based payment amounting to S\$1.8 million) incurred during FY2019.

PROFIT BEFORE TAX

Profit before tax for FY2019 amounted to S\$0.8 million compared to S\$3.6 million for FY2018. Excluding listing-related expenses amounting to S\$2.6 million, profit before tax for FY2019 would have been S\$3.4 million.

INCOME TAX EXPENSE

Income tax expense was high in proportion to profit before tax for FY2019 as the listing-related expenses were not tax-deductible. Excluding listing-related expenses of S\$2.6 million, profit before tax for FY2019 would have been S\$3.4 million and the effective tax rate would have been 15.2%. Effective tax rate of 12.2% for FY2018 is lower mainly due to higher enhanced productivity and innovation credit tax benefits for automated equipment and machinery.

Group	FY2019 S\$'000	FY2018 S\$'000	Change S\$'000	Change %
STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Property, plant and equipment	11,291	11,024	267	2.4
Other asset, non-current	3,989	4,241	(252)	(5.9)
Total non-current assets	15,280	15,265	15	0.1
Current assets				
Inventories	82	–	82	N.M.
Trade and other receivables	6,335	6,062	273	4.5
Other assets, current	4,576	1,191	3,385	284.2
Cash and cash equivalents	2,138	4,946	(2,808)	(56.8)
Total current assets	13,131	12,199	932	7.6
Total assets	28,411	27,464	947	3.4
Equity				
Share capital	15,327	1,000	14,327	N.M.
Retained earnings	1,392	15,619	(14,227)	(91.1)
Total equity	16,719	16,619	100	0.6
Non-current liabilities				
Deferred tax liabilities	805	740	65	8.8
Other financial liabilities, non-current	3,142	4,441	(1,299)	(29.3)
Total non-current liabilities	3,947	5,181	(1,234)	(23.8)
Current liabilities				
Income tax payable	528	342	186	54.4
Trade and other payables	4,509	4,022	487	12.1
Other financial liabilities, current	2,708	1,300	1,408	108.3
Total current liabilities	7,745	5,664	2,081	36.7
Total liabilities	11,692	10,845	847	7.8
Total equity and liabilities	28,411	27,464	947	3.4

N.M. - Not meaningful

FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets amounted to S\$15.3 million as at 31 January 2019 and 31 January 2018.

Property, plant and equipment increased by S\$0.3 million or 2.4% from S\$11.0 million as at 31 January 2018 to S\$11.3 million as at 31 January 2019. The increase was mainly due to the addition of plant and equipment amounting to S\$2.6 million during FY2019 which was partially offset by depreciation expense amounting to S\$2.3 million during FY2019.

Other assets comprise the non-current portion of land lease prepaid to Jurong Town Corporation for a land parcel at 10 Tuas South Street 7 Singapore 637114. The decrease by S\$0.2 million or 5.9% from S\$4.2 million as at 31 January 2018 to S\$4.0 million as at 31 January 2019 was due to amortisation during FY2019.

CURRENT ASSETS

Current assets increased by S\$0.9 million or 7.6% from S\$12.2 million as at 31 January 2018 to S\$13.1 million as at 31 January 2019. The increase was mainly due to increase in inventories, trade and other receivables and other assets by S\$0.1 million, S\$0.2 million and S\$3.4 million respectively. These increases were partially offset by decrease in cash and cash equivalents by S\$2.8 million.

Trade receivables' turnover days was 73 as at 31 January 2019 compared to 74 as at 31 January 2018.

Other assets as at 31 January 2019 mainly comprised contract assets pertaining to work performed but not billed amounting to S\$3.9 million as compared to S\$0.7 million as at 31 January 2018. The increase in contract assets during FY2019 was due to the Group undertaking more project-based contracts during FY2019 where payment by customers are subject to their payment certification procedures which typically take a longer time to process.

NON-CURRENT LIABILITIES

Non-current liabilities decreased by S\$1.2 million or 23.8% from S\$5.1 million as at 31 January 2018 to S\$3.9 million as at 31 January 2019.

The decrease was mainly due to repayment of bank loans amounting to S\$1.3 million and partially offset by an increase in deferred tax liabilities amounting to S\$0.1 million.

CURRENT LIABILITIES

Current liabilities increased by S\$2.1 million or 36.7% from S\$5.6 million as at 31 January 2018 to S\$7.7 million as at 31 January 2019. The increase was due to increase in income tax payable, trade and other payables and other financial liabilities by S\$0.2 million, S\$0.5 million and S\$1.4 million respectively. The increase in other financial liabilities was due to the increase in bills payable to bank.

Trade payables' turnover days was 63 as at 31 January 2019 compared to 51 as at 31 January 2018.

PROPERTY HELD BY THE GROUP

Address	10 Tuas South Street 7 Singapore 637114
Description	Part single-storey/part 4-storey industrial building
Purpose	Corporate headquarters
Expiry of land tenure	30 December 2035
Land area ('000 square feet)	54
Gross floor area ('000 square feet)	43
Purchase cost (S\$'000)	5,494
Development costs (S\$'000)	5,108
Book value (S\$'000) as at 31 January 2019	8,670

SUSTAINABILITY REPORT

BOARD STATEMENT

Sustainability reporting enables us to build business resilience by identifying and responding to material risks and opportunities. The management, with guidance from the Board of Directors (the “**Board**”), determines the material economic, environmental, social and governance (“**EESG**”) factors concerning our business. The Board oversees the management and monitoring of the material EESG factors and considers sustainability issues when formulating the Group’s strategic direction and policies.

This is the inaugural sustainability report of Reclaims Global Limited (the “**Company**”, and together with its subsidiary, the “**Group**”). In preparation of this report, we relied on internal data monitoring and verification to ensure the accuracy of data and information. We sought to improve our reporting on sustainability by providing additional qualitative and quantitative information on how the material EESG factors are being managed.

The Group has chosen to report on sustainability using the Global Reporting Initiative (“**GRI**”) framework as it is a globally recognised sustainability reporting framework that is relevant to the Group’s business. This report has been prepared in accordance with the GRI Standards: Core Option and covered the sustainability performance of our Group for the reporting year ended 31 January 2019 (“**FY2019**”). Going forward, our sustainability reports will be published on an annual basis. The Company has not sought external assurance for this report but may consider doing so in future.

STAKEHOLDER ENGAGEMENT

The interests and requirements of key stakeholders are taken into account when formulating strategies in order to foster mutually beneficial relationships.

Key stakeholders were identified through focused discussions by the management team. Through these discussions, the importance of specific key stakeholders, their respective concerns and key topics of interest on the Group were evaluated. We adopt both formal and informal engagement channels to understand the needs of key stakeholders.

Stakeholders	Group’s commitment	Topics of interest	Engagement channels
Employees 	– Provide our employees with a safe working environment and with fair remuneration and benefits. – Develop our employees to their fullest potential so that they are able to contribute to the success of the Group.	– Remuneration and benefits – Workplace safety – Open communications – Training and development – Career progression – Staff welfare	– Get-together sessions – On-the-job training – Structured trainings – Annual staff appraisal
Customers 	Maximise customers’ satisfaction by effective execution and timely delivery of our services.	– Ability to meet customers’ requirements – Timely and effective execution	– Regular site visits – Dialogues and meetings – Feedback form – Company’s website
Suppliers and vendors 	Cultivate and maintain cordial relationships with our suppliers and vendors through adherence to trading norms.	– Group’s financial stability – Group’s project pipeline – Payment terms	– Dialogues and meetings

SUSTAINABILITY REPORT

Stakeholders	Group's commitment	Topics of interest	Engagement channels
Shareholders 	Maximise shareholders' value through strengthening of our financial fundamentals.	– Business strategies and developments – Financial stability – Financial returns – Corporate governance – Regulatory compliance	– SGXNET announcements – Company's website – General meetings – Annual reports and circulars
Regulators 	– The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and must comply with the requirements of the SGX-ST Listing Manual Section B: Rules of the Catalist ("Catalist Rules") and applicable legislations. – The Group must adhere to laws and regulations in jurisdictions that we operate in and ensure that relevant permits and licences are obtained to operate our businesses.	– Corporate governance – Regulatory compliance – Anti-corruption and bribery	– SGXNET announcements – Annual reports and circulars – Sustainability reports – Seminars, trainings and dialogues organised by the relevant authorities – Correspondences – Occasional meetings

This report forms part of the Company's Annual Report for FY2019 ("Annual Report 2019") and is available on the SGXNET and the Company's website. The Company's Sustainability Team, consisting of our Executive Directors, namely Mr Chan Chew Leh, Mr Tan Kok Huat and Mr Andrew Chew, and our Executive Officers, namely Mr Wu Peicong and Ms Chan Bih Tzy, is committed to listening to our stakeholders and welcome feedback on this report. For enquiries, please contact the Sustainability Team at: sustainability@reclaims.sg.

MATERIALITY ASSESSMENT

We engaged our key executives and management to identify the material EESG factors. In determining whether the identified EESG factors are material and when prioritising them, the management examines the significance of the EESG factor's economic, environmental and social impacts and its influence on stakeholders' assessments and decisions.

From our assessment, we have identified the following material topics and have divided them across the four key pillars – economic, environmental, social and governance.

SUSTAINABILITY REPORT

Reference	Material factors	Pillar
①	Customer service excellence	Economic
②	Economic performance	Economic
③	Emissions (Fuel consumption)	Environmental
④	Occupational health and safety	Social
⑤	Corporate governance	Governance
⑥	Regulatory compliance	Governance

The identified EESG factors are prioritised in the materiality matrix below:

Materiality Matrix						
Influence on stakeholder's assessments and decisions	Important	4		①		
	Crucial		3	②	④ ⑤ ⑥	
	Moderate		2		③	
	Relevant		1			
			1	2	3	4
			Low	Moderate	High	Very high
			Significance of economic, environmental and social impacts			

Findings from this assessment were presented to the Board for approval.

These key sustainability issues are monitored and managed by the management regularly. The effectiveness of the approaches taken by the management are reviewed from time to time via various mechanisms such as benchmarking to market practices and norms as well as reviewing of stakeholders' feedback and performance indicators. We will continue to examine our material EESG factors periodically and will work to strengthen our sustainability management framework, processes and procedures.

ECONOMIC

ECONOMIC PERFORMANCE

Our economic performance affects financial stability which in turn, has an impact on our ability to meet our financial obligations to various stakeholders, such as payment of dividends to our shareholders, payment of salaries to our employees, settlement of invoices from suppliers, payment of taxes to the government and contributions to the local communities.

To ensure financial stability, our finance team monitors the financial health of the Group, paying particular attention to working capital needs and credit risks. The Company does not have a formal dividend policy and this enables us to be more adaptive and less vulnerable to market changes.

SUSTAINABILITY REPORT

During FY2019, the Group received government grants amounting to S\$157,000. These include subsidies and rebates under the Mechanisation Credit Scheme from the Building Authority of Singapore, Special Employment Credit from the Ministry of Manpower and Wage Credit Scheme from the Inland Revenue Authority of Singapore.

For detailed financial results, please refer to the following sections in Annual Report 2019:

- Financial Highlights (Page 9)
- Financial Review (Pages 10 to 12)
- Statement by Directors and Financial Statements (Pages 54 to 99)

CUSTOMER SERVICE EXCELLENCE

Service excellence is of paramount importance to our customers. By listening to and delivering value to our customers, we will, in turn, be contributing to our own sustainable development.

Customer trust and retention starts with our people. We place the utmost importance on training and educating our employees on workplace safety for our employees' wellbeing so that our employees are able to meet the safety protocols implemented by or imposed on our customers who operate in the heavily-regulated construction industry.

Open and frequent communication and responsive feedback are ingrained into our daily activities through our interactions with our customers. We attend weekly meetings with the main contractors to ensure that worksite issues are promptly attended to and project timelines are met. We constantly assess and improve our performance based on customers' feedback and ensure that prompt rectifications are carried out. We also ensure that suppliers and vendors engaged by us have the relevant experience so that they are able to meet our customers' requirements.

We are committed to quality assurance and customer service excellence. We possess the following quality certifications which were valid during FY2019:

Certificate	Scope	Certifying party	Date of expiry
ISO 9001:2015	Quality management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	5 November 2021
ISO 14001:2015	Environmental management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	4 November 2021
Singapore Green Label	20mm Recycled Aggregate For Concrete Mixture 022-053-1364 as "Eco-Friendly Building Materials"	Singapore Environment Council	4 May 2020

During FY2019, we were not made liable to pay any liquidated damages as a result of not meeting contractual milestones.

ENVIRONMENTAL

EMISSION (FUEL CONSUMPTION)

In the provision of excavation services and logistics services, significant carbon footprints were created through the use of large volume of diesel to run our machinery and motor vehicles. As at 31 January 2019, the Group has 46 tipper trucks and 47 units of other construction and recycling equipment, including articulated dump trucks, excavators, mobile screeners and mobile jaw crushers. It is thus important that we monitor and manage our carbon footprints effectively to reduce the environmental impacts of our operations for the health and wellbeing of the future generations.

SUSTAINABILITY REPORT

We regularly renew our fleet of tipper trucks and have gradually replaced our Euro IV tipper trucks with Euro V tipper trucks. Replacing a Euro IV motor vehicle with a Euro V motor vehicle can reduce tailpipe emissions of nitrogen oxides from 3.5g/kWh to 2.0g/kWh as well as other gaseous and particulate pollutants. During FY2019, we have replaced 4 units of Euro IV tipper trucks to Euro V tipper trucks.

In the coming reporting periods, the management will establish our Greenhouse Gas (“GHG”) emission efficiency index for consistent tracking of our carbon footprint over time and to also set targets for us to improve on our GHG emission efficiency.

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Given the nature of our operations, the health and safety of our staff, drivers and workers may be at risk. We strive to ensure that our efforts to mitigate health and safety risks remain uncompromised as any failure on our part in this aspect can result in severe reputational losses to the Group.

We have put in place comprehensive safety measures to provide a safe and healthy working environment for all our employees. Such measures include:

- (a) conducting periodic and necessary risk assessments for all our projects to identify the risks and gaps, and implement mitigating procedures in order to achieve an accident-free environment or minimise risks to an acceptable level;
- (b) conducting regular safety meetings and providing sufficient management support and resources to plan, implement and execute safety measures in compliance with workplace health and safety legislations and other requirements which include directives, guidelines and standards prescribed by our Group;
- (c) conducting regular equipment checks; and
- (d) cultivating good safety habits through proper training, instruction and guidance and ensuring that workplace safety and health matters are effectively communicated to all employees.

Our employees are encouraged to report any work-related hazards and hazardous situations during safety meetings and by any means and at any time to the Executive Directors, General Manager, Site Supervisors and/or Site Engineers.

The Group took up a corporate scheme with Raffles Medical Group which owns and operates a large network of clinics. All our employees are allowed to visit their clinics for general medical consultation. The Human Resources (“HR”) Department monitors the frequency of consultations and if necessary, check if frequent consultations, especially by employees from the same department or work site, are related to work hazards that need to be addressed.

We provide medical benefits to all employees. Our foreign employees are covered by work injury compensation insurance and medical insurance. Insurance policies for employees are renewed by the HR Department annually to ensure that adequate coverage is available to employees.

SUSTAINABILITY REPORT

We possess the following safety certifications which were valid during FY2019:

Certificate	Scope	Certifying party	Date of expiry
bizSAFE Level Star	Workplace safety and health management system	Workplace Safety and Health Council	7 October 2021
OHSAS 18001:2007	Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	11 March 2021
ISO 45001:2018	Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	7 October 2021

During FY2019, there were no major worksite accidents which resulted in serious injury, death or censuring by the relevant authorities and there were no fatalities as a result of work-related ill health. The Group strives to maintain this record in the following years.

GOVERNANCE

CORPORATE GOVERNANCE

The Group views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders' value and are committed to observing high standards of corporate governance.

The Group has established a Code of Business Conduct and Ethics for Employees that states the fundamental principles of ethical and professional conduct expected of all employees covering areas such as responsibilities to the Group, confidentiality of information, anti-corruption and conflict of interest. Employees of the Group, including the directors, whose job responsibilities may give rise to conflict of interest are required to complete and submit an annual conflict of interest declaration to the Group's HR Department.

In upholding the highest level of business conduct and integrity, directors have a responsibility to lead by example. As such, the Board has adopted a Code of Business Conduct and Ethics for Directors which covers areas such as conflict of interest, confidentiality and proper use of information and assets and other board appointments and other principal commitments. The code also provides guidance on how to report actual or suspected violations.

The Group also has in place a whistle-blowing policy which is available on the Company's website. All concerns about possible improprieties can be communicated directly to the Company's Audit Committee via: whistleblower@reclaims.sg.

During FY2019, there was no known non-compliance with our Code of Business Conduct and Ethics for Employees and Directors and no significant matter was raised through the Group's whistle-blowing channels.

Risk analysis and management is undertaken within the Group as a source of sustainable business benefits and competitive advantage. The Group has in place an enterprise risk management framework which includes a set of processes to ensure that the Group is aware of, and attends to, current and emerging risks. The Group documents its significant risks, their mitigating measures, together with the risk owners and action plans to address these risks in a risk register and reports them to the Board on a bi-annual basis.

The Company adopted the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018. Please refer to pages 25 to 51 of Annual Report 2019 for the Company's Corporate Governance Report for FY2019.

SUSTAINABILITY REPORT

REGULATORY COMPLIANCE

The Group is governed by a number of laws and regulations that are generally applicable to companies and businesses incorporated and/or operating in Singapore. We also need to ensure that relevant permits and licences are obtained to operate our businesses. Being listed on the Catalist Board of the SGX-ST, the Company is required to comply with the requirements of the Catalist Rules and other legislations applicable to listed entities. Breaches in the relevant laws and regulations may result in significant fines and penalties and/or reprimands by the relevant authorities, leading to reputational damage.

The Company has its appointed sponsor, SAC Capital Private Limited (the “**Sponsor**”), to advise the Company on the compliance with the Catalist Rules. The management also receives regular updates from the Sponsor, company secretary and external auditors on changes with regards to the Companies Act, Catalist Rules, Code of Corporate Governance and Singapore Financial Reporting Standards (International).

The management keeps themselves regularly updated on the changes in laws and regulations which affects our operations. The Group regularly briefs and reminds our drivers and workers on the safety procedures as well as laws and regulations applicable to their work.

The Contractors Registry is administered by the Buildings and Construction Authority (“**BCA**”) and was established to register contractors who are able to provide construction-related goods and services to the public sector which include government departments, statutory bodies and other public sector organisations. The grading given by BCA is subject to renewal every three years. In granting renewal, BCA will consider factors such as our paid-up capital, net worth and track record.

During FY2019, the Company’s wholly-owned subsidiary, Reclaims Enterprise Pte. Ltd., was registered with the BCA as follows:

Workhead	Workhead description	Grade	Tender capacity for each project	Date of expiry
CW02	Civil engineering	C 1	S\$4.0 million	1 February 2021
CR01	Minor construction work	Single Grade	Unlimited	1 February 2021
CR03	Demolition	Single Grade	Unlimited	1 February 2021

The Building Control Act (Chapter 29) and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for the licensing of builders. Builders who undertake building works where plans are required to be approved by the Commissioner of Building Control and those who work in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution have to be licensed by BCA. The aim of licensing of builders is to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency and to ensure that building works are carried out only by builders with experienced key personnel to manage the business and properly qualified technical personnel to supervise the execution of the works.

During FY2019, Reclaims Enterprise Pte. Ltd. was licensed by BCA to carry out general building works as follow:

Licensing code	Description	Tender capacity for each project	Date of expiry
GB1	General Builder Class 1	Unlimited	17 December 2020

During FY2019, no major enforcement action was taken against us and no significant fines were imposed on us for non-compliance with laws and regulations. The Group will strive to maintain this record by complying with the relevant laws and regulations in the course of our business operations.

SUSTAINABILITY REPORT

TARGET SETTING

We are gathering and measuring performance data to identify trends for the purpose of setting targets on the material EESG factors as described above. Accordingly, the disclosure of our EESG targets is deferred till a time when adequate data is available to set realistic targets.

HUMAN RESOURCES

ENGAGED WORKFORCE

In building an engaged workforce, the Group is committed to diversifying our workplace and providing equal opportunities to every employee regardless of background.

We are concerned with the wellbeing of our employees and have implemented a number of staff welfare initiatives, such as annual dinners and festive meals. Our employees are entitled to medical benefits and are covered by medical insurance. The Group provides our employees with maternity and paternity leaves and childcare leave in accordance with Singapore's law and regulations.

HR STATISTICS

As at 31 January 2019, the Group has 125 permanent and full-time employees and does not have any temporary or part-time employees. The amount of work provided by casual labour is not significant.

Based on records maintained by our HR Department, a further breakdown of our workforce as at the end of our reporting period is as follows:

Gender	FY2019		FY2018	
	Number	%	Number	%
Male	115	92	90	93
Female	10	8	7	7
Total	125	100	97	100

Region	FY2019		FY2018	
	Number	%	Number	%
Singapore	19	15	13	14
Singapore Permanent Resident	8	6	9	9
Malaysia	28	23	18	19
India	41	33	33	34
China	19	15	15	15
Others	10	8	9	9
Total	125	100	97	100

Length of service	FY2019		FY2018	
	Number	%	Number	%
Less than 5 years	107	86	79	81
5 to 10 years	18	14	18	9
Total	125	100	97	100

SUSTAINABILITY REPORT

BOARD DIVERSITY

The Company recognises and embraces Board diversity and views Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

For more information about the Company's Board diversity practices, please refer to our commentaries under Provision 2.4 of 'Corporate Governance Report' section of Annual Report 2019.

MEMBERSHIP

The Group's wholly-owned subsidiary, Reclaims Enterprise Pte. Ltd., is a member of The Singapore Contractors Association Ltd.

GRI Content Index			
Disclosure no.	Disclosure	Annual report section reference	Remarks
General Disclosures (GRI 102: General Disclosures 2016)			
1. Organisational Profile			
102-1	Name of the organisation	Cover Page	–
102-2	Activities, brands, products, and services	– Corporate Profile – Notes 1, 4 and 15 to the Financial Statements	–
102-3	Location of headquarters	– Corporate Profile – Corporate Information	–
102-4	Location of operations	– Corporate Profile – Note 4F to the Financial Statements	–
102-5	Ownership and legal form	– Corporate Profile – Note 1 to the Financial Statements – Statistics of Shareholdings	–
102-6	Markets served	– Corporate Profile – Note 4F to the Financial Statements	–
102-7	Scale of the organisation	– Corporate Profile – Financial Highlights – Financial Review – Sustainability Report: Human Resources – Financial Statements – Statistics of Shareholdings	–
102-8	Information on employees and other workers	– Sustainability Report: Human Resources	–
102-9	Supply chain	– Corporate Profile – Note 23 to the Financial Statements	–
102-10	Significant changes to the organisation and its supply chain	Not applicable	There is no significant change to the supply chain that can cause or contribute to significant economic, environmental and social impacts during the reporting period.

SUSTAINABILITY REPORT

GRI Content Index			
Disclosure no.	Disclosure	Annual report section reference	Remarks
102-11	Precautionary principle or approach	– Corporate Governance Report: Principle 9 – Sustainability Report: Environmental – Emission (Fuel consumption)	
102-12	External initiatives	– Sustainability Report: Economic – Customer service excellence – Sustainability Report: Social – Occupational health and safety	–
102-13	Membership of associations	Sustainability Report: Membership	–
2. Strategy			
102-14	Statement from senior decision-maker	– CEO's Statement – Sustainability Report: Board Statement	–
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	– Sustainability Report: Governance – Corporate governance	–
4. Governance			
102-18	Governance structure	– Corporate Information – Corporate Governance Report – Sustainability Report: Governance – Corporate governance	–
5. Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Report: Stakeholder Engagement	–
102-41	Collective bargaining agreements	Not applicable	No employee of the Group is covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Sustainability Report: Stakeholder Engagement	–
102-43	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement	–
102-44	Key topics and concerns raised	Sustainability Report: Stakeholder Engagement	–
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	– Corporate Profile – Note 15 to the Financial Statements	–
102-46	Defining report content and topic boundaries	– Sustainability Report: Board Statement – Sustainability Report: Materiality Assessment	–
102-47	List of material topics	Sustainability Report: Materiality Assessment	–
102-48	Restatements of information	Not applicable	This is the first sustainability report prepared by the Company.

SUSTAINABILITY REPORT

GRI Content Index			
Disclosure no.	Disclosure	Annual report section reference	Remarks
102-49	Changes in reporting	Not applicable	This is the first sustainability report prepared by the Company.
102-50	Reporting period	Sustainability Report: Board Statement	–
102-51	Date of most recent report	Not applicable	This is the first sustainability report prepared by the Company.
102-52	Reporting cycle	Sustainability Report: Board Statement	Annual
102-53	Contact point for questions regarding the report	Sustainability Report: Stakeholder Engagement	–
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: Board Statement	–
102-55	GRI content index	Sustainability Report: GRI Content Index	–
102-56	External assurance	Sustainability Report: Board Statement	This report is not externally assured.
Material Topics (GRI 103: Management Approach 2016)			
103-1	Explanation of the material topic and its boundaries	Sustainability Report: Economic, Environmental, Social, Governance	–
103-2	The management approach and its components	Sustainability Report: Economic, Environmental, Social, Governance	–
103-3	Evaluation of management approach	Sustainability Report: Economic, Environmental, Social, Governance	–
Material Topics (GRI 201: Economic Performance 2016)			
201-1	Direct economic value generated and distributed	Financial Highlights Financial Review Financial Statements	–
201-2	Financial implications and other risks and opportunities due to climate change	Not applicable	Climate change is not expected to generate substantive changes in operations, revenue or expenditure.
201-3	Defined benefit plan obligations and other retirement plans	Note 9 to the Financial Statements	The Group is obliged to contribute, for employees who are Singaporeans or Singapore Permanent Residents, to the Central Provident Fund, a defined contribution retirement benefit plan managed by the Singapore government.
201-4	Financial assistance received from government	Sustainability Report: Economic – Economic performance Notes 6 and 11 to the Financial Statements Statistics of Shareholdings	–

SUSTAINABILITY REPORT

GRI Content Index			
Disclosure no.	Disclosure	Annual report section reference	Remarks
Material Topics (GRI 305: Emissions 2016)			
305-1	Direct (Scope 1) GHG emissions	Information unavailable	This is the first sustainability report prepared by the Company. In the coming reporting periods, the management will devise appropriate formulas to measure our emissions and establish our GHG emission efficiency index to track our carbon footprint consistently.
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
305-6	Emissions of ozone-depleting substances (ODS)		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
Material Topics (GRI 403: Occupational Health and Safety 2018)			
403-1	Occupational health and safety management system	Sustainability Report: Social – Occupational health and safety	–
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report: Social – Occupational health and safety	–
403-3	Occupational health services	Sustainability Report: Social – Occupational health and safety	–
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report: Social – Occupational health and safety	–
403-5	Worker training on occupational health and safety	Sustainability Report: Social – Occupational health and safety	–
403-6	Promotion of worker health	Sustainability Report: Social – Occupational health and safety	–
403-7	Prevention and mitigation of occupation health and safety impacts directly linked by business relationships	Sustainability Report: Social – Occupational health and safety	–
403-8	Workers covered by an occupational health and safety management system	Sustainability Report: Social – Occupational health and safety	Safety measures put in place by the Group mainly cover employees of the Group.
403-9	Work-related injuries	Sustainability Report: Social – Occupational health and safety	–
403-10	Work-related ill health	Sustainability Report: Social – Occupational health and safety	–

CORPORATE GOVERNANCE REPORT

Reclaims Global Limited (the “**Company**”, and together with its subsidiary, the “**Group**”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and are committed to observing high standards of corporate governance.

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requires listed companies to describe, in their annual reports, their corporate governance practices, with specific reference to the principles and the provisions of the Code of Corporate Governance.

On 6 August 2018, the Monetary Authority of Singapore (“**MAS**”) issued a revised Code of Corporate Governance (the “**2018 Code**”) and accompanying Practice Guidance. The 2018 Code will apply to annual reports covering financial years commencing 1 January 2019. Notwithstanding, the Company has adopted the 2018 Code in advance for its annual report for the financial year ended 31 January 2019 (“**FY2019**”).

This report describes the Company’s corporate governance practices with reference to both the principles and provisions set out in the 2018 Code. We have also taken into consideration the Practice Guidance provided by MAS. The Board of Directors is pleased to confirm that for FY2019, the Company has adhered to the principles of the 2018 Code as well as the Catalist Rules, where appropriate. Where the Company’s practices vary from any provisions of the 2018 Code, we have explained the reasons for the deviations, and explained how the practices we have adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

► Principle 1: THE BOARD’S CONDUCT OF AFFAIRS

As at the date of this report, the Board is made up of the following members:

Mr Chan Chew Leh	Executive Chairman
Mr Tan Kok Huat	Executive Director
Mr Andrew Dekguang Jhou Chew	CEO and Executive Director
Mr Jong Voon Hoo	Lead Independent Director
Mr Chang Chi Hsung	Independent Director
Mr Tan Heok Ping Joshua	Independent Director
Ms Lim Hui Chee	Independent Director

Provision 1.1 of the 2018 Code:
Directors are fiduciaries who act objectively in the best interests of the Company

The primary functions of the Board, apart from its statutory duties, include:

- Overseeing the overall management and business affairs of the Group;
- Formulating the Group’s strategies, focusing on value creation and innovation and considering sustainability issues;

CORPORATE GOVERNANCE REPORT

- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- Setting financial objectives and monitoring the Group's financial performance and Management's performance;
- Overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- Setting the Group's approach to corporate governance, including the establishment of ethical values and standards; and
- Balancing the demands of the business with those of the Company's stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met.

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

Provision 1.2 of the 2018 Code:
Directors' duties, induction, training and development

- Executive Directors are members of the Management who are involved in the day-to-day running of the Group's business operations. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- Independent Directors do not participate in the Group's business operations and are deemed independent by the Board. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

New Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operations.

CORPORATE GOVERNANCE REPORT

It is a requirement under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director (“**LED**”) programme organised by the Singapore Institute of Directors (“**SID**”) as prescribed under Practice Note 4D of the Catalist Rules. All Directors, except for Mr Jong Voon Hoo, do not have prior experience as directors of public listed companies in Singapore. Mr Andrew Chew, Mr Chang Chi Hsung, Mr Joshua Tan and Ms Lim Hui Chee have attended all relevant modules of the LED programme. Mr Chan Chew Leh and Mr Tan Kok Huat have not attended the relevant modules of the LED programme but have undertaken to attend the relevant modules within one year from the date of admission of the Company to Catalist. Registration costs for the above training programme were or will be borne by the Group.

During FY2019, the Directors were provided with updates on changes in laws and regulations, including the Companies Act, Catalist Rules and the Code of Corporate Governance, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

The Nominating Committee evaluates the individual Directors’ competencies and recommends to the Board on training and development programmes for each Director. Our Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Provision 1.3 of the 2018 Code:

Matters requiring Board’s approval

Matters specifically reserved for the Board’s decision are formally documented in a schedule, incorporated in the Group’s Accounting Policies and Procedural Manual and clearly communicated to the Management. These matters include:

- Changes to the Group’s capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

CORPORATE GOVERNANCE REPORT

Board Committees, namely Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

Provision 1.4 of the 2018 Code:
Board Committees

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Board and Board Committee meetings are held regularly, with Board and AC meetings held at least twice a year and RC and NC meetings held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors’ attendance. Ad-hoc meetings will be convened when the Board’s guidance or approval is required, outside of the scheduled Board meetings.

Provision 1.5 of the 2018 Code:
Attendance and participation in Board and Board Committee meetings

In accordance with Regulation 118(2) of the Company’s Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

During FY2019, no Board or Board Committee meetings were held as the Company was listed on Catalist on 11 March 2019. The full year Board and Board Committee meetings for FY2019 were conducted on 1 April 2019, and were attended by all of the Directors.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Principle 4 of this report.

CORPORATE GOVERNANCE REPORT

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

The Management provides members of the Board with half yearly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least three working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

In respect of the annual budget of the Group, material variance between budgeted results and actual results would be disclosed and explained by the Management at Board meetings.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has separate and independent access to the Management, the company secretaries and external professionals, including our Sponsor, legal counsels and auditors.

The role of the company secretaries is clearly defined and includes:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensuring that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Assisting the Executive Chairman in ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretaries are subject to the approval of the Board as a whole.

Provision 1.6 of the 2018 Code:

Complete, adequate and timely information to make informed decisions

Provision 1.7 of the 2018 Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary

CORPORATE GOVERNANCE REPORT

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

As the Executive Chairman is part of the Management and therefore not independent, the majority of the Board are made up of Independent Directors. The Board comprises a total of seven Directors, of whom four are considered independent by the Board. The independent element on the Board is strong and this enables the Board to exercise objective independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rules. The NC adopts the 2018 Code's definition of what constitutes an "independent" Director in its review.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the 2018 Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and noted that none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. No Independent Director has served on the Board for more than nine years.

Board Diversity

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

► Principle 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the 2018 Code:

Director independence

Provision 2.2 of the 2018 Code:

Independent directors make up a majority of the Board

Provision 2.3 of the 2018 Code:

Non-executive directors make up a majority of the Board

Provision 2.4 of the 2018 Code:

Size and composition of the Board and Board Committee; Board diversity policy

CORPORATE GOVERNANCE REPORT

However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Executive Chairman strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management. The Board has one female Independent Director. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Executive Chairman, as appropriate.

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman and the CEO are separate persons and have no familial relationship with each other.

The roles of the Executive Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that there is a clear division of responsibilities between the leadership of the Board and the Management.

The Executive Chairman, Mr Chan Chew Leh, promotes a culture of openness and debate at the Board level and ensures that corporate information is adequately disseminated to all Directors on a timely manner, to facilitate discussions at meetings. In addition, he encourages constructive relations within the Board and between the Board and the Management to facilitate effective contribution of all Directors. The Executive Chairman also ensures effective communication with shareholders and other stakeholders. The Executive Chairman is assisted by the Board Committees in ensuring compliance with the Company's standards of corporate governance.

The CEO, Mr Andrew Chew, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Directors and the Management.

Provision 2.5 of the 2018 Code:
Independent Directors meet regularly without the presence of the Management

► **Principle 3:
CHAIRMAN AND CHIEF
EXECUTIVE OFFICER**

Provision 3.1 of the 2018 Code:
Chairman and CEO are separate persons

Provision 3.2 of the 2018 Code:
Division of responsibilities between Chairman and CEO

CORPORATE GOVERNANCE REPORT

As the Executive Chairman is part of the Management and therefore not independent, Mr Jong Voon Hoo has been appointed as the Lead Independent Director, as recommended by the 2018 Code. The responsibilities of the Lead Independent Director include:

- Acting as the principal liaison to address shareholders' concerns for which contact through the normal channels of communication with the Executive Directors or other Executive Officers are inappropriate or failed to resolve the concerns in question;
- Chairing Board meetings in the absence of the Executive Chairman;
- Working with the Executive Chairman in leading the Board; and
- Providing a channel to Independent Directors for confidential discussions on any concerns they may have and to resolve conflicts of interest, as and when necessary.

Provision 3.3 of the 2018 Code:

Lead Independent Director

Mr Jong can be contacted via: voonhoo.jong@reclaims.sg.

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

► **Principle 4:**
BOARD MEMBERSHIP

The NC comprises three Independent Directors (including the Lead Independent Director), namely Ms Lim Hui Chee, Mr Jong Voon Hoo and Mr Joshua Tan. The Chairman of the NC is Ms Lim Hui Chee.

Provision 4.1 of the 2018 Code:

NC to make recommendations to the Board on relevant matters

The NC's responsibilities, as set out in its terms of reference, include the following:

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to our Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for our Directors, in particular, the appointment and/or replacement of our Executive Chairman, CEO and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of our Board, taking into account the future requirements of our Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group, and other considerations as set out in the 2018 Code, and setting the objectives for achieving Board diversity and reviewing our progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the 2018 Code and any other salient factors;

Provision 4.2 of the 2018 Code:

Composition of NC

CORPORATE GOVERNANCE REPORT

- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as our NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for our Board and our Directors;
- Assessing whether each Director is able to and has been adequately carrying out his duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through our network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board which retains the final discretion in appointing such new Directors.

Provision 4.3 of the 2018 Code:

Process for the selection, appointment and re-appointment of Directors

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

Regulation 115 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next annual general meeting of the Company ("**AGM**") and shall then be eligible for re-election. In addition, Regulation 105 of the Company's Constitution states that at each AGM, one-third (or the number nearest one-third) of the Directors shall retire from office and that all Directors shall retire from office at least once in every three year and such retiring Directors shall be eligible for re-election. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The NC recommended that all Directors of the Company, who were appointed during FY2019, be put forward for re-election at the forthcoming AGM. The Board accepted the recommendation and being eligible, all Directors of the Company will be offering themselves for re-election in the forthcoming AGM. The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

CORPORATE GOVERNANCE REPORT

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question.

Provision 4.4 of the 2018 Code:

Circumstances affecting Director's independence

The Board and the NC have established a guideline to address the issue of competing time commitments faced by Directors who hold multiple listed company directorships and other principal commitments. The general guideline is set out below:

Provision 4.5 of the 2018 Code:

Multiple listed company directorships and other principal commitments

Type of Directors	Maximum number of listed company directorships and other principal commitments allowed
Executive Director	3
Non-Executive Director with full-time employment	5
Non-Executive Director without full-time employment	7

In addition, a Director shall only assume not more than one executive directorship in a listed company at any point in time.

The above guideline is reviewed by the NC annually. The NC requires each Director to declare changes in listed company directorships or other principal commitments during the year to enable the on-going monitoring of the commitment of the Directors to the Company.

In addition to the number of listed company directorships and other principal commitments, the NC also takes into account of the results of the annual evaluation of each Director's effectiveness and the respective Directors' conduct at the Board and Board Committee meetings to determine whether the Director is able to discharge his or her duties diligently.

In respect of FY2019, the NC was of the view that each Director has discharged his or her duties diligently. As at the date of this report, the number of listed company directorships and other principal commitments held by each Director is within the maximum limits stipulated. The NC is of the view that the multiple board directorships and other principal commitments held presently by some Directors do not impede their respective performance in carrying out his or her duties towards the Company. Please refer to the "Board of Directors" section of Annual Report for the listed company directorships and other principal commitments of the Directors.

No alternate Director has been appointed to the Board.

CORPORATE GOVERNANCE REPORT

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

► **Principle 5:
BOARD PERFORMANCE**

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Provisions 5.1 and 5.2 of the 2018 Code: Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Executive Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Based on the NC's review for FY2019, the Board operates effectively and each Director is contributing to the Board's effectiveness.

As the Company was newly listed on Catalist on 11 March 2019, the Board will implement a formal annual process for assessing the effectiveness of each Board Committee for the financial year ending 31 January 2020.

Although no external facilitator had been engaged by the Board for this purpose, the NC has full authority to do so, if the need arises.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

► Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises three Independent Directors (including the Lead Independent Director), namely Mr Joshua Tan, Mr Jong Voon Hoo and Mr Chang Chi Hsung. The Chairman of the RC is Mr Joshua Tan.

Provision 6.1 of the 2018 Code:

RC to recommend remuneration framework and packages

The RC's responsibilities, as set out in its terms of reference, include the following:

Provision 6.2 of the 2018 Code:

Composition of RC

- Reviewing and recommending to our Board for approval a framework of remuneration for our Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;
- Reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to our Directors or substantial shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;
- Reviewing our obligations arising in the event of termination of service contracts entered into between our Group and our Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- If necessary, seeking expert advice within and/or outside our Company on remuneration matters, ensuring that existing relationships, if any, between our Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate our Directors and Executive Officers, and to align the interests of our Directors and Executive Officers with the interests of our shareholders and other stakeholders and promote the long-term success of our Company; and
- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

CORPORATE GOVERNANCE REPORT

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

Provision 6.3 of the 2018 Code:

RC to consider and ensure all aspects of remuneration are fair

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated, including a monthly salary of S\$25,000, a fixed annual bonus of three months' salary and an annual incentive bonus based on the audited profit before tax ("**PBT**") of the Group. For this purpose, PBT shall refer to the audited consolidated profit before tax, excluding fair value gain or loss to the Group's properties and securities, any profit or loss attributable to non-controlling interests or minority interests and any exceptional or extraordinary items. The amount of the incentive bonus is subject to the Group achieving certain predetermined PBT targets as follows:

PBT	Amount of incentive bonus
Equals or exceeds S\$4.0 million but does not exceed S\$6.0 million	3.0% of PBT
Equals or exceeds S\$6.0 million but does not exceed S\$8.0 million	5.0% of PBT in excess of S\$6.0 million plus S\$180,000
Equals or exceeds S\$8.0 million	7.0% of PBT in excess of S\$8.0 million plus S\$280,000

Pursuant to the terms of the service agreements, each Executive Director shall also be provided with a car, with all maintenance costs and reasonably incurred running expenses to be borne by the Company.

There are no excessively long or onerous removal clauses in these service agreements. The service agreements are valid for three years with effect from 11 March 2019, after which they shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. During the initial period of three years, either party may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Executive Director's last drawn monthly salary.

The RC members are familiar with remuneration matters as they manage their own businesses and are regularly updated of market practices. During FY2019, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants and where applicable, it will review the independence of the external firm before engaging them.

Provision 6.4 of the 2018 Code:

Expert advice on remuneration

CORPORATE GOVERNANCE REPORT

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Executive Directors and Executive Officers comprise fixed components, including salaries and bonuses, and a variable component. Their remuneration is linked to their roles and responsibilities and aligned with shareholders' interests to promote long-term success of the Group. The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

Having reviewed the variable component in the remuneration packages of the Executive Directors and Executive Officers, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Executive Officers in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Executive Officers.

The Company does not offer any share scheme. The RC may consider other forms of long-term incentive schemes for the Management when necessary.

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised.

The Company does not have any scheme to encourage Independent Directors to hold shares in the Company.

► Principle 7: LEVEL AND MIX OF REMUNERATION

Provisions 7.1 and 7.3 of the 2018 Code:
Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company

Provision 7.2 of the 2018 Code:
Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

CORPORATE GOVERNANCE REPORT

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

► **Principle 8:
DISCLOSURE ON
REMUNERATION**

A separate annual remuneration report is not prepared as the matters which need to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

Provisions 8.1 and 8.3 of the 2018 Code:

Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the CEO during FY2019 is as follows:

Name of Directors	Salary, fixed bonus, allowance and CPF		Variable or performance-related bonus		Directors' fee		Total
	S\$'000	%	S\$'000	%	S\$'000	%	
Chan Chew Leh ⁽¹⁾	153	100	–	–	–	–	153
Tan Kok Huat ⁽¹⁾	156	100	–	–	–	–	156
Andrew Chew ⁽²⁾	65	100	–	–	–	–	65
Jong Voon Hoo ⁽³⁾	–	–	–	–	5	100	5
Chang Chi Hsung ⁽³⁾	–	–	–	–	5	100	5
Joshua Tan ⁽³⁾	–	–	–	–	5	100	5
Lim Hui Chee ⁽³⁾	–	–	–	–	5	100	5
Total	374	95	–	–	20	5	394

Notes:

- (1) Chan Chew Leh and Tan Kok Huat are co-founders of the Group and were appointed to the Board on 11 October 2018.
- (2) Andrew Chew joined the Group in March 2018 as the CEO and was appointed to the Board on 11 October 2018.
- (3) Jong Voon Hoo, Chang Chi Hsung, Joshua Tan and Lim Hui Chee were appointed to the Board on 24 January 2019.

CORPORATE GOVERNANCE REPORT

A breakdown (in percentage terms) of the remuneration earned by the Executive Officers during FY2019 is as follows:

Remuneration band and name of Executive Officers ⁽¹⁾	Designation	Salary, allowance and CPF (%)	Variable or performance-related bonus (%)
Below S\$250,000:			
Wu Peicong ⁽²⁾	Financial Controller	91	9
Chan Bih Tzy ⁽³⁾	General Manager	84	16

Notes:

- (1) The Executive Officers are the only key management personnel of the Group, excluding the Executive Directors and the CEO.
- (2) Wu Peicong joined the Group on 1 June 2018.
- (3) Chan Bih Tzy is a niece of our Executive Chairman, Chan Chew Leh.

The total remuneration paid to the key management personnel of the Group (who are not Directors or the CEO of the Company) in FY2019 amounted to S\$202,000. Given the size of the Group's operations, the Company had identified two key management personnel as above.

No termination, retirement and post-employment benefits was granted to the Directors, the CEO or the Executive Officers.

The Company does not have any employee share scheme.

Save for the Executive Directors, there are no employees who were substantial shareholders of the Company in FY2019.

There were no employees who were the immediate family members of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S\$100,000 in FY2019.

Provision 8.2 of the 2018 Code:

Remuneration disclosure of related employees

ACCOUNTABILITY AND AUDIT

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

► **Principle 9:
RISK MANAGEMENT AND
INTERNAL CONTROLS**

Provision 9.1 of the 2018 Code:

Board determines the nature and extent of significant risks

CORPORATE GOVERNANCE REPORT

The Company has in place an enterprise risk management (“**ERM**”) framework which includes a set of processes to ensure that the Group is aware of, and attends to, current and emerging risks. The Management is expected to constantly review the business operations and environment to identify significant risks and ensure that mitigating measures, including preventive, detective and corrective controls, are promptly implemented to address these risks. These significant risks and mitigating measures taken, together with the risk owners and action plans to address any gaps, are documented in a risk register. Significant risks and significant updates to the risk registers are reported to the Board on a bi-annual basis.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditor, TRS Forensics Pte Ltd, has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, RSM Chio Lim LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors’ recommendations raised during the audit processes. Save as disclosed in the Offer Document dated 1 March 2019, no material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2019.

The Board received assurance from the CEO and the Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances.

In addition, the Board received assurance from the CEO, the Financial Controller and the General Manager that the Company’s risk management and internal control systems are adequate and effective.

Based on the ERM framework established, reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 January 2019.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company’s risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company’s operations.

Provision 9.2 of the 2018 Code:

Assurance from CEO, CFO and other key management personnel

CORPORATE GOVERNANCE REPORT

The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three Independent Directors (including the Lead Independent Director), namely Mr Jong Voon Hoo, Mr Chang Chi Hsung and Ms Lim Hui Chee. The Chairman of the AC is Mr Jong Voon Hoo.

All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm.

The AC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing the audit plan and scope of work of our external auditors and internal auditors, the results of our external and internal auditors' review and evaluation of our system of internal controls, and their management letters on the internal controls together with our Management's response, and monitoring the implementation of the internal control recommendations made by our external and internal auditors;
- Reviewing and reporting to our Board at least annually the adequacy and effectiveness of our Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks (such review to be carried out internally or with the assistance of any competent third parties);
- Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;
- Making recommendations to our Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that our internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that our internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- Reviewing the interim financial results and annual consolidated financial statements and our external auditors' report on the annual consolidated financial statements, and reviewing and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of our Group and any announcements relating to our financial performance, before submission to our Board for approval;
- Meeting with the external auditors and internal auditors without the presence of our Management, at least annually;

► Principle 10: AUDIT COMMITTEE

Provision 10.1 of the 2018 Code:
Duties of AC

Provision 10.2 of the 2018 Code:
Composition of AC

Provision 10.3 of the 2018 Code:
AC does not comprise former partners or directors of the Company's auditing firm

CORPORATE GOVERNANCE REPORT

- Reviewing and discussing with our external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our Management's response;
- Reviewing and ensuring the co-ordination among our internal auditors, external auditors and our Management, including assistance given by our Management to the auditors;
- Considering the independence and objectivity of the external auditors, taking into account the non-audit services provided by the external auditors and the fees paid for such non-audit services, if any;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions the value of which amount to 3.0% or more of the latest audited NTA of our Group, or any agreement or arrangement with an interested person that is not in the ordinary course of business of our Group, prior to our Group's entry into the transaction, agreement or arrangement;
- Making recommendations to our Board on the proposals to our shareholders with regard to the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
- Reviewing, approving and conducting periodic reviews on our Group's foreign exchange hedging policy (if any), together with the foreign exchange transactions and hedging activities undertaken by our Group;
- Reviewing our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitoring compliance with such framework;
- Establishing and reviewing the policy and arrangements by which employees of our Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto;
- Ensuring that our Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- Reviewing the assurance from our CEO and our Financial Controller on the financial records and financial statements;
- Undertaking such other reviews and projects as may be requested by our Board, and reporting to our Board its findings from time to time on matters arising and requiring the attention of our AC;
- Ensuring that the terms of non-compete undertakings provided to our Company have been complied with; and
- Reviewing and approve transactions falling within the scope of Chapter 10 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The aggregate amount of fees paid/payable to the external auditor, RSM Chio Lim LLP, for audit and non-audit services for FY2019 were S\$266,000 and S\$4,000 respectively. The non-audit services for FY2019 are relating to tax compliance work. The AC, having reviewed the scope and value of the audit and non-audit services provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of RSM Chio Lim LLP as the external auditor for the financial year ending 31 January 2020, the AC considered the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor.

The Company has outsourced its internal audit function to TRS Forensics Pte Ltd, a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the Financial Controller. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The AC is satisfied that the internal auditors have adequate resources to perform its functions and have appropriate standing within the Group.

The internal audit function is independent of the activities it audits. During FY2019, the internal auditors completed an internal control review of the Group's key processes such as sales, purchases, fixed asset management, project management, bank and cash management, human resources and payroll and information technology. The related internal audit reports, including management's responses and implementation status, have been reviewed and approved by the AC.

The AC endeavour to meet at least once a year with the external and internal auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately.

The AC met with the external auditors without the presence of management in April 2019 to discuss, amongst other matters, the conduct of audit for the Group's FY2019 financial statements.

Provision 10.4 of the 2018 Code:

Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

Provision 10.5 of the 2018 Code:

AC meets with the auditors without the presence of Management annually

CORPORATE GOVERNANCE REPORT

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2019, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The following key audit matters, which are included in the independent auditors' report for FY2019, were discussed with the Management and the external auditor and were reviewed by the AC:

Key audit matters	How the matters were addressed by the AC
a) Revenue recognition for contract income	Revenue from contract income amounted to S\$14.4 million, accounting for 46% of the Group's total revenue for the current reporting year.
b) Impairment allowance on trade receivables and contract asset	The carrying value of trade receivables and contract assets amounted to S\$5.4 million and S\$3.9 million respectively, accounting for in total 32% of the Group's total assets at the end of the reporting year. The AC reviewed the Management's approach, methodology and judgement pertaining to revenue recognition and the estimate of trade receivables and contract assets impairment allowance and took into account of the following considerations: a) Nature of business; b) Alignment with the Singapore Financial Reporting Standards (International) and prevailing business practice; c) Observations and findings presented by the external auditor with reference to: Management's estimates of work performed for uncompleted contracts; payment track records of trade receivables; and adequacy of allowance for impairment of trade receivables. The above procedures provided the AC with the assurance and the AC concurred with the Management's conclusion that contract income recognised during FY2019 is a faithful depiction of work performed during the reporting year and allowance for impairment on trade receivables and contract assets are adequately made as at 31 January 2019 and the relating disclosures in the financial statements are appropriate.

CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Details of this policy are disseminated to employees of the Group and is made available on the Company's website.

Possible improprieties such as suspected fraud, corruption, dishonest practices and other significant matters can be reported via email (whistleblower@reclaims.sg). The Lead Independent Director can also be contacted directly via his email address (voonhoo.jong@reclaims.sg).

To date, no significant matter was raised through the Group's whistle-blowing channels.

SHAREHOLDER RIGHTS AND ENGAGEMENT

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

► **Principle 11:
SHAREHOLDER RIGHTS
AND CONDUCT OF
GENERAL MEETINGS**

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website.

Provision 11.1 of the 2018 Code:

Company provides shareholders with the opportunity to participate effectively and vote at general meetings

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

CORPORATE GOVERNANCE REPORT

SGX-ST publishes investor guides to help the investment community in their preparation for annual general meetings and other general meetings. The links to SGX-ST's investor guides have been included on the Company's website under the "Investor Relations" section for ease of reference by shareholders.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

Provision 11.2 of the 2018 Code:
Separate resolution on each substantially separate issue

All Directors, including the chairpersons of various Board Committees, and the Executive Officers shall attend general meetings to address shareholders' queries and receive feedback from shareholders.

Provision 11.3 of the 2018 Code:
All Directors attend general meetings

The external auditor, RSM Chio Lim LLP, shall also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

The Company was incorporated on 11 October 2018 and listed on the Catalist on 11 March 2019. The Company's first AGM will be held on 30 May 2019.

The Company's Constitution allows all shareholders to appoint not more than 2 proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the 2018 Code:
Company's Constitution allow for absentia voting of shareholders

The Company's Constitution permits voting in absentia only by appointment of proxy. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

CORPORATE GOVERNANCE REPORT

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officers will be available to shareholders upon their written request.

The Company does not publish minutes of general meetings of shareholders on its corporate website as contemplated by Provision 11.5. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting), including risk of litigation if defamatory statements are made during the meeting. The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.

The Company does not have a formal dividend policy. While this would mean that its practice varies from Provision 11.6 of the 2018 Code which implies that companies should have a dividend policy, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and that this practice is consistent with the intent of Principle 11.

Subject to its Constitution and the Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. Subject to its Constitution and the Companies Act, the Directors may also declare an interim dividend without the approval of the shareholders.

The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, cash flows, capital needs, general business conditions, terms of borrowing arrangements (if any), plans for expansion, and other factors as the Board may deem appropriate (the "**Dividend Factors**").

Barring unforeseen circumstances (which take into account the Dividend Factors), the Board intends to recommend a dividend of not less than 20% of the Group's net profit attributable to shareholders in respect of the financial year ending 31 January 2020.

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

Provision 11.5 of the 2018 Code:

Minutes of general meetings are published on the Company's corporate website as soon as practicable

Provision 11.6 of the 2018 Code:

Dividend policy

► Principle 12: ENGAGEMENT WITH SHAREHOLDERS

Provision 12.1 of the 2018 Code:

Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders

CORPORATE GOVERNANCE REPORT

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Catalist Rules and the Companies Act. Information is communicated to shareholders on a timely basis through:

- Announcements and press releases via SGXNET;
- Company's website (www.reclaims.sg); and
- Annual reports.

The investor relations function is overseen by the CEO who leads the Investor Relations team which comprises the Executive Directors and Executive Officers. The Investor Relations team takes an active role in communications with shareholders and the investment community to address their queries or concerns and to update them on the latest corporate development.

The Company has in place an investor relations policy which promotes the timely dissemination of relevant information to the Company's shareholders and prospective investors to enable them to make well-informed investment decisions and to ensure a level playing field. The policy is available at the Company's website under the "Investor Relations" section.

Shareholders and the investment community can contact the Company's Investor Relations team by telephone at +65 6659 0516, fax at +65 6659 0517 or email at general@reclaims-enterprise.com.

Provisions 12.2 and 12.3 of the 2018 Code: Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

MANAGING STAKEHOLDERS RELATIONSHIPS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

► **Principle 13: ENGAGEMENT WITH STAKEHOLDERS**

The Company takes pride in meeting and exceeding the expectations of our stakeholders. Our engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the "Sustainability Report" section of the Annual Report.

Provisions 13.1 and 13.2 of the 2018 Code: Engagement with material stakeholder groups

The Group seizes opportunities to engage our stakeholders and welcomes feedback on our sustainability report. The Company's sustainability team can be contacted via email (sustainability@reclaims.sg).

Stakeholders who wish to know more about the Group and our business and governance practices can visit our website (www.reclaims.sg). Our website includes an investor relations section containing the Company's financial highlights, annual report, corporate announcements, whistle-blowing policy and investor relations policy.

Provision 13.3 of the 2018 Code: Corporate website to engage stakeholders

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretaries.

INTERESTED PERSON TRANSACTIONS

The Group has adopted a policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length, on normal commercial terms and not prejudicial to the Company and its minority shareholders. All interested person transactions will be documented and submitted periodically to the AC for their review. Save for the information disclosed in the table below, there were no other interested person transactions conducted during the year, which exceeds S\$100,000 in value.

The aggregate value of interested person transactions during FY2019 was as follows:

Name of interested person and nature of transactions	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000)	
	Conducted under shareholders' mandate pursuant to Rule 920 S\$'000	Not conducted under shareholders' mandate pursuant to Rule 920 S\$'000
New Development Construction ("NDC"):		
Rendering of logistics services to NDC	1,884	—
Receipt of excavation services from NDC	1,647	—
Disposal costs paid to NDC	340	—
Reclaims Transport & Trading Pte. Ltd. ("RT&T"):		
Receiving of services from RT&T	158	—

The Group will be seeking a general mandate from shareholders for recurrent interested person transactions, details of which are found in the Circular to Shareholders dated 15 May 2019.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed under “General and Statutory Information – Material Contracts” and “Interested Person Transactions – Leasing of Excavators from NDC” of the Offer Document dated 1 March 2019 and in the “Directors’ Statement” and “Financial Statements” sections of the Annual Report, there were no other material contracts and loans of the Company and its subsidiary involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2019 or if not then subsisting, which were entered into since the end of the previous financial year.

Materials contracts disclosed in the above documents are as follow:

- a) Restructuring Agreement dated 23 January 2019 entered into by our Company and Executive Directors, namely Chan Chew Leh, Tan Kok Huat and Andrew Chew for the purpose of Restructuring Exercise in connection with the Company’s initial public offering on the SGX-ST;
- b) Call option agreement dated 23 January 2019 entered into among Tan Lay Khim, shareholder of New Development Contractors Pte Ltd (“**NDCPL**”) and wife of Chan Chew Leh, NDCPL and the Company to further mitigate any potential conflicts of interests arising from competition between the businesses of NDC and NDCPL and the Group; and
- c) Excavator leasing agreement dated 4 January 2019 with NDC relating to the leasing of excavators to the Group for a period of up to four months from 1 February 2019.

Please refer to respective sections of the Offer Document dated 1 March 2019 for more information.

SPONSORSHIP

With reference to Rule 1204(21) of the Catalist Rules, non-sponsorship fees amounting to approximately S\$420,000 were paid/payable to the Sponsor during FY2019, in connection with the listing of the Company on the Catalist.

CORPORATE GOVERNANCE REPORT

UTILISATION OF IPO PROCEEDS

The Company raised gross proceeds of S\$4.4 million from its initial public offering (the “**Gross Proceeds**”).

As at 2 May 2019, the Gross Proceeds have been utilised as follows:

Purpose of IPO proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Balance as at the date of this report S\$'000
Expansion of our operational capacity	600	–	600
Expansion of our recycled product range	500	–	500
Expansion through acquisitions, joint ventures and/or strategic alliances	300	–	300
General working capital purposes	1,363	(628)	735
Share issue and listing expenses	1,607	(1,270)	337
Total	4,370	(1,898)	2,472

The above utilisation of Gross Proceeds is in line with the intended use of proceeds as set out in the Offer Document dated 1 March 2019.

The use of proceeds for general working capital purposes were mainly for payment of tender deposits for sale of assets by a company which is under interim judicial management.

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.

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STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 January 2019. The reporting year for the company covers the period since incorporation on 11 October 2018 to 31 January 2019.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Chan Chew Leh	(appointed on 11 October 2018)
Tan Kok Huat	(appointed on 11 October 2018)
Andrew Dekguang Jhou Chew	(appointed on 11 October 2018)
Jong Voon Hoo	(appointed on 24 January 2019)
Chang Chi Hsung	(appointed on 24 January 2019)
Tan Heok Ping Joshua	(appointed on 24 January 2019)
Lim Hui Chee	(appointed on 24 January 2019)

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors	At date of incorporation or date of appointment if later	At end of the reporting year
	Number of shares of no par value	
The company		
Chan Chew Leh	–	6,897,188
Tan Kok Huat	1	6,897,189
Andrew Dekguang Jhou Chew	–	1,532,708

STATEMENT BY DIRECTORS

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

Name of directors and Company in which interests are held	Direct Interest		Deemed Interest	
	At beginning of the reporting year or date of appointment	At end of the reporting year	At beginning of the reporting year or date of appointment	At end of the reporting year
	if later	if later	if later	if later
Number of ordinary shares of no par value				
<u>Reclaims Enterprise Pte. Ltd.</u>				
Chan Chew Leh	250,000	–	250,000	1,000,000
Tan Kok Huat	500,000	–	–	1,000,000
Andrew Dekguang Jhou Chew	50,000	–	–	–

The directors' interests as at 21 February 2019 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except as mentioned below.

Share-based payment

Based on an agreement entered between Chan Chew Leh, Tan Kok Huat and Andrew Chew on or around January 2018, Andrew Chew was engaged to map out the strategy for the listing of the group. Pursuant to the agreement, each of Chan Chew Leh and Tan Kok Huat transferred 2.5% of the issued share capital of Reclaims Enterprise Pte. Ltd. to Andrew Chew in April 2018. A further 2.5% of the issued share capital each from Chan Chew Leh and Tan Kok Huat was transferred to Andrew Chew, during the share swap in connection with the restructuring exercise of the group in January 2019.

5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares of the company or other body corporate in the group.

At the end of the reporting year, there were no unissued shares of the company or other body corporate in the group under option.

STATEMENT BY DIRECTORS

6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Jong Voon Hoo	(Chairman of audit committee and independent director)
Chang Chi Hsung	(Independent director)
Lim Hui Chee	(Independent director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

8. DIRECTORS' OPINION ON THE ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, reviews performed by management, other committees of the board and the board, the audit committee and the board are satisfied that the company's internal controls, addressing financial, operational, information technology, risk management systems and compliance risks, are adequate and effective as at the end of the reporting year 31 January 2019.

STATEMENT BY DIRECTORS

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 1 April 2019, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors,

.....
Chan Chew Leh
Director

.....
Tan Kok Huat
Director

29 April 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Reclaims Global Limited (the "company") and its subsidiary (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 January 2019, 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 and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 January 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for contract income

Refer to Note 2A "Revenue recognition" and 2C "Revenue recognised over time" for the relevant accounting policies and discussion of significant judgements, assumptions and estimation uncertainties, and Note 5 on disclosure of revenue from contract with customers.

Revenue from contract income amounted to \$14.4 million, accounting for 46% of the group's total revenue for the current reporting year. The group recognises revenue from contract income over time, based on stages of contracts completed to-date. Management has determined that the output method provides a faithful depiction of the group's performance in transferring control of the assets to customers, as it reflects the value of the activities performed to-date, relative to the total value of the activities promised in the contracts. The determination of the stages of contracts in progress will have a significant impact on the results of the group.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

(a) Revenue recognition for contract income (Continued)

We obtained an understanding of management's internal controls over the contract activities, in particular controls that determine the stages of completion of the contracts. For a sample of the uncompleted contracts at the end of the reporting year, we reviewed the contracts to understand the scope of work, verified the contract sums to substantiate contract revenues, perused correspondences with customers and discussed the progress of these projects with management for potential disputes or significant events that could impact the amount of revenue recognised. We checked the arithmetic accuracy of the computation of the revenue recognised based on the stages of the contracts completed to-date. We also evaluated the adequacy of the relevant disclosures made in the financial statements.

(b) Impairment allowance on trade receivables and contract assets

Refer to Note 2A "Financial instruments" and 2C "Allowance for doubtful accounts" for the relevant accounting policies and discussion of significant judgements, assumptions and estimation uncertainties, and Notes 18, 19A and 26D on disclosures related to trade and other receivables, contract assets, and related credit risk.

The carrying value of trade receivables and contract assets amounted to \$5.4 million and \$3.9 million respectively, accounting for in total 32% of the group's total assets at the end of the reporting year. Of the gross trade receivables of \$6.2 million as at 31 January 2019, allowance for expected credit loss of \$772,000 was made. The group determines expected credit losses of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for long overdue trade receivables, and using a provision matrix for remaining trade receivables and contract assets that is based on historical credit loss experience, and adjusted for forward-looking information specific to the debtors and economic environment. This assessment involved significant judgement.

As part of our audit, we obtained an understanding of the group's processes and controls relating to the determination of expected credit losses of trade receivables and contract assets and considered ageing of trade receivables to identify collection risks. Our audit procedures included, amongst others, requesting confirmation of selected trade receivable balances, obtaining evidence of receipts subsequent to the year-end, and discussing the identified collection issues with the management. We evaluated management's assumptions and inputs used in determining the provision matrix through ageing analysis, review of historical credit loss experiences, and consideration of the information that management has used to make forward-looking adjustments. We also evaluated the adequacy of the relevant disclosures made in the financial statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

OTHER INFORMATION (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS 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 Act and the 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

29 April 2019
Engagement partner effective from financial year ended 31 January 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JANUARY 2019

	Notes	Group 2019 \$'000	Group 2018 \$'000
Revenue	5	31,590	27,542
Interest income		4	3
Other gains	6	315	52
Cost of materials, services and consumables	7	(17,366)	(14,345)
Other losses	6	(381)	(393)
Finance costs	8	(163)	(234)
Depreciation and amortisation expense		(2,494)	(2,477)
Employee benefits expense	9	(4,823)	(3,904)
Other expenses	10	(5,888)	(2,603)
Profit before tax from continuing operations		794	3,641
Income tax expense	11	(524)	(445)
Profit from continuing operations, net of tax and total comprehensive income		270	3,196
Profit, net of tax and total comprehensive income attributable to owners of the company		270	3,196
		Cents	Cents
Earnings per share			
Basic and diluted earnings per share	12	0.24	2.85

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2019

	Notes	Group 2019 \$'000	2018 \$'000	Company 2019 \$'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	14	11,291	11,024	–
Investment in subsidiary	15	–	–	15,327
Other asset, non-current	16	3,989	4,241	–
Total non-current assets		15,280	15,265	15,327
<u>Current assets</u>				
Inventories	17	82	–	–
Trade and other receivables	18	6,335	6,062	–
Other assets, current	19	4,576	1,191	–
Cash and cash equivalents	20	2,138	4,946	–
Total current assets		13,131	12,199	–
Total assets		28,411	27,464	15,327
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	21	15,327	1,000	15,327
Retained earnings		1,392	15,619	(52)
Total equity		16,719	16,619	15,275
<u>Non-current liabilities</u>				
Deferred tax liabilities	11	805	740	–
Other financial liabilities, non-current	22	3,142	4,441	–
Total non-current liabilities		3,947	5,181	–
<u>Current liabilities</u>				
Income tax payable		528	342	–
Trade and other payables	23	4,509	4,022	52
Other financial liabilities, current	22	2,708	1,300	–
Total current liabilities		7,745	5,664	–
Total liabilities		11,692	10,845	52
Total equity and liabilities		28,411	27,464	15,327

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JANUARY 2019

Group	Total equity \$'000	Share capital \$'000	Retained earnings \$'000	Share-based payment reserves \$'000
Current year:				
Opening balance at 1 February 2018	16,619	1,000	15,619	–
Changes in equity:				
Total comprehensive income for the year	270	–	270	–
Share-based payment, equity-settled (Note 25)	1,830	–	–	1,830
Transfer from share-based payment reserves	–	–	1,830	(1,830)
Dividends paid (Note 13)	(2,000)	–	(2,000)	–
Issuance of share on incorporation date (Note 21)	–*	–*	–	–
Issuance of shares for acquisition of subsidiary (Note 21)	15,327	15,327	–	–
Effect from restructuring exercise (Note 21)	(15,327)	(1,000)	(14,327)	–
Closing balance at 31 January 2019	16,719	15,327	1,392	–
Previous year:				
Opening balance at 1 February 2017	17,253	1,000	16,253	–
Changes in equity:				
Total comprehensive income for the year	3,196	–	3,196	–
Dividends paid (Note 13)	(3,830)	–	(3,830)	–
Closing balance at 31 January 2018	16,619	1,000	15,619	–

* Amount less than \$1,000

Company	Total equity \$'000	Share capital \$'000	Retained earnings \$'000
Current year:			
At date of incorporation	–*	–*	–
Changes in equity:			
Total comprehensive loss for the year	(52)	–	(52)
Issuance of shares for acquisition of subsidiary (Note 21)	15,327	15,327	–
Closing balance at 31 January 2019	15,275	15,327	(52)

* Amount less than \$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JANUARY 2019

	Group	
	2019 \$'000	2018 \$'000
<u>Cash flows from operating activities</u>		
Profit before tax	794	3,641
Adjustments for:		
Interest income	(4)	(3)
Interest expense	163	234
Share-based payment, equity-settled	1,830	–
Depreciation of property, plant and equipment	2,242	2,224
Gain on disposal of property, plant and equipment	(137)	(18)
Amortisation of other assets	252	253
Operating cash flows before changes in working capital	5,140	6,331
Inventories	(82)	–
Trade and other receivables	(773)	4,276
Other assets, current	(3,385)	(355)
Trade and other payables	671	(2,777)
Net cash flows from operations	1,571	7,475
Income taxes paid	(273)	(1,120)
Net cash flows from operating activities	1,298	6,355
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment (Note 20A)	(2,198)	(1,146)
Proceeds from disposal of plant and equipment	154	86
Interest received	4	3
Net cash flows used in investing activities	(2,040)	(1,057)
<u>Cash flows from financing activities</u>		
Dividends paid	(2,500)	(1,830)
Interest paid	(163)	(234)
Increase in bills payable	1,408	–
Proceeds from borrowings	–	6,500
Repayment of borrowings	(1,299)	(7,556)
Net movements in amounts due (to)/from directors	(12)	179
Net movements in amount due from a related party	500	–
Net cash flows used in financing activities	(2,066)	(2,941)
Net (decrease) increase in cash and cash equivalents	(2,808)	2,357
Cash and cash equivalents, statement of cash flows, beginning balance	4,946	2,589
Cash and cash equivalents, statement of cash flows, ending balance (Note 20)	2,138	4,946

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

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

1. GENERAL

The company was incorporated in Singapore on 11 October 2018 under the Companies Act, Chapter 50 as a private company limited by shares, under the name Reclaims Global Pte. Ltd. On 23 January 2019, the company was converted to a public company limited by shares and changed its name to Reclaims Global Limited. The company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 March 2019.

The financial statements are presented in Singapore dollars, and all values are rounded to the nearest thousand (\$'000) except where otherwise stated and they cover the company (referred to as "parent") and its subsidiary.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The company is an investment holding company. The principal activities of the subsidiary are described in Note 15.

The registered office is: 10 Tuas South Street 7 Singapore 637114. The principal place of business of the company is in Singapore.

Restructuring exercise

In connection with the company's initial public offering ("IPO") on SGX-ST, the company implemented a restructuring exercise which involved acquisition and rationalisation of the corporate and shareholding structure pursuant to which the company became the parent company of the group.

Pursuant to a restructuring agreement dated 23 January 2019, the company acquired the entire issued share capital of Reclaims Enterprise Pte. Ltd. from its shareholders. The consideration of \$15,327,000 was based on the unaudited net asset value of Reclaims Enterprise Pte. Ltd. as at 31 July 2018. The consideration was satisfied by the issue of 15,327,084 new ordinary shares of the company, credited as fully paid to the shareholders of Reclaims Enterprise Pte. Ltd.

The group restructuring is considered a business combination involving entity under common control and is accounted for by applying the pooling of interest method. Accordingly, the assets and liabilities of Reclaims Enterprise Pte. Ltd. have been included in the consolidated financial statements at their carrying amounts and the group's consolidated financial statements for the reporting years ended 31 January 2018 and 31 January 2019 have been prepared as if the group has been in existence prior to the restructuring exercise.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS (I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

1. GENERAL (CONTINUED)

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The SFRS(I) on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component will not be adjusted if the payment for the good or service will be within one year.

Revenue recognition at a point in time – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered). Revenue from short-term service orders and projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Revenue recognition over time – For long-term service contracts and projects, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method. For the output method, the revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, and units produced or units delivered. As a practical expedient, if the entity has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the entity's performance to date, revenue is recognised at that amount (for example, in a goods or services contract an entity may have the right to bill a fixed amount for each unit of goods or service provided).

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

There is share-based payment arrangement whereby services are rendered to the entity in exchange for shares or rights over shares ("equity-settled"). The fair value of the services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Subsidiary

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Subsidiary (Continued)

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

The pooling of interest method has been used for accounting for the combining entities or businesses under common control as though the separate entities or businesses were continuing as before. Under the pooling of interest method it is taken that no acquisition has occurred and there has been a continuation of the risks and benefits to the controlling party (or parties) that existed prior to the business combination. The practical effects are that: the net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests; and comparative amounts in the financial statements are presented using the principles that the consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented (i.e., including the comparative period) or since the date when the combining entities or businesses first came under the control of the controlling party or parties, where this is a shorter period, regardless of the date of the common control combination. The consolidated statement of income also takes into account the profit or loss attributable to the non-controlling interest recorded in the consolidated financial statements of the controlling party.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	–	5%
Plant and equipment	–	10% to 33%

An asset is depreciated when it is available for use until it is derecognised even if the item is idle during that period. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Land use right

Land use right is initially measured at cost. Following initial recognition, land use right is measured at cost less accumulated amortisation. The land use right is amortised on a straight-line basis over the lease term of 21 years and 9 months.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Financial instruments (Continued)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically, trade and other receivables and bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): No financial assets were classified in this category.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): No financial assets were classified in this category.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. No financial assets were classified in this category.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Fair value measurement

The fair value is 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is 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. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful accounts:

Trade and other receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the notes on trade and other receivables, and contract asset.

Income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2C. Critical judgements, assumptions and estimation uncertainties (Continued)

Revenue recognised over time:

The entity has revenue where the performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Judgment is required when selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the notes on revenue and contract assets.

Share-based payments:

Share-based payments are measured at grant date fair value. For share granted to employees, when market prices are not available, the fair value of the shares granted shall be estimated by applying the applicable valuation model based on certain assumptions. As a matter of fact, such assumptions are subject to judgements and may turn out to be significantly different compared to what is expected. The management judgements that have the most significant effect on the amounts recognised in the financial statements are described above and further details are given in Note 25.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Chan Chew Leh and Tan Kok Huat.

3A. Related party transactions:

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3A. Related party transactions: (Continued)

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2019 \$'000	2018 \$'000
Related parties: ^(a)		
Sales of goods	(64)	(161)
Rendering of services	(1,893)	(1,745)
Receiving of services	2,187	992
Rental expenses	28	17
Purchase of plant and equipment	72	—

^(a) The related parties are companies in which directors had a significant controlling interest over the reporting entity.

3B. Key management compensation:

	Group	
	2019 \$'000	2018 \$'000
Salaries and other short-term employee benefits	596	228

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2019 \$'000	2018 \$'000
Remuneration of directors of the company	374	168
Remuneration of key management personnel	202	80
Fees to directors of the company	20	—

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3C. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Related party	
	2019 \$'000	2018 \$'000
Other receivables:		
Balance at beginning of the year	500	500
Amounts paid in	(500)	–
Balance at end of the year (Note 18)	–	500
	Directors	
	2019 \$'000	2018 \$'000
Other receivables (other payables):		
Balance at beginning of the year	(12)	167
Amount paid out/(in)	12	(179)
Balance at end of the year	–	(12)
Presented in the statement of financial position as follows:		
Other payables (Note 23)	–	(12)

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services. (1) Recycling, (2) excavation services and (3) logistics and leasing. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the directors in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

The segments and the types of products and services are as follows:

- (1) The recycling segment focuses on the reclaiming of natural and urban construction and demolition waste, and recycle them for sale as building materials to our customers.
- (2) The excavation services segment performs land clearing, excavation and removal of construction and demolition waste. Excavation services consists of demolition works, site clearance, reshaping, backfilling, and compacting and turfing.
- (3) The logistics and leasing segment provides transportation services and leasing of machinery and equipment.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Profit or loss from continuing operations and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
<u>2019</u>					
Revenue by segment					
Total revenue	5,504	14,422	11,466	198	31,590
Recurring EBITDA	1,358	2,266	2,240	(2,417)	3,447
Depreciation and amortisation expense	(756)	(726)	(683)	(329)	(2,494)
ORBIT	602	1,540	1,557	(2,746)	953
Interest income					4
Finance costs					(163)
Income tax expense					(524)
Profit from continuing operations					270

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4B. Profit or loss from continuing operations and reconciliations (Continued)

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
<u>2018</u>					
Revenue by segment					
Total revenue	11,505	8,264	7,769	4	27,542
Recurring EBITDA	2,090	2,142	2,173	(56)	6,349
Depreciation and amortisation expense	(786)	(689)	(677)	(325)	(2,477)
ORBIT	1,304	1,453	1,496	(381)	3,872
Interest income					3
Finance costs					(234)
Income tax expense					(445)
Profit from continuing operations					3,196

4C. Assets and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
<u>2019</u>					
Total assets for reportable segments	6,598	9,871	4,458	5,346	26,273
Cash and cash equivalent					2,138
Total group assets					28,411
<u>2018</u>					
Total assets for reportable segments	7,783	4,757	4,140	5,838	22,518
Cash and cash equivalent					4,946
Total group assets					27,464

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4D. Liabilities and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2019					
Total Liabilities for reportable segments	2,706	1,951	1,533	4,169	10,359
Deferred tax liabilities					805
Income tax payable					528
Total group assets					11,692
2018					
Total Liabilities for reportable segments	3,442	447	433	5,441	9,763
Deferred tax liabilities					740
Income tax payable					342
Total group assets					10,845

4E. Other material items and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
Impairment of assets:					
2019	–	–	360	–	360
2018	349	–	44	–	393
Expenditures for non-current assets:					
2019	288	1,264	768	206	2,526
2018	201	541	389	15	1,146

4F. Geographical information

The group's results are solely generated in Singapore. Similarly, its assets and liabilities are solely located in Singapore.

4G. Information about major customers

	2019 \$'000	2018 \$'000
Top 1 customer	1,228	566
Top 2 customers	1,722	1,042
Top 3 customers	2,098	1,400

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

5. REVENUE

5A. Revenue classified by type of goods or service:

	Group	
	2019 \$'000	2018 \$'000
Sales of goods	5,504	11,505
Contract income	14,422	8,264
Logistics and leasing services	11,466	7,769
Others	198	4
Total revenue	31,590	27,542

5B. Revenue classified by duration of contract:

	2019 \$'000	2018 \$'000
Short-term contracts	17,168	19,278
Long-term contracts	14,422	8,264
Total revenue	31,590	27,542

5C. Revenue classified by timing of revenue recognition:

	2019 \$'000	2018 \$'000
Point in time	17,168	19,278
Over time	14,422	8,264
Total revenue	31,590	27,542

6. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2019 \$'000	2018 \$'000
Foreign exchange adjustment losses	(1)	–
Gain on disposal of plant and equipment	137	18
Government grants	157	24
Allowance for impairment on trade receivables	(380)	(393)
Reversal of impairment on trade receivables	20	–
Other income	1	10
Net	(66)	(341)
Presented in profit or loss as:		
Other gains	315	52
Other losses	(381)	(393)
Net	(66)	(341)

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

7. COST OF MATERIALS, SERVICES AND CONSUMABLES

The major components and other selected components include the following:

	Group	
	2019 \$'000	2018 \$'000
Cost of materials and disposal	9,681	7,756
Cost of transportation services	5,187	4,630

8. FINANCE COSTS

	Group	
	2019 \$'000	2018 \$'000
Interest expense	163	234

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2019 \$'000	2018 \$'000
Short term employee benefits expense	4,070	3,250
Contributions to defined contribution plan	206	151
Other benefits	547	503
Total employee benefits expense	4,823	3,904

10. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2019 \$'000	2018 \$'000
Audit fees to the independent auditor of the company	50	18
Fees to the independent auditor of the company in connection with the IPO	216	—
IPO – share-based payment (Note 25)	1,830	—
IPO – other related expenses	598	—
Rental expenses	517	486
Repair and maintenance expense	762	579
Upkeep of motor vehicles	906	785

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

11. INCOME TAX

11A. Components of tax expense recognised in profit or loss include:

	Group	
	2019 \$'000	2018 \$'000
<u>Current tax expense:</u>		
Current tax expense	470	246
(Over)/under adjustments to tax in respect of prior periods	(11)	46
Subtotal	459	292
<u>Deferred tax expense:</u>		
Deferred tax expense	65	177
Over adjustments to tax in respect of prior periods	–	(24)
Subtotal	65	153
Total income tax expense	524	445

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2018: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2019 \$'000	2018 \$'000
Profit before tax	794	3,641
Income tax expense at the above rate	135	619
Income not subjected to tax	–	(223)
Enhanced productivity and innovation credit incentive	(116)	–
Expenses not deductible for tax purposes	538	62
(Over)/under adjustments to tax in respect of prior periods	(11)	22
Tax exemption and rebates	(17)	(35)
Other item less than 3%	(5)	–
Total income tax expense	524	445

There are no income tax consequences of dividends to owners of the company.

11B. Deferred tax expense recognised in profit or loss includes:

	Group	
	2019 \$'000	2018 \$'000
Excess of tax depreciation over book on plant and equipment	65	153
Total deferred tax expense	65	153

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

11. INCOME TAX (CONTINUED)

11C. Deferred tax balance in the statement of financial position:

	Group	
	2019 \$'000	2018 \$'000
Deferred tax liabilities:		
Excess of book value of plant and equipment over tax value	(805)	(740)
Net balance	<u>(805)</u>	<u>(740)</u>

It is impracticable to estimate the amount expected to be settled or used within year.

12. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2019 \$'000	2018 \$'000
<u>Numerators</u>		
Profit, net of tax attributable to owners of the parent	<u>270</u>	<u>3,196</u>
<u>Denominators</u>		
Number of ordinary shares held by the shareholders as adjusted for the share split ('000)	<u>112,000</u>	<u>112,000</u>

Diluted earnings per share are the same as basic earnings per share as no potential dilutive ordinary share exists during the respective reporting years.

For comparative purpose, the company's pre-invitation number of ordinary shares of 112,000,000 has been used in the calculation of basic and diluted earnings per share for all years presented (see Note 21).

Excluding listing-related expenses amounting to \$2,644,000 (including an equity-settled share-based payment amounting to \$1,830,000), profit, net of tax attributable to owners of the parent for the reporting year ended 31 January 2019 would have been \$2,914,000, and the related earnings per share based on 112,000,000 pre-invitation ordinary shares would have been 2.60 cents per share.

13. DIVIDENDS ON EQUITY SHARES

	Dividend per share		Group	
	2019 \$	2018 \$	2019 \$'000	2018 \$'000
Final tax exempt (1-tier) dividends	<u>2.00</u>	3.83	<u>2,000</u>	3,830
Total dividends in the year	<u>2.00</u>	3.83	<u>2,000</u>	3,830

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

13. DIVIDENDS ON EQUITY SHARES (CONTINUED)

The dividends above were in respect of the ordinary shares of the company's subsidiary, Reclaims Enterprise Pte. Ltd., and paid or payable to the shareholders of Reclaims Enterprise Pte. Ltd. prior to the completion of the restructuring exercise (Note 1).

During the reporting year ended 31 January 2018, the final dividends amounting to \$3,830,000 was approved by the then shareholders of the subsidiary via an extra-ordinary general meeting held on 22 January 2018, which was in respect of the reporting year ended 31 January 2017.

During the reporting year ended 31 January 2019, final dividends amounting to \$2,000,000 was approved by the then shareholders of the subsidiary via an extra-ordinary general meeting held on 23 July 2018, which was in respect of the reporting year ended 31 January 2018.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 February 2017	5,108	12,003	17,111
Additions	–	1,146	1,146
Disposals	–	(486)	(486)
At 31 January 2018	5,108	12,663	17,771
Additions	–	2,526	2,526
Disposals	–	(452)	(452)
At 31 January 2019	5,108	14,737	19,845
<u>Accumulated Depreciation:</u>			
At 1 February 2017	170	4,771	4,941
Depreciation for the year	255	1,969	2,224
Disposals	–	(418)	(418)
At 31 January 2018	425	6,322	6,747
Depreciation for the year	255	1,987	2,242
Disposals	–	(435)	(435)
At 31 January 2019	680	7,874	8,554
<u>Carrying value:</u>			
At 1 February 2017	4,938	7,232	12,170
At 31 January 2018	4,683	6,341	11,024
At 31 January 2019	4,428	6,863	11,291

The leasehold property is pledged as a security for bank loans (Note 22A).

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARY

	Company 2019 \$'000
Unquoted equity shares at cost	15,327
Movements during the year. At cost:	
Balance at beginning of the year	–
Acquisition (Note 1)	15,327
Cost at the end of the year	15,327

The information on the subsidiary are as follow:

Name of subsidiary, country of incorporation, place of operations and principal activities	Cost in books of the company/effective equity held
	\$'000 %
Reclaims Enterprise Pte. Ltd. Singapore Recycling of non-metal waste and refuse disposal including demolition and transportation services	15,327 100

The subsidiary is audited by RSM Chio Lim LLP.

16. OTHER ASSETS, NON-CURRENT

Land use rights:	Group	
	2019 \$'000	2018 \$'000
<u>Cost:</u>		
At beginning and end of the year	5,494	5,494
<u>Accumulated amortisation:</u>		
At beginning of the year	1,000	747
Amortisation	252	253
At end of the year	1,252	1,000
<u>Balance to be amortised:</u>		
Not later than one year	253	253
Later than one year and not later than five years	1,010	1,010
Later than five years	2,979	3,231
	4,242	4,494
Presented in the statement of financial position as follows:		
Other assets, non-current	3,989	4,241
Other assets, current (Note 19)	253	253
	4,242	4,494

This pertains to acquisition costs paid for a lease of a land parcel at 10 Tuas South Street 7 Singapore 637114, where the company's registered office is located. The lease is for a period of 21 years and 9 months commencing on 7 February 2014 and shall expire no later than 30 December 2035.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

17. INVENTORIES

	Group	
	2019 \$'000	2018 \$'000
Finished goods and goods for resale	<u>82</u>	<u>–</u>

No inventory was pledged as security for liabilities.

18. TRADE AND OTHER RECEIVABLES

	Group	
	2019 \$'000	2018 \$'000
<u>Trade receivables:</u>		
Outside parties	6,193	5,278
Less allowance for impairment	(772)	(412)
Related parties (Note 3)	–	148
Retention receivables	914	548
Net trade receivables – subtotal	<u>6,335</u>	<u>5,562</u>
<u>Other receivables:</u>		
Related party (Note 3)	–	500
Net other receivables – subtotal	<u>–</u>	<u>500</u>
Total trade and other receivables	<u>6,335</u>	<u>6,062</u>
 Movements in above allowance for trade receivables:		
Balance at the beginning of the year	412	19
Charge for trade receivables to profit or loss included in other losses (Note 6)	380	393
Reversed for trade receivables to profit or loss included in other gains (Note 6)	(20)	–
Balance at the end of the year	<u>772</u>	<u>412</u>

Trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected loss ratio ("ELR") and loss allowance was determined as follows for trade receivables. There was no loss allowance for contract assets.

NOTES TO THE FINANCIAL STATEMENTS

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross amount		ELR		Loss allowance	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000			\$'000	\$'000
Trade receivables:						
1 to 60 days past due	4,193	3,251	–	–	–	–
61 to 365 days past due	1,260	1,549	2%	4%	111	60
Over 365 days past due	740	478	38%	74%	681	352
Total	<u>6,193</u>	<u>5,278</u>			<u>772</u>	<u>412</u>

At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collaterals held as security and other credit enhancements for the trade receivables.

To determine whether a financial instrument has low credit risk, management uses its internal credit risk ratings (such as external rating of "investment grade" of a financial instrument) or other methodologies that are consistent with a globally understood definition of low credit risk (such as market participant perspective taking into account all of the terms and conditions of the financial instrument).

Other receivables

The other receivables at amortised cost are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is recognised at an amount equivalent to a 12-month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. Other receivables are normally with no fixed terms and therefore there is no maturity.

19. OTHER ASSETS, CURRENT

	Group	
	2019	2018
	\$'000	\$'000
Contract assets (Note 19A)	3,884	732
Prepayments	80	79
Advances paid to suppliers	359	127
Land use rights (Note 16)	253	253
	<u>4,576</u>	<u>1,191</u>

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

19. OTHER ASSETS, CURRENT (CONTINUED)

19A. Contract assets

	Group	
	2019 \$'000	2018 \$'000
The amount is made up of:		
Consideration for work completed but not billed as at the end of the reporting year	3,884	732
The movements in the contract assets are as follows:		
At the beginning of the year	732	216
Transfer to revenue for performance obligation satisfied	14,422	8,264
Transfer to trade receivables	(11,270)	(7,748)
At the end of the year	3,884	732

The contract assets are for group's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional.

20. CASH AND CASH EQUIVALENTS

	Group	
	2019 \$'000	2018 \$'000
Not restricted in use	2,138	4,946

20A. Non cash transactions

- (a) During the year, 15,327,084 ordinary shares were issued as consideration for the acquisition of a subsidiary (Note 21).
- (b) There was acquisition of plant and equipment totalling \$2,526,000 during the year, of which \$328,000 has not been paid and was included as part of trade payables at year end.

21. SHARE CAPITAL

	Number of shares issued	Share capital \$'000
<u>Group:</u>		
Ordinary shares of no par value:		
Balance at 1 February 2017 and 31 January 2018 ^(a)	1,000,000	1,000
Issue of share	1	—*
Effect from restructuring exercise ^(b)	(1,000,000)	(1,000)
Shares issued pursuant to the restructuring exercise ^(b)	15,327,084	15,327
Balance at 31 January 2019	15,327,085	15,327
<u>Company:</u>		
Ordinary shares of no par value:		
Issue of shares on date of incorporation	1	—*
Shares issued pursuant to the restructuring exercise ^(b)	15,327,084	15,327
Balance at 31 January 2019	15,327,085	15,327

* Amount less than \$1,000.

^(a) The share capital represents the share capital of the subsidiary, Reclaims Enterprise Pte. Ltd., prior to the restructuring exercise (Note 1).

^(b) During the year, the company issued 15,327,284 ordinary shares as consideration for the acquisition of the equity interests in Reclaims Enterprise Pte. Ltd. as part of the restructuring exercise undertaken for the company's IPO (Note 1).

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

21. SHARE CAPITAL (CONTINUED)

On 26 February 2019, the 15,327,085 shares in the issued and paid-up share capital of the company was subdivided into 112,000,000 shares. Pursuant to the IPO, 19,000,000 new shares were issued on 8 March 2019 and gross proceeds of \$4,370,000 was raised.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares after its IPO. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management will receive a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	2019 \$'000	2018 \$'000
Net debt:		
All current and non-current borrowings including finance leases	5,850	5,741
Less: cash and cash equivalents	(2,138)	(4,946)
Net debt	3,712	795
Adjusted capital:		
Total equity and adjusted capital	16,719	16,619
Debt-to-adjusted capital ratio	0.22	0.05

NOTES TO THE FINANCIAL STATEMENTS

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22. OTHER FINANCIAL LIABILITIES

	Group	
	2019 \$'000	2018 \$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	3,142	4,441
Non-current, total	3,142	4,441
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	1,300	1,300
Bills payable (Note 22B)	1,408	–
Current, total	2,708	1,300
Total	5,850	5,741

The non-current portion is repayable within 2 to 5 years.

	Group	
	2019	2018
The range of floating interest rates paid were as follows:		
Bank loan	3.33% – 3.75%	3.03% – 3.33%
Bills payable	3.42%	–

The bank loan is with interest rates that are re-set at regular intervals. The fair value of the bank loan is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

22A. Bank loans (secured)

The agreement for the bank loan provide among other matters for the following:–

- (i) Legal mortgage over the subsidiary's leasehold property (Note 14);
- (ii) Assignment of all rights, title and benefits under existing and future tenancy agreements and rental income in respect of the subsidiary's leasehold property;
- (iii) Joint and several guarantee from the directors of the company; and
- (iv) Repayable monthly over 5 years from the date the loan was drawn down.

22B. Bills payable

These are repayable within 120 days and are covered by joint and several guarantee from the directors of the company.

NOTES TO THE FINANCIAL STATEMENTS

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23. TRADE AND OTHER PAYABLES

	Group		Company
	2019	2018	2019
	\$'000	\$'000	\$'000
Trade payables:			
Outside parties and accrued liabilities	2,986	1,898	52
Related parties (Note 3)	–	88	–
Subtotal	2,986	1,986	52
Other payables:			
Dividend payable	1,500	2,000	–
Directors (Note 3)	–	12	–
Other payables	23	24	–
Subtotal	1,523	2,036	–
Total trade and other payables	4,509	4,022	52

24. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2019	2018
	\$'000	\$'000
Not later than one year	–	216
Rental expense for the year	517	486

Operating lease payments are for rentals payable for lease of parcel land. The lease from the owner is for 2 years from 15 October 2016. The above rental expenses include certain leases with no commitment terms.

25. SHARE-BASED PAYMENT

There is share-based payment arrangement. Based on an agreement entered between Chan Chew Leh, Tan Kok Huat and Andrew Chew on or around January 2018, Andrew Chew is engaged to map out the strategy for the listing of the group. Pursuant to the agreement, each of Chan Chew Leh and Tan Kok Huat has transferred 2.5% of the issued share capital of the Reclaims Enterprise Pte. Ltd. to Andrew Chew in April 2018. A further 2.5% of the issued share capital each from Chan Chew Leh and Tan Kok Huat is transferred to Andrew Chew, during the share swap in connection with the restructuring exercise of the group.

The fair value of the share-based payment totalling \$1,830,000 has been estimated based on the Guideline Public Company Model (GCPM), and is recognised over the vesting period from the grant date to the estimated date of listing of the group. Other assumptions include: EBITA (earnings before interest, tax and amortisation) multiples of between 4 to 4.5 times on normalised EBITA; discount on lack of marketability of 30%.

As of 31 January 2019, the total amount of \$1,830,000 was transferred to retained earnings as the vesting period had expired.

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

26. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

26A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company
	2019	2018	2019
	\$'000	\$'000	\$'000
<u>Financial assets:</u>			
Financial assets at amortised cost	8,473	11,008	–
<u>Financial liabilities:</u>			
Financial liabilities at amortised cost	10,359	9,763	52

Further quantitative disclosures are included throughout these financial statements.

26B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk and market price risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There has been no change to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The company is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

26C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

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26. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

26D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

26E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
2019:			
Gross borrowings commitment	1,442	3,281	4,723
Trade and other payables	4,509	–	4,509
At end of the year	5,951	3,281	9,232
Group	\$'000	\$'000	\$'000
2018:			
Gross borrowings commitment	1,456	4,677	6,133
Trade and other payables	4,022	–	4,022
At end of the year	5,478	4,677	10,155

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

26. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

26E. Liquidity risk – financial liabilities maturity analysis (Continued)

The undiscounted amounts on the borrowings with floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

26F. Interest rate risk

	2019 \$'000	2018 \$'000
Financial liabilities with interest:		
Floating rates	<u>5,850</u>	<u>5,741</u>

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

26G. Foreign currency risk

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on pre-tax profit is not significant.

27. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements, other than adoption of SFRS(I) 15 as detailed below:

SFRS No.	Title
SFRS(I) 9	Financial Instruments
SFRS(I) 15	Revenue from Contracts with Customers Amendments to, Clarifications to SFRS(I) 15 Revenue from Contracts with Customers

NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2019

27. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS (CONTINUED)

SFRS(I) 15 Revenue for contracts with customers

See Note 2 on accounting policy related to revenue recognition. Management assessed that the adoption of the standard does not have an impact to the opening retained earnings except for the following reclassification made in the balances in the financial statements for the reporting year ended 31 January 2018:

	After \$'000	Before \$'000	Difference \$'000
<u>2018 Statement of financial position</u>			
Trade and other receivables	6,062	6,794	(732)
Other assets, current	1,191	459	732

28. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS No.	Title	Effective date for periods beginning on or after
SFRS(I) 16	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 1-12	Improvements (2017) – Amendments: Income Taxes	1 January 2019

29. COMPARATIVE FIGURES FOR THE COMPANY

The reporting year for the company covers the period since incorporation on 11 October 2018 to 31 January 2019. This being the first set of financial statements for the company, there are no comparative figures.

STATISTICS OF SHAREHOLDINGS

AS AT 23 APRIL 2019

Issued and paid-up capital	:	S\$19,697,085
Number of shares	:	131,000,000
Number of voting shares	:	131,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold any treasury shares and there are no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

As at 23 April 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	–	–	–	–
100 – 1,000	90	45.92	89,200	0.07
1,001 – 10,000	17	8.67	143,000	0.11
10,001 – 1,000,000	84	42.86	14,182,800	10.83
1,000,001 and above	5	2.55	116,585,000	88.99
Total	196	100.00	131,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 23 April 2019

NAME OF SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Chan Chew Leh	49,899,998	38.1	–	–
Tan Kok Huat	49,900,005	38.1	–	–
Andrew Dekguang Jhou Chew	11,199,997	8.5	–	–

STATISTICS OF SHAREHOLDINGS

AS AT 23 APRIL 2019

TWENTY LARGEST SHAREHOLDERS

As at 23 April 2019

NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1 TAN KOK HUAT	49,900,005	38.09
2 CHAN CHEW LEH	49,899,998	38.09
3 ANDREW DEKGUANG JHOU CHEW	11,199,997	8.55
4 UOB KAY HIAN PTE LTD	4,285,000	3.27
5 TAN LAY SEE	1,300,000	0.99
6 CHAN WENG FITT	990,000	0.76
7 CHNG SIEW HWA	900,000	0.69
8 LOW KOON POH	870,000	0.66
9 LAU EE CHUAN	840,000	0.64
10 CHAN KIN HANG	811,000	0.62
11 WAN CHUN HONG HENRY (RUAN JUNHONG HENRY)	805,700	0.62
12 CHAN BIH TZY	801,000	0.61
13 LOH SIEW CHIEN	800,000	0.61
14 GOH CHUN HENG (WU JUNXING)	650,000	0.50
15 LIM PIA BOON	500,000	0.38
16 WANG TECK CHENG	380,000	0.29
17 LIEW YIWEN	343,300	0.26
18 LOH GEOK MUI	311,000	0.24
19 ONG CHOUN YEW	300,000	0.23
20 NG LEE ENG	281,000	0.21
TOTAL	126,168,000	96.31

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 23 April 2019, approximately 15.27% of the issued ordinary shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

RECLAIMS GLOBAL LIMITED
(Company Registration No. 201834755M)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of RECLAIMS GLOBAL LIMITED (the "**Company**") will be held at 10 Anson Road, #28-15 International Plaza, Singapore 079903 on Thursday, 30 May 2019 at 10.00 a.m. for the following purposes:–

AS ORDINARY BUSINESS

Resolution 1

1. To receive and adopt the audited financial statements for the financial year ended 31 January 2019, together with the Directors' Statement and Independent Auditors' Report.

Resolution 2

2. To re-elect Mr Chan Chew Leh who is retiring pursuant to Regulation 115 of the Company's Constitution (the "**Constitution**") and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 3

3. To re-elect Mr Tan Kok Huat who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 4

4. To re-elect Mr Andrew Dekguang Jhou Chew who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 5

5. To re-elect Mr Jong Voon Hoo who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

*Mr Jong will, upon re-election as a Director of the Company, remain as the chairman of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**").*

[see Explanatory Note (i)]

Resolution 6

6. To re-elect Mr Chang Chi Hsung who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

Mr Chang will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

[see Explanatory Note (i)]

Resolution 7

7. To re-elect Mr Tan Heok Ping Joshua who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

NOTICE OF ANNUAL GENERAL MEETING

Resolution 8

8. To re-elect Ms Lim Hui Chee who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers herself for re-election as a Director.

Ms Lim will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and the Board considers her to be independent for the purpose of Rule 704(7) of the Catalist Rules.

[see Explanatory Note (i)]

Resolution 9

9. To approve the payment of Directors' fees of S\$20,000 for the financial year ended 31 January 2019.

Resolution 10

10. To re-appoint RSM Chio Lim LLP as the Company's Independent Auditors and to authorise the Directors to fix their remuneration.
11. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

Resolution 11

12. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:–

"Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:–

- (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (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) 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 that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:–

- (1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation 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 (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority is given, after adjusting for:–
- (i) new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising the authority conferred by this Resolution, the Directors 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) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of 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, whichever is the earlier.”

[see Explanatory Note (ii)]

BY ORDER OF THE BOARD

WEE MAE ANN
Company Secretary
Singapore
15 May 2019

Explanatory Notes:

- (i) Detailed information on the Directors who are proposed to be re-appointed can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-Election” in the Company’s Annual Report 2019.
- (ii) Under the Catalist Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than 50% of the issued share capital of the issuer (excluding treasury shares and subsidiary holdings).

Ordinary Resolution 11, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at 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, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Unless otherwise permitted under the Companies Act, Chapter 50 (the “**Companies Act**”), a member of the Company entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (3) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (4) If the member is a corporation, the instrument appointing the proxy must be under its common seal or signed by its duly authorised officer or attorney.
- (5) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Tuas South Street 7, Singapore 637114 not less than 72 hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chan Chew Leh, Mr Tan Kok Huat, Mr Andrew Chew, Mr Jong Voon Hoo, Mr Chang Chi Hsung, Mr Joshua Tan and Ms Lim Hui Chee are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 May 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the Catalyst Rules, the information as set out in Appendix 7F to the Catalyst Rules relating to the Retiring Directors is set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in the Annual Report 2019:

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
Date of appointment	11 October 2018	11 October 2018	11 October 2018	24 January 2019	24 January 2019	24 January 2019	24 January 2019
Date of last re-appointment	–	–	–	–	–	–	–
Age	57	46	56	46	40	48	47
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company, having considered, among others, the recommendation of the Nominating Committee ("NC") and the qualifications, work experience and competencies of Mr Chan Chew Leh, is of the view that he is suitable for re-appointment as Executive Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Tan Kok Huat, is of the view that he is suitable for re-appointment as Executive Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Andrew Chew, is of the view that he is suitable for re-appointment as Executive Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Jong Voon Hoo, is of the view that he is suitable for re-appointment as Independent Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Chang Chi Hsung, is of the view that he is suitable for re-appointment as Independent Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Joshua Tan, is of the view that he is suitable for re-appointment as Independent Director of the Company.	The Board of Directors of the Company, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Ms Lim Hui Chee, is of the view that she is suitable for re-appointment as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for spearheading the Group's corporate direction	Executive Responsible for overseeing the execution of the Group's projects	Executive Responsible for charting strategies for the future growth of the Group	Non-Executive	Non-Executive	Non-Executive	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Executive Director	CEO and Executive Director	Lead Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees.	Independent Director, member of the Audit and Remuneration Committees	Independent Director, Chairman of the Remuneration Committee and member of the Nominating Committee	Independent Director, Chairman of the Nominating Committee and member of the Audit Committee
Professional Qualifications	Passed the Skills Evaluation Test in formwork conducted by the Construction Industry Development Board Skills Evaluation Certificate for hydraulic excavator operation issued by Construction Industry Development Board	Skills Evaluation Certificate for plumbing and pipeliffing issued by the Construction Industry Development Board	Bachelor of Business Administration degree from Ohio University	Bachelor of Accountancy degree from Nanyang Technological University Chartered Accountant of Singapore	Bachelor of Commerce degree in Accounting and Finance from The University of New South Wales Chartered Accountant of Singapore Member of the Malaysian Institute of Accountants Fellow of CPA Australia ASEAN Chartered Professional Accountant	Bachelor of Arts degree (Honours) in Law and Management Science from University of Keele Master of Laws degree from University of London, King's College London Advocate and solicitor of the Supreme Court of Singapore Solicitor of the Supreme Court of England & Wales Barrister-at-law of the Middle Temple, United Kingdom	Master of Applied Finance degree from Macquarie University Fellow Chartered Accountant of Singapore Fellow of The Association of Chartered Certified Accountants

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
Working experience and occupation(s) during the past 10 years	February 2009 – Current: Director, Reclaims Enterprise Pte. Ltd. November 2007 – June 2018: Director, New Development Contractors Pte. Ltd. September 2001 – June 2018: Sole Proprietor, New Development Construction	February 2009 – Current: Director, Reclaims Enterprise Pte. Ltd. March 2006 – January 2009: Plumber, Gee Leng Construction Pte. Ltd.	March 2018 – Current: Director and CEO, Reclaims Enterprise Pte. Ltd. March 2008 – November 2016: Director, Singapore 360 Pte. Ltd. November 2005 – Current: Director, The Pantheon Pte. Ltd. March 2005 – August 2018: Director, HWH Inc. Pte. Ltd.	October 2015 – Current: CEO and Executive Director, Global Invest & Advisory Pte Ltd October 2004 – August 2015 – Chief Financial Officer, Green Build Technology Limited	December 2015 – Current: Managing Director, OA International Holdings Pte Ltd and OA Assurance PAC September 2008 – November 2015: Associate Director, Mazars Singapore	March 2017 – Current: Managing Director, JT Legal LLC March 2015 – March 2017: Director and Head of Corporate Practice Group, Kennedys Legal Solutions Pte. Ltd. May 2010 – February 2015: Director and Head of Corporate Practice Group, Legal Solutions LLC July 2006 – April 2010: Partner, Corporate Finance Mergers & Acquisitions, Shook Lin & Bok LLP	August 2016 – February 2018: Chief Financial Officer, Octopus Group Holdings Pte Ltd November 2010 – May 2014: Group Chief Financial Officer, DISA Limited July 2017 – August 2009: Senior Finance Manager, HTL International Holdings Limited
Shareholding interest in the listed issuer and its subsidiaries (Note 1)	49,899,998 shares of the Company	49,900,005 shares of the Company	11,199,997 shares of the Company	Nil	Nil	Nil	Nil

Note 1: Shareholding interest in the Company as at 23 April 2019

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Uncle of Ms Chan Bih Tzy (Group General Manager)	Nil	Nil	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Interested in New Development Construction and New Development Contractors Pte. Ltd., companies involved in building and construction, involving mostly excavation services and civil engineering. Please refer to the section entitled "Potential Conflicts of Interests" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure as well as the mitigation of the potential conflicts of interests.	Nil	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Other principal commitments* including directorships * Excludes the working experience and occupation(s) as listed in the previous section Past (for the last 5 years)	Mr Chan Chew Leh Directorships: New Development Contractors Pte. Ltd. Other principal commitments: Nil	Mr Tan Kok Huat Directorships: ERS Bioculture Pte. Ltd. (struck off) Gee Leng Construction Pte. Ltd. Other principal commitments: Nil	Mr Andrew Chew Directorships: HWH Inc. Pte. Ltd. (struck off) Reech Aim Asia Pte. Limited (dissolved – creditors' voluntary winding up) Singapore 360 Pte. Ltd. (struck off) Other principal commitments: Nil	Mr Jong Voon Hoo Directorships: GBT Investments Pte. Ltd. Global Invest & Advisory Pte Ltd Other principal commitments: Nil	Mr Chang Chi Hsung Directorships: Haïna Technology Group Limited Jing Li Business Advisory Pte. Ltd. (struck off) OA Corporate Services Pte. Ltd. Singapore Blockchain Commodities Trading Exchange Pte. Ltd. Other principal commitments: Nil	Mr Joshua Tan Directorships: Kennedys Legal Solutions Pte. Ltd. Other principal commitments: Nil	Ms Lim Hui Chee Directorships: Two Half Pot Pte. Ltd. (struck off) Other principal commitments: Nil
Present	Directorships: Dreamfish Incorporated Singapore Pte Ltd Reclaims Transport & Trading Pte. Ltd. Other principal commitments: Nil	Directorships: Dreamfish Incorporated Singapore Pte Ltd Reclaims Transport & Trading Pte. Ltd. Other principal commitments: Nil	Directorships: The Panthenon Pte. Ltd. Other principal commitments: Nil	Directorships: Sheng Siong Group Ltd. SingAsia Holdings Limited Other principal commitments: Nil	Directorships: 7W Digital Marketing Pte. Ltd. D&A Strategic Capital Pte. Ltd. D&A Strategic Capital Sdn Bhd OA Assurance PAC OA International Holdings Pte. Ltd. OA Tax Advisory Pte. Ltd. OA Valuation Pte. Ltd. RF Fund Management Private Limited RF International Holdings Private Limited RF Strategic Capital Private Limited Other principal commitments: Nil	Directorships: JT Legal LLC Other principal commitments: Nil	Directorships: Nil Other principal commitments: Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given. (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, on the trust, on the ground of insolvency?	No	No	Yes, Please refer to the section entitled "General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure.	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	No	No	No	No	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or							
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or							

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or							
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?							

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chan Chew Leh	Mr Tan Kok Huat	Mr Andrew Chew	Mr Jong Voon Hoo	Mr Chang Chi Hsung	Mr Joshua Tan	Ms Lim Hui Chee
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes, Please refer to the section entitled "General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure.	Yes, Please refer to the section entitled "General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure.	No	No	No	No	No

RECLAIMS GLOBAL LIMITED

(Company Registration No. 201834755M)

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

- Investors who hold shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and vote at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, such SRS Investors shall be precluded from attending the AGM.
- This instrument of proxy is not valid for use by the SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name) _____ (NRIC/Passport/Registration Number)

of _____ (Address)

being a member/members of RECLAIMS GLOBAL LIMITED (the "Company") hereby appoint:-

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

and/or (delete as appropriate)

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

or failing the person or both of the persons above, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held at 10 Anson Road, #28-15 International Plaza, Singapore 079903 on Thursday, 30 May 2019 at 10.00 a.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 AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:-	For	Against
	Ordinary Business		
1.	Audited financial statements for financial year ended 31 January 2019		
2.	Re-election of Mr Chan Chew Leh as Director		
3.	Re-election of Mr Tan Kok Huat as Director		
4.	Re-election of Mr Andrew Dekguang Zhou Chew as Director		
5.	Re-election of Mr Jong Voon Hoo as Director		
6.	Re-election of Mr Chang Chi Hsung as Director		
7.	Re-election of Mr Tan Heok Ping Joshua as Director		
8.	Re-election of Ms Lim Hui Chee as Director		
9.	Payment of Directors' fees of S\$20,000 for financial year ended 31 January 2019		
10.	Re-appointment of RSM Chio Lim LLP as auditors of the Company		
	Special Business		
11.	Authority to allot and issue shares		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of AGM. Alternatively, if you wish to exercise your votes both for and against the resolution, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Unless otherwise permitted under the Companies Act, Chapter 50 (the “**Companies Act**”), a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form.
3. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
4. 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 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
5. This proxy form must be deposited at the registered office of the Company at 10 Tuas South Street 7, Singapore 637114 not less than 72 hours before the time set for the AGM. The deposit of an instrument appointing a proxy does not preclude the member concerned from attending and voting in person at the AGM and at any adjournment thereof. In such an event, the appointment of the proxy or proxies shall be deemed to be revoked by the member concerned at the point when the member attends the meetings.
6. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 May 2019.

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAN CHEW LEH

Executive Chairman

TAN KOK HUAT

Executive Director

ANDREW DEKGUANG JHOU CHEW

Executive Director and CEO

JONG VOON HOO

Lead Independent Director

CHANG CHI HSUNG

Independent Director

TAN HEOK PING JOSHUA

Independent Director

LIM HUI CHEE

Independent Director

AUDIT COMMITTEE

JONG VOON HOO (*Chairman*)

CHANG CHI HSUNG

LIM HUI CHEE

NOMINATING COMMITTEE

LIM HUI CHEE (*Chairman*)

JONG VOON HOO

TAN HEOK PING JOSHUA

REMUNERATION COMMITTEE

TAN HEOK PING JOSHUA

(*Chairman*)

JONG VOON HOO

CHANG CHI HSUNG

COMPANY SECRETARIES

WU PEICONG, CA (Singapore)

WEE MAE ANN, LLB (Hons)

REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS

10 Tuas South Street 7
Singapore 637114

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

DATE OF INCORPORATION

11 October 2018

DATE OF LISTING

11 March 2019

REGISTRATION NUMBER

201834755M

SPONSOR

SAC CAPITAL PRIVATE LIMITED

1 Robinson Road #21-00
AIA Tower
Singapore 048542



INDEPENDENT AUDITOR

RSM CHIO LIM LLP

8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge:
Lee Mong Sheong
(since financial year ended
31 January 2019)

INTERNAL AUDITOR

TRS FORENSICS PTE LTD

90 Lorong 23 Geylang
Agrow Building #05-01
Singapore 388393

PRINCIPAL BANKER

OVERSEA-CHINESE BANKING CORPORATION LIMITED



RECLAIMS GLOBAL LIMITED

(Company Registration Number: 201834755M)

10 Tuas South Street 7

Singapore 637114

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