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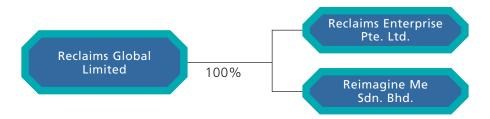


This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Annual 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 (the "**Company**", and together with its subsidiaries, 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:



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.



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, building material 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.

During the year, the Group has incorporated a wholly-owned subsidiary, Reimgaine Me Sdn. Bhd., with the objective to expand the Group's recycled product range by converting empty fruit bunch fibre to strandboards. The expansion is aligned with the Group's business strategy and future plans as mentioned in the Company's Offer Document dated 1 March 2019.

CHAIRMAN'S STATEMENT



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 of Reclaims Global Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present to you our Annual Report for the financial year ended 31 January 2020 ("FY2020").

After the Group's successful listing on the Catalist Board of the Singapore Exchange on 11 March 2019, the Group continues to face challenges from macro-economic and geopolitical uncertainties. The Group has managed to maintain its business performance with the continuous focus in its core business. In December 2019, we have incorporated a wholly-owned subsidiary, Reimagine Me Sdn. Bhd., pursuing the expansion of the recycled product range of the Group. We believe that the expansion will allow the Group to widen its customer base for long-term growth of the Group's businesses.

GROUP REVENUE AND PROFITABILITY

In FY2020, the revenue of the Group improved by 8.3% year-on-year, from \$\$31.6 million to \$\$34.2 million. This was mainly driven by the expansion of the excavation services segment, which saw higher number of excavation projects secured with existing customers. Lesser revenue was generated from the logistics and leasing services segment and recycling segment as the Group undertook fewer reinstatement and demolition works, resulting in less construction and demolition waste being recycled and sold. Resources were also redirected to the burgeoning excavation services segment, in line with the Group's business direction.

Profit before income tax for FY2020 amounted to S\$2.1 million compared to S\$0.8 million for financial year ended 31 January 2019 ("**FY2019**"). Notwithstanding, excluding

listing-related expenses of S\$2.6 million, profit before income tax for FY2019 would have been S\$3.4 million. In view of the difficult and volatile environment in FY2020, the Group strategized to focus more on excavation projects in order to maintain a more constant revenue stream through the year as excavation projects tend to be larger in scale and longer in duration, despite traditionally, lower margins for such projects.

BUSINESS REVIEW

In 2019, the Singapore economy grew only by 0.7%, which is lower than 3.1% in 2018, with stiff competition, compression in profit margins and volatile environment prevailed. Construction sector, however, has posted a Gross Domestic Product growth of 2.8%, which was supported by public sector construction activities.^{1 2} With our business strategy that focuses on public sector projects, we managed to tap on the business opportunities and achieved a growth in our business revenue.

DIVIDEND

The Board of Directors is pleased to recommend a onetier tax exempt final dividend of 0.38 Singapore cents per ordinary share in respect of FY2020. Total final dividend recommended is approximately 32% of the Group's net profit attributable to shareholders for FY2020 and this is significantly higher than the initial intention to recommend a dividend of not less than 20% of the Group's net profit attributable to shareholders in respect of FY2020. By doing so, we hope to acknowledge and reciprocate the continuing support from our shareholders.

OUTLOOK

Prior to the escalating COVID-19 situation, the Building and Construction Authority of Singapore ("BCA") has projected the construction industry is expected to remain

https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2020/01/AdvEst_4Q19.pdf

https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2020/03/AdvEst_1Q20.pdf

CHAIRMAN'S STATEMENT

strong in 2020 with sustained public sector construction demand. The anticipated total construction demand to range between S\$28 billion and S\$33 billion this year, of which approximately 60% will be contributed by the public sector. We foresee major infrastructure projects to be the key driver of public sector construction demand due to the relatively larger and complex nature, with the likes of the Integrated Waste Management Facility, infrastructure works for Changi Airport Terminal 5, Jurong Region MRT Line and Cross Island MRT Line.

From 2021 to 2024, BCA expects the construction demand to hold steady over the medium term. Demand is projected to reach between S\$27 billion and S\$34 billion per year for 2021 and 2022, and between S\$28 billion and S\$35 billion per year for 2023 and 2024. The public sector will continue to lead demand and is foreseen to contribute S\$16 billion to S\$20 billion per year from 2021 to 2024, with building projects and civil engineering works each constituting about half of the demand. Besides public residential developments, public sector construction demand over the medium term will continue to be supported by various mega infrastructure projects. BCA expects private sector construction demand to stay at a moderate level in view of the likely continued global economic uncertainties and the current overhang in the supply of private residential housing units.3

The projected increase in construction demand in Singapore and sustained demand for public sector construction augur well for the Group's businesses. However, with the recent COVID-19 outbreak, uncertainties in the local and global economy remain. The Ministry of Health issued guidelines on 3 April 2020, introducing a "Circuit Breaker" to minimize further spread of COVID-19. Physical workplaces that cannot be conducted through telecommuting from home will be suspended from 7 April 2020 to 4 May 2020 (inclusive). Subsequently, further guidelines were issued, including an extension of the Circuit Breaker up to 1 June 2020. This resulted in the operations of the Group being temporarily suspended as construction is deemed a non-essential service according to the guidelines from the Ministry of Trade & Industry ("MTI").

On 26 March 2020, MTI announced that the Singapore's GDP had contracted by 2.2% in the first quarter of 2020. MTI also downgraded the 2020 GDP Growth Forecast from "-4.0 to -1.0%". Based on the first quarter performance, construction activity dipped 4.3%, reversing the expansion in the preceding quarter and defying the BCA estimations of a strong growth. The main reason was due to the decline in private sector construction activities, supply chain disruptions and delays in the return of foreign workers as a result of the lockdowns and travel restrictions implemented by other countries.⁴

Due to these challenging times, the Group foresee the construction demand will be delayed and there will be a compression in the project margins tenders, which may have an impact on the financial margins of the Group. The Group will continue to observe the impact of the enhanced measures along with the government directives on the industry, monitoring the evolving situation and make the appropriate announcement(s) as and when there are material developments.

The Group will continue to maintain operational and financial prudence amidst a challenging environment. We will continue to leverage on our strengths to seek opportunities in public infrastructure projects and bring enhanced values to our stakeholders.

GROWTH STRATEGIES

Consistent with our expansion plans mentioned in our Offer Document dated 1 March 2019, we continue to focus on public sector projects, in particular the excavation projects, as they tend to be larger in scale and longer in duration. We have also purchased numerous plant and equipment in FY2020 to support the expansion of our operations. Moving forward, we will continue to build our core competencies and business foundation and grow our business from strength to strength.

As part of the Group's strategy to expand its recycled product range, the Group, through its newly incorporated wholly-owned subsidiary, Reimagine Me Sdn. Bhd., has signed a Memorandum of Agreement on 28 February 2020 with the Malaysian Palm Oil Board ("MPOB"). Reimagine Me Sdn. Bhd. will co-own the technology process and invention together with MPOB and will also be accorded a 5-year exclusive license to produce strandboards from palm biomass waste – empty fruit bunch fibre. We hope that our potential new business will provide our Group a great opportunity to diversify our product lines, reduce our portfolio and business risk, reduce sensitivity to economic cycles, and boost our overall profit margins.

APPRECIATION

Lastly, I would like to thank all shareholders, customers, suppliers and our hard-working colleagues for your continued support. With your continued support together with our operational and financial prudence, I am confident that we will prevail and emerge stronger. I wish everyone a safe and healthy year ahead and I look forward to updating you again soon.

Chan Chew Leh Executive Chairman

https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/01/08/singapore's-construction-demand-for-2020-expected-to-remain-strong

⁴ https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2020/03/AdvEst_1Q20.pdf

CEO MESSAGE



GENERATING LONG TERM VALUE AND CREATE SUSTAINABLE ENVIRONMENT.

DEAR SHAREHOLDERS,

I hope that this letter finds you and your family safe and healthy. As we report our results for the financial year ended 31 January 2020 ("FY2020"), the world is going through a crisis triggered by the COVID-19 virus. This is a significant global supply and demand disruption that is affecting millions of companies around the world and we are in unprecedented times of public health emergency and economic crisis. However, Reclaims Global Limited (the "Company", and together with its subsidiaries, the "Group") continues to stand strong in uniting our contractors as well as suppliers to get through this together.

2020 marked the end of our first year as a public listed company on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and we are moving forward and executing the planned business strategies and future plans as disclosed in the offer document. As part of the planned business strategy, our focus is to increase our excavation projects in the public sector which will increase our scale and provide us with medium term income streams. For these projects, we have utilised the IPO proceeds to expand our operational capacity through plant, equipment and human capital investment during FY2020, which further expanded our existing business. At present, we are amid expanding our recycled product range that will be further elaborated later.

The Group is not in the process of finalising or making any offer for any acquisition of any business or entering any joint venture or strategic alliance as mentioned in the offer document. To put the financial resources to better use, the IPO proceeds of \$\$300,000 allocated for such purposes has been re-allocated to general working capital purposes to fund the expanding operations.

EXPANSION

The Group is well on-track for the expansion of its operational capacity of its core activities, as well as the expansion of the recycled product range. We continue to pursue recycling initiatives and green efforts, which is part of the DNA of the Group that was started by our Chairman during the birth of the Group back in 2009. We will continue focusing on recycling construction and demolition waste as well as expanding our recycled product range, so that there would be less impact on the environment and Mother Earth.

THE MISSION

Amongst others, the Group's mission is to embrace green technologies and initiatives to preserve and protect Mother Earth. We are, in collaboration with the Malaysian Palm Oil Board ("MPOB"), to develop a technology process that could recycle organic waste and transform it into hardwood as a replacement for conventional plywood. In other words, to make 'wood from no wood'.

THE GOAL

In executing this new 'green' business of the Group, the goal is to provide another source of revenue and income, more importantly, the new business is less sensitive to economic cyclical changes and therefore, will provide stability to the Group.

THE MARKETPLACE

The global demand for plywood was estimated at about US\$73.9 billion in 2018 based on the total revenues of producers and importers (excluding logistics costs, retail marketing costs, and retailers' margins, which will be included in the final consumer price). Plywood is the preferred and superior base material for the wood working and furniture industry as compared to compressed particle board, medium-density fibreboard board and other fibreboards or engineered boards. The

https://www.globaltrademag.com/global-plywood-market-2019-the-industry-desperately-needs-new-growth-drivers/

CEO MESSAGE

demand for plywood and compressed particle board is correlated to each other because the feedstock of compressed particle board comes from the waste from plywood industries. However, plywood is considered to be a high value material as compared to compressed particle board.

THE CHALLENGE OF RECYCLING

In the world of recycling, it appears simpler than the reality; what is so difficult to use waste as our feedstock, recycle, repurpose and transform it into a recycled material or product? The feedstock being waste is cheap to near zero, so why is the resultant recycled product more than often more expensive than the conventional product? Some of the primary reasons is because the technology process is too complex and is not production friendly in the real commercial world, or the invention requires design and custom-built machinery which escalates the capex and makes production costs expensive. In the real world, more than often, recycled products costs more than the conventional products, while the minority of recycled products have the privilege of costing less than the conventional product.

EXPLORATION

We were exploring a technology process with ETH Zurich, known as the Swiss Federal Institute of Technology in Zurich, a Swiss research university with a laboratory presence in Singapore. We worked closely with the inventors to explore recycling processes to convert organic waste into recycled hard board, which may be an attractive sustainable replacement for plywood. However, subsequently, we realised that the costs and scale to commercialise this technology process would make the business commercially not viable.

We did not give up hope and continued to search for technology processes and also considered developing our own technology process.

In late April 2019, we had the honour and privilege to collaborate with MPOB, specifically, the inventor and head researcher, who spent the past 14 years working on recycling the biomass waste, that is, empty fruit bunch ("**EFB**"). MPOB is a government agency, research institute and certification body for the Malaysian palm oil industry. We realised that EFB is a natural and organic lignocellulosic material plus the innate structure of EFB is fibrous and has natural tensile strength.

THE BIRTH OF REIMAGINE ME AND OPLY

We started a collaboration with the inventor and head researcher to explore, experiment and develop a technology process using EFB fiber and to transform it into a direct replacement for plywood. In January 2020, we successfully achieved producing a panel/board that mimics all the mechanical and engineering properties of traditional plywood.

Reimagine Me Sdn. Bhd. ("**RIM**"), a new wholly-owned subsidiary of the Company was incorporated in Malaysia in December 2019.

On 28 February 2020, RIM signed a Memorandum of Agreement with MPOB to seal our collaborative relationship. RIM will co-own the technology process and invention with MPOB. RIM will establish a prefab/pilot plant at the research facility of MPOB in Bangi, Kuala Lumpur to further optimise the invention to develop further versions and reduce the risk of 'copycats' and reverse engineering. We are currently in the process of registering the Intellectual Property of our technology process and patent of our product. RIM has also been accorded a 5-year exclusive license to produce, market and sell the panel/board. We have affectionately named the panel/board as 'OPLY'. We will also be producing small quantities of OPLY for pre-marketing purposes.

WHY REIMAGINE ME?

'Reimagine ME' was inspired from 'Reimagine Mother Earth' which represents the Group's efforts in dialling back climate change, reversing global warming, slowing deforestation and helping to heal and preserve Mother Nature.

Reimagine making wood from no wood. Reimagine inventing a direct replacement for plywood using palm biomass waste – EFB.

Reimagine using a green and organic material for the renovation of your home. Reimagine buying 'green' furniture that looks like wood, feels like wood, performs like wood but is not made from wood.

Reimagine the more we use OPLY, the less we need to use of conventional plywood, and the more we can be instrumental in saving natural forests and preserving the eco-systems and eco-life that lives and thrives in these forests.

Reimagine Mother Earth.....reborn.

UPDATES

The COVID-19 situation, the Movement Control Order ("MCO") imposed by the Malaysian Government, and the Circuit Breaker measures in Singapore has caused some inconvenience in our plans. Currently, the project had been delayed as the plan of importing the pre-factory machineries from China has been delayed till end-May due to disruption and delays in freight services. The pilot pre-factory setup as part of the Phase 1 project is temporarily put on hold. Currently, we are not able to assess the true impact to the new potential business. The Group expects the project to resume after the MCO, subject to any further directives, however, we will keep shareholders updated of developments.

ANDREW DEKGUANG JHOU CHEW

Executive Director and Chief Executive Officer



CHAN CHEW LEH AGE 58 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.

Date of first appointment as Director: 11 October 2018

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies:

Nil

Past directorships in listed companies (Preceding 5 years):

Nil



TAN KOK HUAT AGE 47 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.

Date of first appointment as Director: 11 October 2018 Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies:

Nil

Past directorships in listed companies (Preceding 5 years):



ANDREW DEKGUANG JHOU CHEW
AGE 57
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.

Date of first appointment as Director: 11 October 2018

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies:

Nil

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

Nil



JONG VOON HOO AGE 47 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.

Date of first appointment as Director: 24 January 2019 Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies: Sheng Siong

Sheng Siong Group Ltd.
SingAsia Holdings Limited
Snack Empire Holdings Limited

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



CHANG CHI HSUNG AGE 41 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, joined KPMG Singapore in 2004 and 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 member of HKICPA and a fellow of CPA Australia and is also qualified as an ASEAN Chartered Professional Accountant.

Date of first appointment as Director: 24 January 2019 Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies:

Nil

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

Nil



LIM HUI CHEE AGE 48 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.

Date of first appointment as Director: 24 January 2019 Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies:

Nil

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



TAN HEOK PING JOSHUA AGE 49 INDEPENDENT DIRECTOR

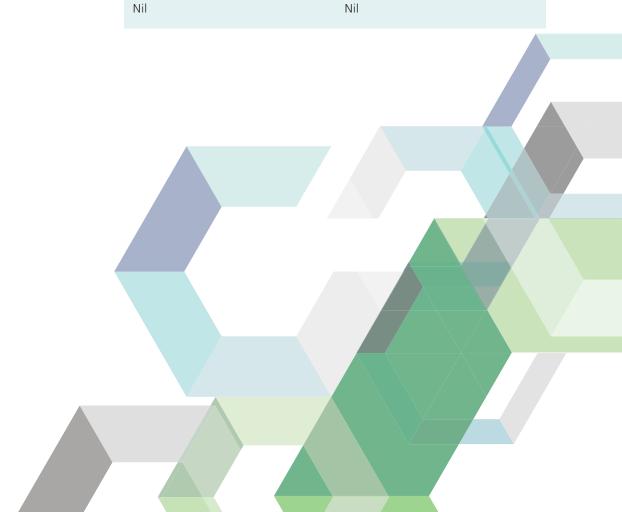
Mr Joshua Tan was appointed as our Independent Director on 24 January 2019. Mr Tan is currently the managing director of JT Legal LLC in Singapore, a law firm specialising in capital markets, mergers and acquisitions, corporate and commercial practices. He has 20 years of experience in legal practice 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.

Date of first appointment as Director: 24 January 2019 Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed

companies:

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



EXECUTIVE OFFICERS

TAN DA XUN
FINANCIAL CONTROLLER AND
COMPANY SECRETARY

Mr Tan joined us as our Financial Controller in January 2020. 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 has more than 10 years of experience in audit. Prior to joining the Group, he was a senior manager at Deloitte & Touche Singapore. Mr Tan is a Fellow member of the Association of Chartered Certified Accountants and a Chartered Accountant of Singapore.

CHAN BIH TZYGENERAL 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

	FY2020 S\$'000	FY2019* S\$'000	FY2019 S\$'000	FY2018 S\$'000	FY2017 S\$'000
FOR THE REPORTING YEAR					
Revenue by segment:	•	•	•	•	
Recycling	4,511	5,504	5,504	11,505	12,241
Excavation services	19,668	14,422	14,422	8,264	7,205
Logistics and leasing	9,717	11,466	11,466	7,769	10,280
Others	317	198	198	4	51
Total revenue	34,213	31,590	31,590	27,542	29,777
Percentage of total revenue:	•••••••••••••••••••••••••••••••••••••••		······		
Recycling	13.2%	17.4%	17.4%	41.8%	41.1%
Excavation services	57.5%	45.7%	45.7%	30.0%	24.2%
Logistics and leasing	28.4%	36.3%	36.3%	28.2%	34.5%
Earnings before interest, tax, depreciation and amortisation		•••••••••••••••••••••••••••••••••••••••			
(EBITDA)	4,786	6,091	3,447	6,349	6,411
EBITDA margin	14.0%	19.3%	10.9%	23.1%	21.5%
Profit before income tax (PBIT)	2,092	3,438	794	3,641	4,088
PBIT margin	6.1%	10.9%	2.5%	13.2%	13.7%
Net profit	1,561	2,914	270	3,196	3,676
Net profit margin	4.6%	9.2%	0.9%	11.6%	12.3%
AT END OF THE REPORTING YEAR		·····	·····		
Non-current assets	15,605	15,280	15,280	15,265	16,664
Current assets	16,628	13,700	13,131	12,199	13,935
Total assets	32,233	28,980	28,411	27,464	30,599
Non-current liabilities	3,552	3,947	3,947	5,181	6,496
Current liabilities	6,340	7,500	7,745	5,664	6,850
Total liabilities	9,892	11,447	11,692	10,845	13,346
Total debt	4,175	5,850	5,850	5,741	6,797
Cash and cash equivalents	4,333	2,707	2,138	4,946	2,589
Net (cash)/debt	(158)	3,143	3,712	795	4,208
Shareholders' equity	22,341	17,533	16,719	16,619	17,253
Weighted average number of ordinary shares ('000)					
– Basic and diluted [^]	129,126	112,000	112,000	112,000	112,000
FINANCIAL RATIOS					
Profitability					
Revenue growth	8.3%	14.7%	14.7%	(7.5%)	(16.5%)
Net profit growth#	(46.4%)	(8.8%)	(91.6%)	(13.1%)	(46.9%)
Return on assets (Net profit/Total assets)	4.8%	10.3%	1.0%	11.6%	12.0%
Return on equity (Net profit/Shareholders' equity)	7.0%	17.4%	1.6%	19.2%	21.3%
Liquidity				·····	
Current ratio (Times)	2.6	1.8	1.7	2.2	2.0
Net assets per share (cents)	17.1	15.7	14.9	14.8	15.4
Leverage					
Net debt to equity ratio (Times)					
(Net debt/Shareholders' equity)	(0.0)	0.2	0.2	0.1	0.2
Interest cover (Times)					
(EBITDA/Finance costs)	25.2	37.4	21.1	27.1	27.3
Investors' Ratio					
Earnings per share (cents)					
(Basic and diluted)	1.2	2.6	0.2	2.9	3.3

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

^ For comparative and illustrative purposes, the weighted average number of ordinary shares used for FY2019, FY2018 and FY2017 is based on pre-invitation number of shares of 112,000,000.

For comparative and illustrative purposes, the net profit used for FY2019 is after adding back the listing-related expenses amounting to \$\$2.6 million.

FINANCIAL REVIEW

Group	FY2020 S\$'000	FY2019 S\$'000	Change S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME				
Revenue	34,213	31,590	2,623	8.3
Interest income	6	4	2	50.0
Other gains	477	315	162	51.4
Cost of materials, services and consumables	(18,974)	(17,366)	(1,608)	9.3
Other losses	_	(381)	381	N.M.
Finance costs	(190)	(163)	(27)	16.6
Depreciation expense	(2,257)	(2,242)	(15)	0.7
Depreciation/amortisation of right-of-use-asset	(253)	(252)	(1)	N.M.
Employee benefits expense	(6,628)	(4,823)	(1,805)	37.4
Other expenses	(4,302)	(5,888)	1,586	(26.9)
Profit before tax from continuing operations	2,092	794	1,298	163.5
Income tax expense	(531)	(524)	(7)	1.3
Profit from continuing operations, net of tax and total				
comprehensive income	1,561	270	1,291	478.1
Profit, net of tax and total comprehensive income attributable to				
owners of the Company	1,561	270	1,291	478.1

N.M. - Not meaningful



REVENUE

The overall increase in revenue of \$\$2.6 million or 8.3%, from \$\$31.6 million in the financial year ended 31 January ("FY") 2019 to \$\$34.2 million in FY2020, was mainly driven by the expansion in the excavation services segment with higher number of excavation projects secured during the year. Revenue generated from the logistics and leasing segment and recycling segment decreased, as the Group undertook lesser reinstatement and demolition works resulting in lesser construction and demolition waste being recycled and sold. This is in line with the redirection of the Group's resources to focus on the excavation services segment.

OTHER GAINS

The increased in other gains of \$\$0.2 million or 51.4% from \$\$0.3 million in FY2019 to \$\$0.5 million in FY2020 was mainly due to: (a) an increase in government grants of \$\$0.1 million; and (b) gain on disposal of plant and equipment amounting to \$\$0.2 million (FY2019: \$\$0.1 million).

COST OF MATERIALS, SERVICES AND CONSUMABLES

The increase in cost of materials, services and consumables of S\$1.6 million or 9.3% from S\$17.4 million in FY2019 to S\$19.0 million in FY2020 was mainly due to increase in transportation services received, disposal costs and diesel costs.

OTHER LOSSES

Other losses for FY2019 amounted to \$\$0.4 million pertained to allowances made for impairment on trade receivables. There are no such allowances made in FY2020.

FINANCE COSTS

The increase in finance costs of \$\$27,000 or 16.6% from \$\$163,000 in FY2019 to \$\$190,000 in FY2020 mainly was due to the drawdown of various banking facilities, such as hire-purchase facilities and trade financing facility, to support the increased operations.

DEPRECIATION EXPENSE

Depreciation expense for FY2020 and FY2019 remained relatively stable, which amounted to \$\$2.3 million and \$\$2.2 million respectively. Although additions in plant and equipment is higher in FY2020 compared to FY2019, depreciation and amortisation expense for FY2020 and FY2019 are comparable as more plant and equipment were fully depreciated at the beginning of FY2020 as compared to FY2019.

DEPRECIATION/AMORTISATION OF RIGHT-OF-USE-ASSET

Depreciation of right-of-use-asset for FY2020 and amortisation expense for FY2019 pertain to amortisation of the prepaid land lease as a result of

FINANCIAL REVIEW

the adoption of the new Singapore Financial Reporting Standards (International) 16 Leases.

EMPLOYEE BENEFITS EXPENSE

The increase of S\$1.8 million or 37.4% from S\$4.8 million in FY2019 to S\$6.6 million in FY2020 mainly due to increase in headcount and salary increments during FY2020, as well as an increase of S\$0.2 million in foreigner levy cost as compared to prior year. As at 31 January 2020, the Group had 141 employees as compared to 125 employees as at 31 January 2019.

OTHER EXPENSES

The decrease in other expenses of \$\\$1.6 million or 26.9% from \$\\$5.9

million in FY2019 to S\$4.3 million in FY2020. The decrease was mainly due to one off listing-related expenses amounting to S\$2.6 million (including an equity-settled share-based payment amounting to S\$1.8 million) which was incurred in FY2019. The decrease was partially offset by an increase in daily operation expenses, including an additional amount of S\$0.4 million due to repair and machines maintenance costs and S\$0.3 million from the rental of machineries.

PROFIT BEFORE TAX

Profit before tax for FY2020 amounted to S\$2.1 million compared to S\$0.8 million for FY2019. Excluding listing-related expenses amounting to

S\$2.6 million, the overall profit before tax has decreased by S\$1.3 million as the Group shifted its focus towards excavation projects which tend to have a lower profit margin.

INCOME TAX EXPENSE

Income tax expense was slightly higher in FY2020 as compared to FY2019. The effective tax rate recorded at of 25.4% and 15.4% (after excluding the listing-related expenses which is not tax-deductible) respectively. The effective tax rate for FY2020 has increased as the enhanced productivity and innovation credit tax benefits had lapsed after year assessment 2018 and underprovision of income tax expense amounting to \$\$0.1 million in prior year.

Group	As at 31 January 2020	As at 31 January 2019	Change	Change
	S\$'000	S\$'000	S\$'000	%
STATEMENT OF FINANCIAL POSITION				
Non-current assets	11.616	11 201	225	2.9
Property, plant and equipment Right-of-use asset	3,989	11,291	325 3.989	2.9 N.M.
Other assets, non-current	5,969 -	3,989	-3,989	N.M.
Total non-current assets	15,605	15,280	325	2.1
Current assets				
Inventories	17	82	-65	-79.3
Trade and other receivables	6,884	6,335	549	8.7
Other assets, current	5,394	4,576	818	17.9
Cash and cash equivalents	4,333	2,138	2,195	102.7
Total current assets	16,628	13,131	3,497	26.6
Total assets	32,233	28,411	3,822	13.5
Equity				
Share capital	19,388	15,327	4,061	26.5
Retained earnings	2,953	1,392	1,561	112.1
Total equity	22,341	16,719	5,622	33.6
Non-current liabilities		···············		
Deferred tax liabilities	715	805	-90	-11.2
Loans and borrowings	2,351	3,142	-791	-25.2
Financial liabilities – lease liabilities, non-current	486		486	N.M.
Total non-current liabilities	3,552	3,947	-395	-10.0
Current liabilities				
Income tax payable	609	528	81	15.3
Loans and borrowings	915	2,708	-1,793	-66.2
Financial liabilities – lease liabilities, current	423	_	423	N.M.
Trade and other payables	4,393	4,509	-116	-2.6
Total current liabilities	6,340	7,745	-1,405	-18.1
Total liabilities	9,892	11,692	-1,800	-15.4
Total equity and liabilities	32,233	28,411	3,822	13.5

FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets were at \$\$15.6 million as at 31 January 2020 as compared to \$\$15.3 million as at 31 January 2019.

Property, plant and equipment increased by \$\$0.3 million or 2.9% from \$\$11.3 million as at 31 January 2019 to \$\$11.6 million as at 31 January 2020. The increase was mainly due to addition of plant and equipment amounting to \$\$3.2 million during FY2020, partially offset by depreciation expense amounting to \$\$2.3 million and disposal of plant and equipment of net book value amounting to of \$\$0.6 million.

Right-of-use asset (disclosed as "other assets" in FY2019) comprise the prepaid land lease to Jurong Town Corporation for land parcel at 10 Tuas South Street 7 Singapore 637114.

CURRENT ASSETS

Current assets increased by \$\$3.5 million or 26.6% from \$\$13.1 million as at 31 January 2019 to \$\$16.6 million as at 31 January 2020. The increase was mainly due to increase in trade and other receivables, other assets and cash and cash equivalents by \$\$0.5 million, \$\$0.8 million and \$\$2.2 million respectively.

Trade receivables' turnover days remained stable at 73 as at 31 January 2020 and 31 January 2019.

Other assets as at 31 January 2020 mainly comprise contract assets pertaining to work performed but not billed amounting to \$\$4.3 million (31 January 2019: \$\$3.9 million). The increase of S\$0.4 million in contract assets was due to the Group undertaking more projectbased contracts during FY2020 where payment by customers are subject to their payment certification procedures which typically take a longer time to process. There was also an increase of \$\$0.6 million in advance payment to suppliers in view of increased operations. The increase was partially offset by depreciation of right-of-use asset amounting to \$\$0.2 million (disclosed as "other assets" in FY2019).

NON-CURRENT LIABILITIES

Non-current liabilities decreased by \$\$0.4 million or 10.0% from \$\$3.9 million as at 31 January 2019 to \$\$3.5 million as at 31 January 2020. The decrease was mainly due to repayment of bank loans amounting

to S\$0.8 million and decrease in deferred tax liabilities amounting to S\$0.1 million. The decrease was partially offset by an increase in lease liabilities amounting to S\$0.5 million

CURRENT LIABILITIES

Current liabilities decreased by \$\$1.4 million or 18.1% from \$\$7.7 million as at 31 January 2019 to \$\$6.3 million as at 31 January 2020. The decrease was due to decrease in trade and other payables and loans and borrowings of \$\$0.1 million and \$\$1.8 million respectively, partially offset by an increase in income tax payable of \$\$0.1 million and lease liabilities of \$\$0.4 million.

The decrease in loans and borrowings was due to the decrease in bills payable to bank amounting \$\$1.4 million and repayment of the bank loan amounting to \$\$0.4 million.

Trade payables' turnover days was 84 as at 31 January 2020 compared to 63 as at 31 January 2019.

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	7 November 2035
Land area	5,047.4 sqm
Gross floor area	4,037.96 sqm
Purchase cost (S\$'000)	5,494
Development costs (\$\$'000)	5,108
Book value (\$\$'000) as at 31 January 2020	8,160

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



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

TAN DA XUN, CA (Singapore)
WONG YOEN HAR, ACIS (Singapore)

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

BOARD STATEMENT

We are proud to present the second Sustainability Report of Reclaims Global Limited (the "Company", and together with its subsidiaries, the "Group"). In this Sustainability Report, we report on the progress of our sustainability efforts over the financial year, with a particular focus on our commitment to working alongside with our valued stakeholders to build a sustainable business.

The Group firmly believe that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as our financial performance. While we have incorporated concepts of sustainability within our business, we understand the additional need to articulate and convey our efforts to our stakeholders and the public. Hence, we aim to communicate to our stakeholders on our sustainability initiatives and performance through this Sustainability Report.

The Board of Directors ("**Board**") understand the importance of incorporating sustainability as part of the Group's strategic formulation as we oversee the management and monitoring of material Economic, Environmental, Social and Governance ("**EESG**") factors in formulating our Group's strategic direction and policies. The Board has directed Management to evaluate key EESG factors relevant to the Group's core operations together with our stakeholders.

Together with the Board, the Management remains vigilant in managing our commitments to sustainability efforts to ensure sustainable growth and development of the communities where we operate.

We would like to take the opportunity to thank our shareholders, long-time business partners and all stakeholders for their unwavering support and confidence in us.

Sincerely,
Board of Directors
Reclaims Global Limited

ABOUT THIS REPORT

Reclaims Global Limited is a Singapore-based eco-friendly integrated service provider in the construction industry. We fulfil Singapore's growing need for sustainable development by supplying recycled, environmentally friendly construction material for mixing, foundations, and roads etc. We have since expanded to include providing excavation services, logistics and leasing. This report covers operations of our Group located in Singapore from 1 February 2019 to 31 January 2020 ("FY2020") and showcases to stakeholders our adaptation of EESG factors and our commitment to formulating policies and embracing global/local initiatives that manage these issues responsibly.

In the preparation of this report, the Group relied on internal data monitoring and verification to ensure the accuracy of data and information. We chose the latest Global Reporting Initiative ("GRI") standards: Core Option, for its reputation of including international reporting best practices and robust detailed framework that is relevant to the Group's business. Our disclosures continue to be in line with the requirements of Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules"). The Company has not sought external assurance for this report but may consider doing so in future.

Accessibility

This report forms part of the Company's Annual Report for FY2020 ("**Annual Report 2020**") and is available on the SGXNET and the Company's website.

Contact Us

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 Tan Da Xun and Ms Chan Bih Tzy, is committed to listening to our stakeholders and welcome feedback on this report. For enquires or suggestions, please contact our sustainability team at sustainability@reclaims.sg.

ORGANISATIONAL PROFILE

Background



Reclaims Enterprise Pte. Ltd. was founded by Mr Chan Chew Leh and Mr Tan Kok Huat amongst other founding shareholders in February 2009. Together with a small team of 10 workers, an old crusher, a makeshift screener and leased tipper trucks, we started to supply recycled construction materials, such as graded stone and recycled asphalt premix, for road works and construction sites in Tuas.

To further enhance our corporate image, we applied to and was granted by the Singapore Environment Council the right to use the Singapore Green Label for our 20-mm recycled aggregate for concrete mixture in May 2011. Between 2013 and 2016, we acquired two new mobile jaw crushers, each with a recycled concrete aggregate ("RCA") output of up to 240 metric tonnes per hour, and four mobile screeners. With these acquisitions, we were able to conduct more extensive onsite recycling activities, eliminating the need for large storage facilities for construction and demolition ("C&D") waste and RCA, and substantially reducing transportation costs. In addition, we operated a fleet of excavators, tipper trucks, articulated dump trucks and other machinery for our day to day works.

To support our growing operations in the long-run, we acquired a leasehold land at 10 Tuas South Street 7 Singapore in February 2014 and completed the construction of our four-storey corporate headquarters in June 2016. The new premises allowed us to consolidate our office, storage facility and ancillary dormitory at one location to achieve cost effectiveness and operational efficiency.

The Group continues to grow, having celebrated our 10th Anniversary in the construction services business in 2019, and another major milestone – our successful listing on SGX Catalist Board in March 2019.

Vision

Holistic Eco-Friendly integrated service provider in the construction industry.

Mission

- ✓ To recycle and repurpose Construction and Demolition Waste to reduce pollution in the environment
- ✓ Through strategic customer-eccentric solutions, we aim to deliver excavation services that exceed our clients' expectations and experience
- ✓ Provide a safe and healthy working environment for all our stakeholders
- ✓ Embrace green technologies and initiatives to preserve and protect Mother Earth

Our People

The Group selects and retains talent based on meritocracy, providing equal opportunities for all, regardless of background. As of 31 January 2020, the Group has 141 permanent full-time employees with zero contract or part-time employees. The amount of work provided by casual labour is insignificant.

The statistical data of the Group's workforce below was maintained and provided by our Human Resources department:

Gender	FY2020		FY2019	
	Number	%	Number	%
Male	130	92	115	92
Female	11	8	10	8
Total	141	100	125	100

Pagion	FY2	FY2020		2019
Region	Number	%	Number	%
Singapore	16	12	19	15
Singaporean Permanent Resident	7	5	8	6
Malaysia	28	20	28	23
China	23	16	19	15
Thailand	9	6	_	_
India	53	38	41	33
Bangladesh	3	2	_	_
Others	2	1	10	8
Total	141	100	125	100

Laurath of Camilia	FY2020		FY2019	
Length of Service	Number	%	Number	%
Less than 5 year	116	82	107	86
More than or equal to 5 years	25	18	18	14
Total	141	100	125	100

Supply Chain Management

The Group selects and retains suppliers based on an objective set of criteria. This includes competitive pricing, product quality, and proven track record.

One of the Group's strategic aim is to support local businesses and maintain a diverse group of suppliers. Having a diverse local group of suppliers not only provides us flexibility and options available to remain competitive, local suppliers could reduce lead time when ordering products, reducing our carbon-footprint and transportation cost to grow sustainably.

In maintaining high quality suppliers, we maintain an approved supplier list, periodically reviewing all existing and new suppliers assessing them on the range of criteria mentioned above. We also take into consideration the supplier size, and environmental footprint, among other considerations.

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 the 'Corporate Governance Report' section of our Annual Report 2020.

Membership of Associations and Certificates

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

SUSTAINABILTY APPROACH AND STAKEHOLDER ENGAGEMENT

The expectations of our stakeholders would always be emphasised during our management approach and included in our performance target setting for financial year ending 2021. The material topics chosen were based on continuous interactions with our stakeholders and understanding the impact these EESG topics have on them. Our key stakeholder groups for FY2020 are summarised below:

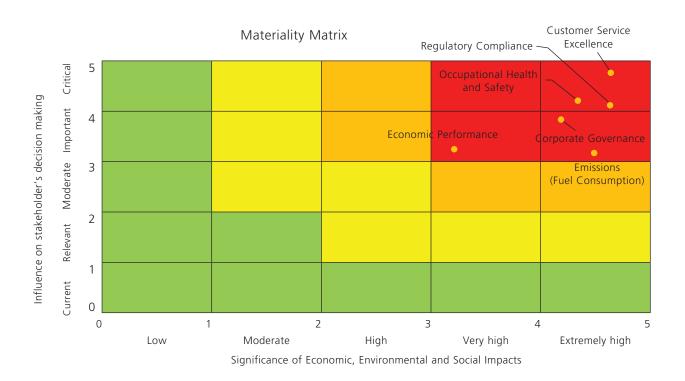
Key Stakeholder	Group's Commitment	Topics of Interest	Engagement Activity
Customers	 Maximise customer satisfaction by effective execution and timely delivery to our services 	PricingQuality and efficiency	 Regular site visits Face-to-face meeting Email enquiries Feedback form
Employees	 Conducive work environment coupled with competitive pay and benefits for all Providing resources for employees to achieve their maximum potential 	 Welfare benefits Career progression Workplace safety Open communications 	 Staff appraisal Get-together sessions Introduction and orientation program Structured trainings
Suppliers and Vendors	 Promising fair and transparent dealings Supporting local businesses whenever possible 	 Group's financial stability Group's project pipeline Payment terms 	QuotationsSupplier evaluationMeetings and dialogues

Key Stakeholder	Group's Commitment	Topics of Interest	Engagement Activity
Shareholders	 Accountable and transparent with all business transactions Responsible evaluation of new business opportunities to maximise long term growth 	 Business development strategies Financial returns and stability Corporate governance Regulatory compliance 	 General meetings Annual reports and circulars Sustainability reports SGXNET announcements
Regulators	 The Company is listed on the Catalist Board of the SGX-ST and must comply with the requirements of the 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 	 Regulatory compliance ISO certification Anti-corruption and bribery 	 SGXNET announcements Annual reports and circulars Sustainability reports Seminars, trainings and dialogues organised by the relevant authorities Correspondences Occasional meetings
Community	 Eco-friendly production of materials Supporting external initiatives when possible 	Charity contributionEnvironmental concerns	 Feedback channels available on website Annual reports Sustainability reports

MATERIALITY ASSESSMENT

The Group's Sustainability Team, consisting of key executives and management, have identified material EESG factors through the engagement with key stakeholders. From which, we have examined the significance and impact of the Economic, Environmental and Social topics and its influence on stakeholders' assessments and decisions and have prioritised the identified material EESG factors as shown in the matrix below.

S/N	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 material topics identified are based on the GRI framework and the degree of significance on our stakeholders. 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

CUSTOMER SERVICE EXCELLENCE

Service excellence is of paramount importance to our customers and the Group and we achieve this through Accountability, Communication, and Quality Assurance.

The Group's accountability starts with our employees. We care for our employees' wellbeing by ensuring that they have received adequate training, and educating them on workplace safety to allow them to perform their tasks safely and efficiently. This in turn is reflected in our accountability to our customers as our employees are able to meet stringent safety protocols implemented by or imposed on our customers operating within the strictly regulated construction industry.

The Group maintains frequent and responsive lines of communication with customers before, during and after a contract. These communications include ensuring adherence to contracts' specifications, timeline and expectations of the customers. While working on a contract, we would hold weekly meetings with the main contractor to verify that our work is done in accordance with specifications and to monitor our progress and deadlines. Upon completion of a contract, we would invite the customer to provide constructive feedback, noting areas of excellence to praise our employees, and areas for improvement.

Quality assurance is a key factor in customer retention and for engaging new customers for long term sustainable growth. We provide quality assurance through certifications to showcase the excellent level of services we provide and to affirm our products eco-friendly credentials. We are honoured to have earned the following certificates valid for FY2020:

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 2022

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FINANCIAL YEAR ENDING 31 JANUARY 2021 ("FY2021")

For FY2020, we were not made liable to pay any liquidated damages as a result of not meeting contractual milestones. We hope to maintain the same perfect record for FY2021 as we had for the previous 2 years.

ECONOMIC PERFORMANCE

Economic performance is the fundamental indicator on our ability to meet our financial obligations to our internal and external stakeholders, such as payment of dividends to our shareholders, salaries to our employees, settlement of suppliers' invoices, taxes to the government and contributions to the local communities.

Our finance team is tasked with monitoring the Group's financial health as well as developments in government initiatives and grants applicable for the Group. The Group does not have a formal dividend policy and this enables us to be more adaptive and less vulnerable to market changes.

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FY2021

For FY2020, the Group saw an increase in grant money received. We received a total of \$\$241,000 compared to \$\$157,000 received in FY2019. This sum includes a generous IPO grant of \$\$200,000 from the Monetary Authority of Singapore ("MAS"), and a \$\$40,500 Quieter Construction grant from the National Environment Agency.

FY2021 would be a trying economic time for the Group due to the global pandemic caused by the COVID-19 outbreak, causing slowdowns in all sectors including the construction sector. We were able to record a post-tax net profit of S\$1.56 million in FY2020, a nearly 6-fold increase from our FY2019 profit of S\$270,000. We aim to do our best in remaining profitable by continuing to look for more business opportunities and prudently monitor our cash flows. For greater detail on the Group's finances, we invite you to read our financial statement above in the Annual Report 2020.

For FY2020, the Board is proud to recommend a one-time final dividend of 0.38 Singapore cents per ordinary share (FY2019: Nil). Going forward, we continue to do our best for the Group to remain profitable and providing financial benefits in the form of dividends to our shareholders.

ENVIRONMENTAL

EMISSIONS (FUEL CONSUMPTION)

The nature of our business operations involves heavy-duty construction vehicles, which are diesel-intensive, to prepare and transport as part of our excavation services and logistic services. 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.

In addition, to maximise the utilisation of our vehicles, we will go further by assisting companies to transport their construction material, and leasing machinery such as our excavators and tipper trucks.

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FY2021

As of 31 January 2020, the Group has 47 tipper trucks and 79 units of other construction and recycling equipment including articulated dump trucks, excavators, mobile screeners and mobile jaw crushers. This is in comparison of 46 tipper trucks and 47 units of other construction and recycling equipment in the previous year. In FY2020, we have replaced 3 Euro IV tipper trucks with the more modern environmentally friendly Euro V tipper trucks. In comparison to FY2019 where we replaced 4 Euro IV tipper trucks.

The Group is still in the process of establishing our Greenhouse Gas ("**GHG**") emission efficiency index for consistent tracking of our carbon footprint. What we have done so far is to monitor the condition of the machinery and vehicle including fuel consumption and fuel efficiency. As part of our monitoring process, we identify and record equipment that consumes higher quantities of fuel. When replacing aging vehicles, we would research for models that are energy efficient. In addition to price and performance, we consider a vehicle's emission rating when purchasing new vehicles.

Moving forward into FY2021, we will continue to review the energy efficiency of our existing plant and equipment.

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Given the nature of our work, our employees might be exposed to health and safety risks as part of their roles and responsibilities, as such we do not only have a legal but moral obligation to ensure that our employees have safe and conducive work environments.

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.

In addition to safety, we also ensure the well-being of our employees through our corporate scheme with Raffles Medical Group which has been extended to all employees. This provides our employees the ability to consult for their medical needs. The Human Resource Department also monitors the frequency of medical consultations, especially from those within the same department/worksite to identify any potential safety hazards which needs to be addressed.

Foreign employees have the additional coverage of work injury compensation insurance, the Human Resource Department would review annually to ensure there is adequate coverage.

The Group follows ISO 45001:2018 standards regarding Health and Safety Management. We use preventive, detective and corrective controls to provide security for our hardworking employees.

We also go above and beyond by getting certified through compliance with international voluntary standards and local health and safety initiatives, providing assurance that our health and safety management systems are constantly assessed and approved. The safety certifications which were valid for FY2020 are as follows:

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

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FY2021

For FY2020, there were no reported workplace fatalities, serious injuries, or severe illnesses in the workplace. We hope to maintain the same perfect record for FY2021 as we had for the previous 2 years.

GOVERNANCE

CORPORATE GOVERNANCE

The Group releases a Corporate Governance Report annually, as part of the Annual Report in line with the code of Code of Corporate Governance issued by the MAS. The Group views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders' value and is committed to observing high standards of corporate governance through practices and policies discussed below.

Code of Business Conduct and Ethics ("Code")

Our employees are bound by our established Code which states and defines the core principles of ethical and professional conduct including confidentiality of information and responsibilities to the Group expected of all employees.

Leading by example, our Directors have adopted a Code of Business Conduct and Ethics for Directors which includes directives on areas such as conflict of interest, confidentiality, proper use of information and assets and Board appointments.

Conflict of Interest

As part of the Code, all the Group's key employees including Directors are required to declare conflicts of interest when they arise in addition to submitting an annual conflict of interest declaration to the Group's Human Resource Department.

Anti-Corruption

The Group has a clear stance against corruption and malpractice. Guidance on reporting such violations real or suspected is documented in the Code. There are reporting channels in place for any improprieties, not limited to reporting up the chain-of-command to one's supervisor, to reporting directing to the Audit Committee through the Whistle-blowing policy stated below.

Whistle-blowing policy

The Group is accountable to all stakeholders, we provide a reporting channel for stakeholders to raise concerns directly to the Audit Committee securely and in confidence at whistleblower@reclaims.sg. The Lead Independent Director can also be contacted directly via his email address (voonhoo.jong@reclaims.sg). The email and additional information regarding whistle-blowing are available on our website and is disseminated to all employees during orientation.

Enterprise Risk Management

The Group has a robust enterprise risk management framework to identify, review and mitigate potential risks arising from the Group's key operation segments. This includes bi-annual internal reports to the Board regarding current and emerging risks, their significance and impact on the Group, and mitigating measures. This is coupled with relevant risk analysis and action plans prepared by the risk owners and maintained in the risk registry.

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FY2021

The Group is proud to have maintained our high level of integrity for FY2020 with no substantiated misconduct or corruption case raised through our whistle-blowing email, nor documented non-compliance to the Code either from Directors or employees.

REGULATORY COMPLIANCE

The Group firmly believes that accountability and transparency are fundamental in building lasting relationships with stakeholders and to enhance customer service experience through trust and assurance.

The Group's management continuously research changes to laws and regulations and hold meetings to discuss approaches in complying to these changes. As part of our policy, the Group regularly holds briefings and send reminders on safety procedures, laws and regulations to our workers and drivers.

Operating in Singapore, the Group is governed by local laws and regulations such as the Companies Act. We have dedicated personnel monitoring changes to applicable laws and regulations as well as for application and renewal of relevant permits and licenses required for our business operations.

By listing on the Catalist Board of SGX-ST, the Group has to also adhere by SGX-ST regulations. We have an appointed sponsor, SAC Capital Private Limited (the "**Sponsor**") to advise us regarding compliance matters and updates to changes in Catalist Rules. We also receive regular updates from the Sponsor, Company Secretaries and external auditors on changes with regard to the Companies Act, Chapter 50, Catalist Rules, Code of Corporate Governance and Singapore Financial Reporting Standards (International).

The Group's wholly-owned subsidiary, Reclaims Enterprise, is also registered with the Building and Construction Authority ("BCA") as part of their contractor registry for the authorisation to supply construction related goods and services for government agencies and other public sector organisations. Upon approval, the registration and Grading by BCA would be subject to renewal every 3 years. The Grade given by BCA will determine the tender capacity for each project and is based on a wide range of factors including the company's paid-up capital, net worth and track record.

For FY2020, Reclaims Enterprise was registered with BCA for the following workheads:

Workhead	Workhead description	Grade	Tender capacity for each project	Date of expiry
CW02	Civil engineering	C1	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

For FY2020, Reclaims Enterprise has also maintained our General Builder Class 1 licence, which allows us to tender for building works of any value where plans are required to be approved by the Commissioner of Building Control. The licence was awarded to Reclaims Enterprise for meeting BCA's standards of management, safety record and financial solvency.

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

PERFORMANCE REVIEW, TARGETS, AND SUBSEQUENT REPORTING FOR FY2021

For FY2020, the Group maintained our FY2019 target of having no major fines levied against us nor any significant enforcement actions taken against us. For FY2021, we aim to continue with this record by complying with the relevant laws and regulations in the course of our business operations.

GRI Standard	Disclosure	Annual report section reference and remarks if applicable
GRI 102: GENER	RAL DISCLOSURE 2016	
Organisational	Profile	
102-1	Name of the organisation	Cover Page
102-2	Activities, brands, products, and services	 Corporate Profile Notes 1, 4 and 16 to the Financial Statements Sustainability Report: About This Report
102-3	Location of headquarters	Corporate ProfileCorporate InformationSustainability Report: Organisational Profile
102-4	Location of operations	Corporate ProfileSustainability Report: Organisational Profile
102-5	Ownership and legal form	 Corporate Profile Note 1 to the Financial Statements Statistics of Shareholdings Sustainability Report: Organisational Profile
102-6	Markets served	Corporate ProfileNote 4F to the Financial StatementsSustainability Report: Organisational Profile
102-7	Scale of the organisation	 Corporate Profile Financial Highlights Financial Review Financial Statements Statistics of Shareholdings Sustainability Report: Organisational Profile
102-8	Information on employees and other workers	 Sustainability Report: Organisational Profile
102-9	Supply chain	Corporate ProfileSustainability Report: Organisational Profile
102-10	Significant changes to the organisation and its supply chain	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.
102-11	Precautionary principle or approach	Corporate Governance Report: Principle 9Sustainability Report: About This Report
102-12	External initiatives	No material community services or external initiatives during the reporting period.
102-13	Membership of associations	Sustainability Report: Organisational Profile
Strategy		
102-14	Statement from senior decision maker	Sustainability Report: Board Statement

GRI Standard	Disclosure	Annual report section reference and remarks if
		applicable
GRI 102: GENER	AL DISCLOSURE 2016	
Ethics and Integ	grity	
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report: Organisational ProfileSustainability Report: Corporate Governance
Governance		
102-18	Governance structure	Corporate Governance ReportSustainability Report: Corporate Governance
Stakeholder En	gagement	
102-40	List of stakeholder groups	Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-41	Collective bargaining agreements	No employee of the Group is covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-43	Approach to stakeholder engagement	Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-44	Key topics and concerns raised	Sustainability Report: Sustainability Approach and Stakeholder Engagement
Reporting Pract	ice	
102-45	Entities included in the consolidated financial statements	Corporate ProfileNote 16 to the Financial Statements
102-46	Defining report content and topic boundaries	 Sustainability Report: Board Statement Sustainability Report: About This Report Sustainability Report: Materiality Assessment
102-47	List of material topics	Sustainability Report: Materiality Assessment
102-48	Restatements of information	None as compared to prior year's report.
102-49	Changes in reporting	None as compared to prior year's report.
102-50	Reporting period	Sustainability Report: About This Report
102-51	Date of most recent report	15 May 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report: About This Report
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: About This Report
102-55	GRI content index	Sustainability Report: GRI Content Index
102-56	External assurance	This report is not externally assured.

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GRI Standard	Disclosure	Annual report section reference and remarks if applicable	
MATERIAL TOP	ıcs		
GRI 103: Manag	gement Approach 2016		
103-1	Explanation of the material topic and its boundaries	 Sustainability Report: Economic, Environmental, Social and Governance 	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
GRI-201 Econor	nic Performance 2016		
201-1	Direct Economic value generated and distributed	Financial HighlightsFinancial ReviewFinancial StatementsSustainability Report: Economic	
201-2	Financial implications and other risks and opportunities due to climate change	Climate change is not expected to generate substantive changes in operations, revenue or expenditure.	
201-3	Defined benefit plan obligations and other retirement plans	For employees that are Singaporeans or Singapore Permanent Residents, the Group contributes the required amounts into their Central Provision Fund Accounts. The fund is a defined contribution retirement benefit plan managed by the Singapore government.	
201-4	Financial assistance received from government	Sustainability Report: Economic	
GRI-305 Emissio	ons 2016		
305-1	Direct (Scope 1) GHG emissions	_	
305-2	Energy indirect (Scope 2) GHG emissions	- Information unavailable as the Group is still in the	
305-3	Other indirect (Scope 3) GHG emissions	process of establishing our Greenhouse Gas (" GHG ")	
305-4	GHG emissions intensity	emission efficiency index for consistent tracking of our carbon footprint.	
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	-	
GRI-403 Occupa	ational Health and Safety 2018		
403-1	Occupational health and safety management system	Sustainability Report: Occupational Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report: Occupational Health and Safety	
403-3	Occupational health services	Sustainability Report: Occupational Health and Safety	
404-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report: Occupational Health and Safety	

GRI Content Index			
GRI Standard	Disclosure	Annual report section reference and remarks if applicable	
MATERIAL TOPI	cs		
GRI-403 Occupational Health and Safety 2018			
404-5	Worker training on occupational health and safety	Sustainability Report: Occupational Health and Safety	
404-6	Promotion of worker health	Sustainability Report: Occupational Health and Safety	
404-7	Prevention and mitigation of occupation health and safety impacts directly linked by business relationships	Sustainability Report: Occupational Health and Safety	
404-8	Workers covered by an occupational health and safety management system	Sustainability Report: Occupational Health and Safety	
404-9	Work-related injuries	Sustainability Report: Occupational Health and Safety	
404-10	Work-related ill health	Sustainability Report: Occupational Health and Safety	
GRI-419 Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report: Regulatory Compliance	

Reclaims Global Limited (the "Company", and together with its subsidiaries, 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 2018 (the "Code") issued by the Monetary Authority of Singapore ("MAS").

This report describes the Company's corporate governance practices with reference to both the principles and provisions set out in the Code. We have also taken into consideration the Practice Guidance provided by the MAS. The Board of Directors is pleased to confirm that for the financial year ended 31 January 2020 ("**FY2020**"), the Company has adhered to the principles of the Code as well as the Catalist Rules, where appropriate. Where the Company's practices vary from any provisions of the Code, we have set out the specific provision, 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.

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 Executive Director and CEO
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

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;
- 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.

► Principle 1: THE BOARD'S CONDUCT OF AFFAIRS

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

The Board has established the Terms of Reference of the Board to promote high standards of corporate governance. The Terms of Reference of the Board outline high level duties and responsibilities of the Board and matters that are specifically reserved for the Board. It is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as role and responsibilities of the Board, its committees and management to ensuring effective communication and decisions. The Terms of Reference of the Board are also reviewed on a regular basis.

The Board has also 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. All Directors understand the Group's businesses and aside from their statutory duties, the key roles of different classes of Directors are set out below:

Provision 1.2 of the 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. It is also 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 as prescribed under Practice Note 4D of the Catalist Rules. Mr Chan Chew Leh and Mr Tan Kok Huat have both attended the relevant modules of the LED programme pursuant to the Catalist Rules. For FY2020, no new Directors were appointed.

During FY2020, the Directors were provided with updates on changes in laws and regulations, including the Companies Act, Chapter 50 ("Companies Act"), Catalist Rules and the Code of Corporate Governance, which are relevant to the Group by the Management, the Sponsor and the Company Secretaries. The external auditor regularly updates 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 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 References of the respective Board Committees.

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 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.

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.

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

Provision 11.3 of the Code: All Directors attend general meetings

The attendance record of each Director at meetings of the Board and Board Committees during FY2020 is disclosed below:

Name of the Director	Board of Directors	AC	NC	RC	Annual General Meeting ("AGM")	Extraordinary General Meeting
Mr Chan Chew Leh	2	2	1	1	1	1
Mr Tan Kok Huat	2	2	1	1	1	1
Mr Andrew Dekguang Jhou Chew	2	2	1	1	1	1
Mr Jong Voon Hoo	2	2	1	1	1	1
Mr Chang Chi Hsung	2	2	1	1	1	1
Mr Tan Heok Ping Joshua	2	2	1	1	1	1
Ms Lim Hui Chee	2	2	1	1	1	1
Number of meetings held in FY2020	2	2	1	1	1	1

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 or her 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.

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.

Provision 1.6 of the Code: Complete, adequate and timely information to make informed decisions

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 the meetings 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 1.7 of the Code:
Separately independent
access to Management,
company secretary
and external advisers;
Appointment and removal
of the company secretary

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 or her independence. The checklist is drawn up based on the guidelines provided in the Code and the Catalist Rules. The NC adopts the 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 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. As at the date of this report, 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. As such, the Board has adopted a Board Diversity Policy which aims to set out the approach to achieving diversity on the Board and open the Company to a wide and diverse talent pool when shortlisting candidates for Board appointment. The NC will review this policy, as appropriate, to ensure the effectiveness of this policy.

► Principle 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the Code: Director independence

Provision 2.2 of the Code: Independent directors make up a majority of the Board

Provision 2.3 of the Code: Non-executive directors make up a majority of the Board

Provision 2.4 of the Code: Size and composition of the Board and Board Committee; Board diversity policy

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.

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.

For FY2020, 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. Currently, 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.

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

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.

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 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 leaderships in situations where the Executive Chairman is conflicted; 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.

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

► Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

Provision 3.3 of the Code: Lead Independent Director

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 Tan Heok Ping Joshua. The Chairman of the NC is Ms Lim Hui Chee.

Provision 4.1 of the 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:

Provision 4.2 of the Code: Composition of NC

- 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, Executive Director, 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, its Board Committees 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 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 Code and
 any other salient factors;
- 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 or her 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 or her 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 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 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. In assessing and recommending retiring Directors for re-appointment, the NC takes into account the Director's competencies, commitment, attendance at meetings and his or her contribution and performance at such meetings. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his or her performance or re-nomination as Director.

The NC (with any member of the NC who is interested in the discussion having abstained from the deliberations) has recommended to the Board that Mr Tan Kok Huat and Mr Andrew Dekguang Jhou Chew be nominated for re-election at 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 the Annual 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 or her 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 Code which puts the independence of the Independent Directors in question.

Provision 4.4 of the 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 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 FY2020, the NC was of the view that each Director had 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 the Annual Report for the listed company directorships and other principal commitments of the Directors.

No alternate Director has been appointed to the Board.

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

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 and its Board Committees by completing the Board Assessment Checklist, Audit Committee Checklist, Nominating Committee Checklist and Remuneration Committee Checklist, which take into consideration factors such as the Board's structure, committee composition, 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.

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 or her performance or re-nomination as Director.

Based on the NC's review for FY2020, the NC is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the Board's effectiveness.

Although no external facilitator had been engaged by the Board for this purpose for FY2020, the NC has full authority to do so, if the need arises.

► Principle 5: BOARD PERFORMANCE

Provisions 5.1 and 5.2 of the Code:

Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

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 Tan Heok Ping Joshua, Mr Jong Voon Hoo and Mr Chang Chi Hsung. The Chairman of the RC is Mr Tan Heok Ping Joshua.

Provision 6.1 of the 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 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.

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 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 AGM. Except as disclosed in the 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 \$\$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 \$\$6.0 million but does not exceed \$\$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 FY2020, 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 will review the independence of the external firm before engaging them.

Provision 6.4 of the Code: Expert advice or remuneration

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.

► Principle 7: LEVEL AND MIX OF REMUNERATION

Remuneration of Executive Directors and Executive Officers comprise fixed components, including salaries and bonuses, and a variable component, structured to link rewards to corporate and individual performance. 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 to provide good stewardship of the Company and the key management personnel of the required experience and expertise to manage the Company for the long-term. No Director is involved in any discussions relating to his or her own remuneration, terms and conditions of service, and the review of his or her performance.

Provisions 7.1 and 7.3 of the Code:

Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company

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 schemes. 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 currently have any schemes to encourage Independent Directors to hold shares in the Company.

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

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.

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.

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the CEO during FY2020 is as follows:

Salary, fixed Variable or bonus, allowance performance-Name of Directors and CPF Directors' fee related bonus Total S\$'000 **S\$'000** S\$'000 % 5\$'000 Chan Chew Leh 371 100 371 Tan Kok Huat 375 100 375 Andrew Chew 100 376 376 Jong Voon Hoo 24 100 24 Chang Chi Hsung 20 100 20 Tan Heok Ping Joshua 20 100 20 Lim Hui Chee 20 100 20 Total 1,122 93 84 7 1,206

A breakdown (in percentage terms) of the remuneration earned by the Executive Officers during FY2020 is as follows:

Remuneration band and name of Executive Officers ⁽¹⁾	Designation	Salary, allowance and CPF (%)	Variable or performance-related bonus (%)
Below \$\$250,000:			
Wu Peicong ⁽²⁾	Financial Controller	100	_
Tan Da Xun ⁽³⁾	Financial Controller	100	_
Chan Bih Tzy ⁽⁴⁾	General Manager	84	16

Notes

- (1) Given the size of the Group's operations, the Executive Officers are the only key management personnel of the Group, excluding the Executive Directors and the CEO.
- (2) Wu Peicong resigned from the Group on 1 October 2019.
- (3) Tan Da Xun joined the Group on 2 January 2020.
- (4) Chan Bih Tzy is the niece of our Executive Chairman, Chan Chew Leh.

► Principle 8: DISCLOSURE ON REMUNERATION

Provisions 8.1 and 8.3 of the Code:

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

The total remuneration paid to the key management personnel of the Group (who are not Directors or the CEO of the Company) in FY2020 amounted to \$\$222,000.

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

The Company does not currently have any employee share scheme.

Save for the Executive Directors, there were no employees who are substantial shareholders of the Company in FY2020.

There were no employees who are the immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded \$\$100,000 in FY2020.

Provision 8.2 of the 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.

► Principle 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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.

Provision 9.1 of the Code: Board determines the nature and extent of significant risks

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 auditors, 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. No material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2020.

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 Executive Directors, 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 2020.

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.

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.

Provision 9.2 of the Code: Assurance from CEO, CFO and other key management personnel

► Principle 10: AUDIT COMMITTEE

Provision 10.1 of the Code: Duties of AC

All members of the AC are appropriately qualified and have recent and 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, our external auditors' report on the annual consolidated financial statements, 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;
- 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;

Provision 10.2 of the Code: Composition of AC

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

- 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.

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 FY2020 were \$\$60,000 and \$\$3,000 respectively. The non-audit services for FY2020 are relating to the translation of the Group's financial statements. 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 2021, 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. TRS Forensics Pte Ltd is a technology-based professional service firm that specialises in the provision of risk advisory services including Internal Audit, Data Protection, Cybersecurity and Forensics Investigation. The firm was set up in year 2017 and currently maintains an outsourced internal audit portfolio of more than 10 companies listed on the SGX-ST, Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong in construction, property development, manufacturing, healthcare, logistics, engineering services, e-commerce, trading industries. The Engagement Team for this engagement comprises a Director, a Manager and supported by two Senior Associates. The Director has more than 15 years of relevant experience whilst the Manager has approximately 10 years of relevant experience. 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.

Provision 10.4 of the 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

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel. The internal audit team performed the work in line with 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 FY2020, the internal auditors completed an internal control review of the Group's key processes such as sales, purchases and interested persons transactions review. The related internal audit reports, including management's responses and implementation status, have been reviewed and approved by the AC.

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

The AC acknowledges the importance of meeting with the external auditors and internal auditors without the presence of Management. The Audit Committee has met with the internal auditor and external auditor once, without the presence of management, to review the adequacy of audit arrangements for FY2020, with emphasis on the scope and quality of their audit, and to discuss the observations of the auditors on the management or on processes and procedures of the Group over the course of FY2020 audits.

Provision 10.5 of the Code: AC meets with the auditors without the presence of Management annually

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2020, 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 auditor's report for FY2020, 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\$19.7 million, accounting for 57% of the Group's total revenue for FY2020.
(b) Impairment allowance on trade receivables and contract assets	The carrying value of trade receivables and contract assets amounted to \$\$6.8 million and \$\$4.3 million respectively, accounting for in total 35% 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 FY2020 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 2020 and the relating disclosures in the financial statements are appropriate.

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.

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.

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.

► Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Provision 11.1 of the Code: Company provides shareholders with the opportunity to participate effectively and vote at general meetings

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 and the material implications in the notice of meeting.

Provision 11.2 of the 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 Code: All Directors attend general meetings

The external auditor, RSM Chio Lim LLP, shall also 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'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 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, until issues on security and integrity are satisfactorily resolved.

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.

Provision 11.5 of the Code: Minutes of general meetings are published on the Company's corporate website as soon as practicable

The Company does not have a formal dividend policy. While this would mean that its practice varies from Provision 11.6 of the Code which implies that companies should have a dividend policy and communicates it with shareholders, 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. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

Provision 11.6 of the Code: Dividend policy

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 Board of Directors is pleased to recommend a one-tier tax exempt final dividend of 0.38 Singapore cents per ordinary share in respect of FY2020 (FY2019: nil) for approval by the Company's shareholders at the upcoming AGM.

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.

► Principle 12: ENGAGEMENT WITH SHAREHOLDERS

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

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 developments.

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 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.

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.

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.sq).

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.

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.

► Principle 13: ENGAGEMENT WITH STAKEHOLDERS

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

Provision 13.3 of the Code: Corporate website to engage stakeholders

The Group has adopted a general mandate in respect of interested person transactions which had been effective since 15 May 2019. The Group will be seeking renewal of its general mandate from its shareholders for recurrent interested person transactions, details of which are found in the Appendix to the Notice of AGM dated 28 May 2020.

The aggregate value of interested person transactions during FY2020 was as follows:

Name of interested person and nature of transactions	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) \$\$\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than \$\$100,000)\$
New Development Construction ("NDC"):	Associate of the Company's		
Rendering of logisticsservices to NDCLeasing of excavator	Executive Chairman ⁽¹⁾	228	567
from NDC		27	194
Receipt of excavation services from NDCSales of recycled		349	_
products to NDC		11	109

⁽¹⁾ NDC is owned by New Development Contractors Pte. Ltd., which in turn is solely owned by Tan Lay Khim, who is the wife of the Executive Chairman of the Company, Chan Chew Leh.

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" of the Company's 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 subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2020 or if not then subsisting, which were entered into since the end of the previous financial year.

A call option agreement dated 23 January 2019 was 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.

Please refer to the Offer Document dated 1 March 2019 for more information on the above material contract.

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, non-sponsorship fees amounting to approximately \$\$70,000 were paid/payable to the Sponsor during FY2020, in connection with the listing of the Company on the Catalist.

UTILISATION OF IPO PROCEEDS

The Company raised gross proceeds of S\$4.4 million from its initial public offering (the "**Gross Proceeds**"). The Company had subsequently announced the utilisation and reallocation of the Gross Proceeds on 2 May 2019, 22 May 2019, 4 June 2019, 19 August 2019, 5 September 2019 and 31 March 2020 ("**Announcements**"). Further details on the Announcements are provided below.

As at 13 May 2020, the Gross Proceeds have been utilised as follows:

Use of proceeds (as set out in the Offer Document)	Amount allocated S\$'000	Amount re-allocated \$\$'000	Aggregate amount utilised per Announcements \$\$'000	Amount utilised post Announcements \$\$'000	Amount unutilized as 13 May 2020 S\$'000
Expansion of operational capacity	600	_	(600)	_	_
Expansion of recycled product range	500			(203)	297
Expansion through acquisition, joint ventures and/ or strategic	300	_	_	(203)	291
alliances	300	(300)	_	_	-
General working capital purposes	1,363	552	(1,615)	_	300
Net proceeds Share issue and	2,763	252	(2,215)	(203)	597
listing expenses	1,607	(252)	(1,355)	_	_
Gross Proceeds	4,370	_	(3,570)	(203)	597

As disclosed in the Company's announcement dated 19 August 2019, no further payment to professional parties and vendors relating to the IPO is required. As such, the unutilised amount of S\$252,000 allocated for share issue and listing expenses has been re-allocated to general working capital purposes.

As disclosed in the Company's announcement dated 5 September 2019, the Group is not in the process of finalising or making any offer for acquisition of business or entering into joint venture or strategic alliance and the amount of \$\$300,000 allocated to expansion through acquisition, joint ventures and/or strategic alliances is not expected to be utilised in the near term. To put the financial resources to better use, the Group has re-allocated the amount of \$\$300,000 to general working capital purpose to fund its expanding operations.

As disclosed in the Company's announcement dated 3 March 2020, the Group has entered into a Memorandum of Agreement dated 28 February 2020 with Malaysian Palm Oil Board to plan and execute the production of strandboard from empty fruit bunch fibre, which is part of the Group strategy to expand its recycled product range. As of 13 May 2020, the Group has utilised \$\$203,000 from the IPO proceeds to finance the Phase 1 pilot pre-factory setup costs (including the purchase of the machineries and manpower costs).

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.

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 2020.

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
Tan Kok Huat
Andrew Dekguang Jhou Chew
Jong Voon Hoo
Chang Chi Hsung
Tan Heok Ping Joshua
Lim Hui Chee

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 or other related corporation 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 beginning of the reporting year	At end of the reporting year	
The company	Number of shares	of no par value	
Chan Chew Leh	6,897,188	50,169,998	
Tan Kok Huat	6,897,189	50,268,005	
Andrew Dekguang Jhou Chew	1,532,708	11,199,997	

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

By virtue of Section 7 of the Companies Act, Chapter 50, Chan Chew Leh and Tan Kok Huat are deemed to have interests in the shares of the Company and all its subsidiaries at the beginning and at the end of the financial year.

The directors' interests as at 21 February 2020 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 related corporation except as mentioned below.

Share-based payment

Pursuant to 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. Prior to the share swap in connection with the restructuring exercise, the total number of shares in Reclaims Enterprise Pte. Ltd. transferred to Andrew Chew amounted to 50,000. After the share swap in connection with the restructuring exercise, these shares were converted into 766,354 shares in the company and Andrew Chew received an additional total of 766,354 shares in the company from Chan Chew Leh and Tan Kok Huat. Thereafter, these shares in the company held by Andrew Chew were subdivided into 11,199,997 shares in the company upon completion of the restructuring of the group in February 2019.

5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or related corporation 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.

At the end of the reporting year, there were no unissued shares under option.

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 audit plan.
- 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, compliance and information technology 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 corporate governance report 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 of the opinion that the company's risk management systems and internal controls, addressing financial, operational, compliance and information technology risks are adequate and effective as at the end of the reporting year 31 January 2020.

9. SUBSEQUENT DEVELOPMENTS

Other than the COVID-19 outbreak as disclosed in Note 1 to the financial statements, there are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 31 March 2020, 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	Tan Kok Huat
Director	Director
13 May 2020	

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 subsidiaries (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 2020, 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 2020 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 recognition for contract income" 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.

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)

Revenue from contract income amounted to \$19.7 million, accounting for 57% of the group's total revenue for the current reporting year. The group recognises revenue from contract income over time, using the output method for measuring progress toward complete satisfaction of a performance obligation. 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 measuring progress over time towards complete satisfaction of a performance obligation determination can have a significant impact on the revenue and results of the group.

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 trade receivables and contract assets" 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 \$6.8 million and \$4.3 million respectively, accounting for in total 35% of the group's total assets at the end of the reporting year. Of the gross trade receivables of \$7.6 million as at 31 January 2020, allowance for expected credit loss of \$748,000 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.

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, 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.

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 group'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 group 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.

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

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

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.
- (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 group'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.

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

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

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

13 May 2020

Engagement partner effective from financial year ended 31 January 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JANUARY 2020

	Notes	Gro	oup
		2020	2019
	_	\$'000	\$'000
Revenue	5	34,213	31,590
Interest income		6	4
Other gains	6	477	315
Cost of materials, services and consumables	7	(18,974)	(17,366)
Other losses	6	_	(381)
Finance costs	8	(190)	(163)
Depreciation expense	14	(2,257)	(2,242)
Depreciation/amortisation of right-of-use-asset	15	(253)	(252)
Employee benefits expense	9	(6,628)	(4,823)
Other expenses	10 _	(4,302)	(5,888)
Profit before tax from continuing operations		2,092	794
Income tax expense	11 _	(531)	(524)
Profit from continuing operations, net of tax and			
total comprehensive income	_	1,561	270
Profit, net of tax and total comprehensive income			
attributable to owners of the company	_	1,561	270
	_	Cents	Cents
Earnings per share			
Basic and diluted earnings per share	12	1.21	0.24

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2020

	Notes	Gro	up	Comp	any
		2020	2019	2020	2019
	_	\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	11,616	11,291	-	_
Right-of-use asset	15	3,989	_	_	_
Investment in subsidiaries	16	_	_	15,327	15,327
Other assets, non-current	15 _		3,989	_	
Total non-current assets	_	15,605	15,280	15,327	15,327
Current assets					
Inventories	17	17	82	_	_
Trade and other receivables	18	6,884	6,335	4,077	_
Other assets, current	19	5,394	4,576	42	_
Cash and cash equivalents	20 _	4,333	2,138	782	
Total current assets	_	16,628	13,131	4,901	
Total assets	_	32,233	28,411	20,228	15,327
EQUITY AND LIABILITIES					
Equity					
Share capital	21	19,388	15,327	19,388	15,327
Retained earnings/(Accumulated losses)	_	2,953	1,392	784	(52)
Total equity	_	22,341	16,719	20,172	15,275
Non-current liabilities					
Deferred tax liabilities	11	715	805	_	_
Loans and borrowings	22	2,351	3,142	_	_
Financial liabilities – lease liabilities,					
non-current	23 _	486			
Total non-current liabilities	_	3,552	3,947	_	
Current liabilities					
Income tax payable		609	528	-	_
Loans and borrowings	22	915	2,708	-	_
Financial liabilities – lease liabilities, current	23	423	_	_	_
Trade and other payables	24 _	4,393	4,509	56	52
Total current liabilities	_	6,340	7,745	_	
Total liabilities	_	9,892	11,692	56	52
Total equity and liabilities	_	32,233	28,411	20,228	15,327

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JANUARY 2020

Group	Total equity \$′000	Share capital \$'000	Retained earnings \$'000	Share-based payment reserves \$'000
Current year:				
Opening balance at 1 February 2019	16,719	15,327	1,392	_
Changes in equity:				
Issuance of new shares (Note 21)	4,370	4,370	_	_
Share issue expenses (Note 21)	(309)	(309)	_	-
Total comprehensive income for the year	1,561	_	1,561	
Closing balance at 31 January 2020	22,341	19,388	2,953	
Previous 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	_

^{*} Amount less than \$1,000

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JANUARY 2020

Company	Total equity \$'000	Share capital \$'000	Retained Earnings/ (Accumulated losses) \$'000
Current year:			
Opening balance at 1 February 2019	15,275	15,327	(52)
Changes in equity:			
Issuance of new shares (Note 21)	4,370	4,370	_
Share issue expenses (Note 21)	(309)	(309)	_
Total comprehensive income for the year	836	_	836
Closing balance at 31 January 2020	20,172	19,388	784
Previous 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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JANUARY 2020

Cash flows from operating activities 2,092 2019 Profit before tax 2,092 794 Adjustments for: 1,092 163 Interest income (6) (4) Interest expense 190 163 Share-based payment, equity-settled 2,257 2,242 Depreciation of property, plant and equipment 2,257 2,242 Depreciation of property, plant and equipment 1,177 (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (54) (77) Trade and other payables (54) (73) Net cash flows from operating 4,38 6,71 Net cash flows from poperating activities 3,89 1,29 Net cash flows from operating activities 3,89 1,29 Proceeds from disposal of plant and equipment 7,6 1,5 Interest received 6 4 Proceeds from disposal of plant and equipment 7,6 1,2 Interest paid<		Group	
Cash flows from operating activities 2,092 794 Profit before tax 2,092 794 Adjustments for: Interest income (6) (4) Interest spense 190 163 Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (337 Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 1,571 Income taxes paid (540) (273) Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Pet cash flows from investing activities 2,658 (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 208) (2,		2020	2019
Profit before tax 2,092 794 Adjustments for: Interest income (6) (4) Interest expense 190 163 Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6		\$'000	\$'000
Adjustments for: Interest income (6) (4) Interest expense 190 163 Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 208) (2,658) (2,040) Putchase of plant and equipment (Notes 14 and 208) (2,658) (2,040)	Cash flows from operating activities		
Interest expense (6) (4) Share-based payment, equity-settled 190 163 Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Deperciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables (1,071) (3,385) Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (325) <td>Profit before tax</td> <td>2,092</td> <td>794</td>	Profit before tax	2,092	794
Interest expense 190 163 Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (1777) (1377) Operating cash flows before changes in working capital Inventories 65 (82) Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Eash flows from investing activities 2,658 (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,198) Proceeds from disposal of plant and equipment 766 4 Net cash flows used in investing activities (1,906) (2,000) Cash flo	Adjustments for:		
Share-based payment, equity-settled - 1,830 Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (1777) (1377) Operating cash flows before changes in working capital inventories 65 (82) Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities 2,658 (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,90) Potices from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,90) Potices from disposal of plant and equipment (Notes 14 a	Interest income	(6)	(4)
Depreciation of property, plant and equipment 2,257 2,242 Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 1,384 671 Net cash flows from operations (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities 3,898 1,298 Proceeds from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,198) Proceeds from disposal of plant and equipment (Notes 14 and 20B) (2,658) (2,00) Net cash flows used in investing activities (1,906) (2,000) Cash restricted in use (Note 20A) (325) - Dividends paid (1,00) (2,500)	Interest expense	190	163
Depreciation/amortisation of right-of-use-asset 253 252 Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,00) (1,500) (Decrease)/Increase in bills payable (1,175) (1,29	Share-based payment, equity-settled	_	1,830
Gain on disposal of property, plant and equipment (177) (137) Operating cash flows before changes in working capital Inventories 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 20B) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,000) (1,500) (Decrease)/Increase in bills payable (1,175) <td< td=""><td>Depreciation of property, plant and equipment</td><td>2,257</td><td>2,242</td></td<>	Depreciation of property, plant and equipment	2,257	2,242
Operating cash flows before changes in working capital Inventories 4,609 5,140 Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash flows from financing activities Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,00) (1,630) (Decrease)/Increase in bills payable (1,175) (1,299) Lease liabilities – principal portion	Depreciation/amortisation of right-of-use-asset	253	252
Inventories 65 (82) Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,500) (2,500) (Decrease)/Increase in bills payable (1,408) 1,408 Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) - Proceeds from issuance of ordinary shares, net of share issue expense 4,061 -	Gain on disposal of property, plant and equipment	(177)	(137)
Trade and other receivables (549) (773) Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,906) (2,500) (Decrease)/Increase in bills payable (1,408) 1,408 Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) - Proceeds from issuance of ordinary shares, net of share issue expense	Operating cash flows before changes in working capital	4,609	5,140
Other assets, current (1,071) (3,385) Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities 2,658) (2,198) Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (190) (163) (Decrease)/Increase in bills payable (1,408) 1,408 Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) - Proceeds from issuance of ordinary shares, net of share issue expense 4,061 - Increase in borrowings 756 <td< td=""><td>Inventories</td><td>65</td><td>(82)</td></td<>	Inventories	65	(82)
Trade and other payables 1,384 671 Net cash flows from operations 4,438 1,571 Income taxes paid (540) (273) Net cash flows from operating activities 3,898 1,298 Cash flows from investing activities Purchase of plant and equipment (Notes 14 and 208) (2,658) (2,198) Proceeds from disposal of plant and equipment 746 154 Interest received 6 4 Net cash flows used in investing activities (1,906) (2,040) Cash flows from financing activities (1,906) (2,040) Cash restricted in use (Note 20A) (325) - Dividends paid (1,500) (2,500) Interest paid (1,906) (2,500) (Decrease)/Increase in bills payable (1,408) 1,408 Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) - Proceeds from issuance of ordinary shares, net of share issue expense 4,061 - Increase in borrowings 756 -	Trade and other receivables	(549)	(773)
Net cash flows from operations4,4381,571Income taxes paid(540)(273)Net cash flows from operating activities3,8981,298Cash flows from investing activities3,8981,298Purchase of plant and equipment (Notes 14 and 20B)(2,658)(2,198)Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities(325)-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(120)	Other assets, current	(1,071)	(3,385)
Income taxes paid(540)(273)Net cash flows from operating activities3,8981,298Cash flows from investing activitiesPurchase of plant and equipment (Notes 14 and 20B)(2,658)(2,198)Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities(325)-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(120)	Trade and other payables	1,384	671
Net cash flows from operating activities3,8981,298Cash flows from investing activities1,298Purchase of plant and equipment (Notes 14 and 20B)(2,658)(2,198)Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities325)-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(129)	Net cash flows from operations	4,438	1,571
Cash flows from investing activitiesPurchase of plant and equipment (Notes 14 and 20B)(2,658)(2,198)Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activitiesCash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Income taxes paid	(540)	(273)
Purchase of plant and equipment (Notes 14 and 20B)(2,658)(2,198)Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities(325)-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Net cash flows from operating activities	3,898	1,298
Proceeds from disposal of plant and equipment746154Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activitiesState of the stricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Cash flows from investing activities		
Interest received64Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities3-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Purchase of plant and equipment (Notes 14 and 20B)	(2,658)	(2,198)
Net cash flows used in investing activities(1,906)(2,040)Cash flows from financing activities(325)-Cash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Proceeds from disposal of plant and equipment	746	154
Cash flows from financing activitiesCash restricted in use (Note 20A)(325)-Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)-Proceeds from issuance of ordinary shares, net of share issue expense4,061-Increase in borrowings756-Net movements in amounts due to directors-(12)	Interest received	6	4
Cash restricted in use (Note 20A) Dividends paid (1,500) (1,500) (163) (Decrease)/Increase in bills payable Repayment of borrowings Lease liabilities – principal portion paid Proceeds from issuance of ordinary shares, net of share issue expense Increase in borrowings Net movements in amounts due to directors (325) (1,500) (1,63) (1,408) (1,408) (1,175) (1,299) (341) – Roceeds from issuance of ordinary shares, net of share issue expense 4,061 – (12)	Net cash flows used in investing activities	(1,906)	(2,040)
Dividends paid(1,500)(2,500)Interest paid(190)(163)(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)–Proceeds from issuance of ordinary shares, net of share issue expense4,061–Increase in borrowings756–Net movements in amounts due to directors–(12)	Cash flows from financing activities		
Interest paid (190) (163) (Decrease)/Increase in bills payable (1,408) 1,408 Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) – Proceeds from issuance of ordinary shares, net of share issue expense 4,061 – Increase in borrowings 756 – Net movements in amounts due to directors – (12)	Cash restricted in use (Note 20A)	(325)	_
(Decrease)/Increase in bills payable(1,408)1,408Repayment of borrowings(1,175)(1,299)Lease liabilities – principal portion paid(341)–Proceeds from issuance of ordinary shares, net of share issue expense4,061–Increase in borrowings756–Net movements in amounts due to directors–(12)	Dividends paid	(1,500)	(2,500)
Repayment of borrowings (1,175) (1,299) Lease liabilities – principal portion paid (341) – Proceeds from issuance of ordinary shares, net of share issue expense 4,061 – Increase in borrowings 756 – Net movements in amounts due to directors – (12)	Interest paid	(190)	(163)
Lease liabilities – principal portion paid (341) – Proceeds from issuance of ordinary shares, net of share issue expense 4,061 – Increase in borrowings 756 – Net movements in amounts due to directors – (12)	(Decrease)/Increase in bills payable	(1,408)	1,408
Proceeds from issuance of ordinary shares, net of share issue expense 4,061 – Increase in borrowings 756 – Net movements in amounts due to directors – (12)	Repayment of borrowings	(1,175)	(1,299)
Increase in borrowings 756 – Net movements in amounts due to directors – (12)	Lease liabilities – principal portion paid	(341)	_
Net movements in amounts due to directors – (12)	Proceeds from issuance of ordinary shares, net of share issue expense	4,061	_
• •	Increase in borrowings	756	_
	Net movements in amounts due to directors	_	(12)
Net movements in amount due from a related party 500	Net movements in amount due from a related party		500
Net cash flows used in financing activities (122) (2,066)	Net cash flows used in financing activities	(122)	(2,066)
Net increase (decrease) in cash and cash equivalents 1,870 (2,808)	Net increase (decrease) in cash and cash equivalents	1,870	(2,808)
Cash and cash equivalents, statement of cash flows, beginning balance 2,138 4,946	Cash and cash equivalents, statement of cash flows, beginning balance	2,138	4,946
Cash and cash equivalents, statement of cash flows, ending balance	Cash and cash equivalents, statement of cash flows, ending balance		
(Note 20A) 4,008 2,138	(Note 20A)	4,008	2,138

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

31 JANUARY 2020

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 had its name changed 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 subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company. The principal activities of the subsidiaries are described in Note 16.

The announcement made on 21 April 2020 by the government outlined the enhanced measures to deal with COVID-19 (the "Enhanced Measures"). As part of the Enhanced Measures, all non-essential workplaces are to close from 7 April 2020 to 1 June 2020 ("Effective Period"). In addition, the Ministry of Manpower and the Building and Construction Authority announced on 18 April 2020 and 1 May 2020 that all foreign employees in the construction industry, work permit and S-pass holders and their dependents, must be served a Stay-Home-Notice, effective from 20 April 2020 to 18 May 2020 inclusive.

During the Effective Period, most of the group's main contractors and subcontractors have suspended work on the group's projects as the construction industry falls under non-essential services based on the guidelines from the Ministry of Trade & Industry of Singapore. Accordingly, the group's operations have been temporarily suspended during the Effective Period in compliance with the Enhanced Measures.

The group is assessing the extent of the impact of the closure of its business as well as the COVID-19 situation in general, which will have a negative impact on the group's future financial results. While the extent of the impact cannot be determined at this stage, the financial impacts on near-term financial results which are based on available information such as preliminary review of the management accounts (unaudited) of the group and financial assessments and estimates are as follows:

- Reduction in revenue. The group's operations will cease entirely during the Effective Period.
- Certain fixed costs such as wages and overheads are paid during this closure. The said costs will be
 partially offset by various support measures from the government such as Job Support Scheme and waiver
 of foreign worker levy.
- The group is expecting longer collection period of account receivables. Till date, there is no indication of any major default of accounts receivables.

31 JANUARY 2020

GENERAL (CONTINUED)

An assessment was made for the reporting year whether there is any indication that the above-mentioned assets and liabilities may be impacted adversely. If any such indication of uncertainties exists, an estimate is made of the fair value of the account balance.

The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore in meeting those economic challenges. These measures are beyond the management's control.

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").

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.

31 JANUARY 2020

GENERAL (CONTINUED)

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.

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2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The SFRS(I) 15 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 is 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).

31 JANUARY 2020

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

2A. Significant accounting policies (Continued)

Other income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

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.

31 JANUARY 2020

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

2A. Significant accounting policies (Continued)

Share-based compensation

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee 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 borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

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.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

31 JANUARY 2020

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).

Subsidiaries

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. 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.

31 JANUARY 2020

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

2A. Significant accounting policies (Continued)

Business combinations

There were no business combinations 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.

31 JANUARY 2020

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 during that period the item is idle. 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 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.

Right-of-use asset

Right-of-use asset is the prepaid land lease and is accounted and presented as if it was owned such as property, plant and equipment. Right-of-use asset are subsequently measured at cost less any accumulated depreciation, any accumulated impairment losses and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use asset is amortised on a straight-line basis over the lease term of 21 years and 9 months. The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired.

31 JANUARY 2020

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

2A. Significant accounting policies (Continued)

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

Lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

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 of 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.

31 JANUARY 2020

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

2A. Significant accounting policies (Continued)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other 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. 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.

31 JANUARY 2020

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, 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"): There were no financial assets classified in this category at reporting year end date.
- 3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
- 4. Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at 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.

31 JANUARY 2020

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 (eg 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.

31 JANUARY 2020

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.

Revenue recognition for contract income:

The entity has revenue for contract income 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.

Allowance for trade receivables and contract assets:

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. There are current uncertainties in the economy related to the recent COVID-19 outbreak, which uncertainties may create questions about the recoverability of trade receivables and contract assets. An assessment is made for the reporting year whether there is any indication that the above mentioned assets may be impacted adversely. If any such indication exists, an estimate is made of the fair value of the account balance. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year are different from assumptions and could require a material adjustment to the carrying amount of the balances affected. The carrying amount is disclosed in the notes on trade and other receivables, and contract asset.

31 JANUARY 2020

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

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

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. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

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 related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Significant related party transactions:

	Gro	up
	2020	2019
	\$'000	\$'000
Related parties:(a)		
Sale of goods	(123)	(64)
Purchase of goods	52	_
Rendering of services	(802)	(1,893)
Receiving of services	459	2,187
Short term rental expenses	221	28
Purchase of plant and equipment		72

⁽a) The related parties are companies in which directors have a direct or deemed significant controlling interest over the reporting entity.

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3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3B. Key management compensation:

	Gro	up
	2020	2019
	\$'000	\$'000
Salaries and other short-term employee benefits	1,428	596
Share-based payments: equity settled (Note 25)		1,830

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

	Group		
	2020 2019		
_	\$'000	\$'000	
Remuneration of directors of the company	1,122	374	
Remuneration of key management personnel	222	202	
Fees to directors of the company	84	20	
Share-based payments: equity settled (Note 25)	_	1,830	

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. Further information about the remuneration of individual directors is provided in the report on corporate governance.

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.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances.

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.

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

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

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.

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. The recycled waste is 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.

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4B. Profit or loss from continuing operations and reconciliations

2020	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
Revenue by segment					
Total revenue	4,511	19,668	9,717	317	34,213
Recurring EBITDA Depreciation expense Depreciation of	1,054 (479)	2,062 (1,179)	2,032 (353)	(362) (246)	4,786 (2,257)
right-of-use-asset	(114)	_	_	(139)	(253)
ORBIT	461	883	1,679	(747)	2,276
Interest income Finance costs Income tax expense				-	6 (190) (531)
Profit from continuing operations					1,561
2019 Revenue by segment Total revenue	5,504	14,422	11,466	198	31,590
Recurring EBITDA Depreciation and	1,358	2,266	2,240	(2,417)	3,447
amortisation expense	(756)	(726)	(683)	(329)	(2,494)
ORBIT	602	1,540	1,557	(2,746)	953
Interest income Finance costs Income tax expense Profit from continuing				-	4 (163) (524)
operations					270

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4C. Assets and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2020					
Total assets for reportable segments	6,036	14,860	2,122	4,882	27,900
Cash and cash equivalent				_	4,333
Total group assets					32,233
2019 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

4D. Liabilities and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2020		 	<u> </u>	3 000	
Total Liabilities for reportable segments	2,079	3,128	1,220	2,141	8,568
Deferred tax liabilities					715
Income tax payable				-	609
Total group liabilities				_	9,892
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 liabilities					11,692

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4E. Other material items and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000	
Impairment of assets:						
2020	-	_	_	_	-	
2019	_	_	360	_	360	
Expenditures for non-current assets:						
2020	56	2,672	337	86	3,151	
2019	288	1,264	768	206	2,526	

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

	Group		
	2020	2020 2019	2019
	\$'000	\$'000	
Top 1 customer	4,919	1,228	
Top 2 customers	7,240	1,722	
Top 3 customers	9,516	2,098	

5. REVENUE

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

	Group	
	2020	2019
	\$'000	\$'000
Sales of goods	4,511	5,504
Excavation services	19,668	14,422
Logistics and leasing services	9,717	11,466
Others	317	198
Total revenue	34,213	31,590

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5. **REVENUE** (CONTINUED)

5B. Revenue classified by duration of contract:

	2020	2019
	\$'000	\$'000
Short-term contracts	14,545	17,168
Long-term contracts	19,668	14,422
Total revenue	34,213	31,590

5C. Revenue classified by timing of revenue recognition:

	2020	2019
	\$'000	\$'000
Point in time	14,545	17,168
Over time	19,668	14,422
Total revenue	34,213	31,590

6. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2020	2019
	\$'000	\$'000
Foreign exchange adjustment losses	_	(1)
Gain on disposal of plant and equipment	177	137
Government grants	241	140
Allowance for impairment on trade receivables	_	(380)
Reversal of impairment allowance on trade receivables	_	20
Other income	59	18
Net	477	(66)
Presented in profit or loss as:		
Other gains	477	315
Other losses		(381)
Net	477	(66)

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7. COST OF MATERIALS, SERVICES AND CONSUMABLES

The major components and other selected components include the following:

	Group	
	2020 \$'000	2019 \$'000
Cost of materials and disposal	9,305	9,681
Cost of transportation services	6,509	5,187

8. FINANCE COSTS

	Gro	up
	2020	2019
	\$'000	\$'000
Interest expense	190	163

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020	2019
	\$'000	\$'000
Short term employee benefits expense	5,631	4,070
Contributions to defined contribution plan	213	206
Other benefits	784	547
Total employee benefits expense	6,628	4,823
Share-based payments: equity settled (Notes 10 and 25)		1,830

10. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2020	2019
	\$'000	\$'000
Audit fees to the independent auditor of the company	60	50
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	233	598
Rental expenses	115	517
Repair and maintenance expense	1,132	762
Upkeep of motor vehicles	928	906
Short term rental of equipment and machineries	472	136

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11. INCOME TAX

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

	Group	
	2020	2019
	\$'000	\$'000
Current tax expense:		
Current tax expense	489	470
Under/(Over) adjustments to tax in respect of prior periods	132	(11)
Subtotal	621	459
Deferred tax (income) expense:		
Deferred tax (income) expense	(38)	65
Over adjustments to tax in respect of prior periods	(52)	
Subtotal	(90)	65
Total income tax expense	531	524

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% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	\$'000	\$'000
Profit before tax	2,092	794
Income tax expense at the above rate	356	135
Enhanced productivity and innovation credit incentive	_	(116)
Expenses not deductible for tax purposes	121	538
Under/(over) adjustments to tax in respect of prior periods	80	(11)
Tax exemption and rebates	(32)	(17)
Other item less than 3%	6	(5)
Total income tax expense	531	524

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

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

	Group	
	2020	2019
	\$'000	\$'000
Excess of tax depreciation over book on plant and equipment	(90)	65

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11. INCOME TAX (CONTINUED)

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

	Group	
	2020	2019
	\$'000	\$'000
Deferred tax liabilities:		
Excess of book value of plant and equipment over tax value	(715)	(805)

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	
	2020 201	
	\$'000	\$'000
Numerators		
Profit, net of tax attributable to owners of the parent	1,561	270
Denominators: Weighted average number of ordinary shares		
Basic ('000)	129,126	112,000

The weighted average number of ordinary shares are weighted by reference to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

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 weighted average number of ordinary shares used for the calculation of EPS for 2019 is based on pre-invitation number of ordinary shares of 112,000,000 (see Note 21).

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13. DIVIDENDS ON EQUITY SHARES

	Dividend per share		Gro	oup
	2020	2019 \$	2020 \$'000	2019 \$'000
Final tax exempt (1-tier) dividends	_	2 00		2.000
1 \ /		2.00		,,,,,,
Total dividends in the year		2.00	_	2,000

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). This was approved by the then shareholders of the subsidiary via an extra-ordinary general meeting held on 23 July 2018.

The directors have proposed that a final dividend of 0.38 cents per share with a total of \$500,000 to be paid to shareholders after the annual general meeting to be held subsequent to year-end. There are no income tax consequences on the reporting entity. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
Cost: At 1 February 2018 Additions Disposals	5,108 - -	12,663 2,526 (452)	17,771 2,526 (452)
At 31 January 2019 Additions Disposals	5,108 - -	14,737 3,151 (1,162)	19,845 3,151 (1,162)
At 31 January 2020	5,108	16,726	21,834
Accumulated depreciation: At 1 February 2019 Depreciation for the year Disposals	425 255 –	6,322 1,987 (435)	6,747 2,242 (435)
At 31 January 2019 Depreciation for the year Disposals	680 256 –	7,874 2,001 (593)	8,554 2,257 (593)
At 31 January 2020	936	9,282	10,218
Carrying value: At 1 February 2018	4,683	6,341	11,024
At 31 January 2019	4,428	6,863	11,291
At 31 January 2020	4,172	7,444	11,616

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

Certain plant and equipment are under finance lease agreements (Note 23).

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15. RIGHT-OF-USE ASSET

	Group		
Land use rights:	2020	2019	
	\$'000	\$'000	
Cost:			
At beginning and end of the year	5,494	5,494	
Accumulated depreciation:			
At beginning of the year	1,252	1,000	
Depreciation for the year	253	252	
At end of the year	1,505	1,252	
Carrying value	3,989	4,242	
Balance to be depreciated:			
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	2,726	2,979	
Total	3,989	4,242	
	Gro	nun	
	2020	2019	
	\$'000	\$'000	
Presented in the statement of financial position as follows:			
Right-of-use asset	3,989	_	
Other assets, non-current	_	3,989	
Other assets, current (Note 19)		253	
Net	3,989	4,242	

Right-of-use asset pertains to the acquisition costs 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 7 November 2035.

The prepaid land lease was classified as other assets in the previous reporting year. The group has reclassified the prepaid land lease to right-of-use-asset at the date of initial application of SFRS(I) 16 Leases. The group has applied the modified retrospective where under the modified retrospective approach, the comparative Information is not restated and therefore there is no presentation of a third column for the statement of financial position.

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16. INVESTMENT IN SUBSIDIARIES

	Com	pany
	2020	2019
	\$'000	\$'000
Unquoted equity shares at cost	15,327	15,327
Movements during the year. At cost:		
Balance at beginning of the year	15,327	_
Acquisition (Note 1)	_*	15,327
Cost at the end of the year	15,327	15,327

^{*} Amount less than \$1,000.

The information on the subsidiaries are as follow:

Name of subsidiary, country of incorporation, place of operations and principal activities	Cost in books of the company/ effective equity held		
	2020	2019	
	%	%	
Reclaims Enterprise Pte. Ltd. ^(a)			
Singapore			
Recycling of non-metal waste and refuse disposal including			
demolition and transportation services	100	100	
Reimagine Me Sdn. Bhd. (b)(c)			
Malaysia			
Green technology activities, specifically converting organic waste into			
economic resources and economic materials/products	100	100	

⁽a) The subsidiary is audited by RSM Chio Lim LLP.

17. INVENTORIES

	Gro	up
	2020	2019
	\$'000	\$'000
Finished goods and goods for resale	17	82

No inventory was pledged as security for liabilities.

⁽b) The subsidiary is incorporated on 19 December 2019 with 1 ordinary share, which amounting to Ringgit Malaysia 1.00 (equivalent to approximately SGD0.33 as at the date of incorporation). The company is dormant as at the financial year ended.

⁽c) Exempted from audit requirement.

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18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
_	\$'000	\$'000	\$'000	\$'000
Trade receivables:				
Outside parties	6,102	6,193	_	_
Less allowance for impairment	(748)	(772)	_	_
Related parties (Note 3)	214	_	_	_
Retention receivables	1,302	914	_	
Net trade receivables – subtotal	6,870	6,335	_	
Other receivables:				
Other receivables	14	_	_	_
Subsidiary (Note 3)	_		4,077	
Net other receivables – subtotal	14		4,077	
Total trade and other receivables	6,884	6,335	4,077	-
Movements in above allowance for trade receivables:				
Balance at the beginning of the year	772	412	_	_
Charge for trade receivables to profit or loss included in other losses (Note 6) Reversed for trade receivables to	-	380	-	-
profit or loss included in other gains (Note 6)		(20)		
Used	(24)	(20)	_	_
Balance at the end of the year	748	772	-	-
-				

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

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.

	Gross a	amount	EL	.R	Loss all	owance
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables and						
contract assets:						
Current	5,599	4,798	-	_	_	_
1 to 60 days past due	4,063	4,193	-	_	-	_
61 to 365 days past due	1,421	1,260	_	9%	_	111
Over 365 days past due	832	740	90%	89%	748	661
Total	11,915	10,991			748	772

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2019: 30 days). But some customers take a longer period to settle the amounts.

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.

The carrying amount of the group's most significant receivable from one customer is \$965,000 (2019: Nil) as at the year ended. The group has no other concentration of customers' credit risk.

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other 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).

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

Group		Com	pany
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
4,297	3,884	_	_
10	2	9	_
67	78	33	_
20	_	_	_
1,000	359	_	_
_	253	_	_
5,394	4,576	42	_
	2020 \$'000 4,297 10 67 20 1,000	2020 2019 \$'000 \$'000 4,297 3,884 10 2 67 78 20 - 1,000 359 - 253	2020 2019 2020 \$'000 \$'000 4,297 3,884 - 10 2 9 67 78 33 20 - - 1,000 359 - - 253 -

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19. OTHER ASSETS (CONTINUED)

19A. Contract assets

	Group	
	2020	2019
	\$'000	\$'000
The amount is made up of:		
Consideration for work completed but not billed as at the end of		
the reporting year	4,297	3,884
The movements in the contract assets are as follows:		
At the beginning of the year	3,884	732
Transfer to revenue for performance obligation satisfied	19,668	14,422
Transfer to trade receivables	(19,255)	(11,270)
At the end of the year	4,297	3,884

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; expected to be recognised as receivables within 1 year.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	4,008	2,138	782	_
Cash pledged for bank facility ^(a)	325		_	
Cash at end of the year	4,333	2,138	782	_

The rates of interest for the cash on interest earning balances ranged between 2.1 % and 2.6% (2019: 0.002% and 0.024%).

(a) This is for amounts held by the bankers to cover the bank guarantee issued.

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20. CASH AND CASH EQUIVALENTS (CONTINUED)

20A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2020	2019
	\$'000	\$'000
Amount as shown above	4,333	2,138
Cash pledged for bank facilities	(325)	
Cash and cash equivalents for statement of cash flows purposes at		
end of the year	4,008	2,138

20B. Non cash transactions

- (a) During the reporting year, there were acquisitions of plant and equipment with total cost of \$494,000 acquired by means of finance leases.
- (b) In prior year 2019, 15,327,084 ordinary shares were issued as consideration for the acquisition of a subsidiary (Note 21).
- (c) In prior year 2019, there was acquisition of plant and equipment totalling \$2,526,000 of which \$328,000 has not been paid as at year end. The said outstanding amount was included as part of trade payables at year end.

20C. Reconciliation of liabilities arising from financing activities:

			Non-cash	
	2019	Cash flows	Changes	2020
	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	5,850	(2,584)	_	3,266
Lease liabilities	_	415	494	909
Cash pledged for bank facilities		325		325
Total liabilities from financing				
activities	5,850	(1,844)	494	4,500

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21. SHARE CAPITAL

Group:	Number of shares issued	Share capital \$'000
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
Sub-division of 15,327,000 ordinary shares	112,000,000	15,327
Add: Issuance of shares pursuant to the company's IPO on 11 March 2019	19,000,000	4,370
Less: Share issue expenses capitalised		(309)
Balance at 31 January 2020	131,000,000	19,388
Company:		
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
Sub-division of 15,327,000 ordinary shares	112,000,000	15,327
Add: Issuance of shares pursuant to the company's IPO on 11 March 2019	19,000,000	4,370
Less: Share issue expenses capitalised	_	(309)
Balance at 31 January 2020	131,000,000	19,388

^{*} Amount less than \$1,000.

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.

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

⁽b) 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).

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21. SHARE CAPITAL (CONTINUED)

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.

	2020	2019
	\$'000	\$'000
Net debt:		
All current and non-current borrowings including finance leases	4,175	5,850
Less: cash and cash equivalents	(4,333)	(2,138)
Net debt	(158)	3,712
Adjusted capital:		
Total equity and adjusted capital	22,341	16,719
Debt-to-adjusted capital ratio	NM	0.22

The improvement as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in cash from the issuance of shares. There was a favourable change with improved retained earnings.

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22. LOAN AND BORROWINGS

	Group	
	2020	2019
	\$'000	\$'000
Non-current:		
Financial instruments with floating interest rates:		
Bank loan (secured) (Note 22A)	2,351	3,142
Non-current, total	2,351	3,142
<u>Current:</u>		
Financial instruments with floating interest rates:		
Bank loan (secured) (Note 22A)	915	1,300
Bills payable (Note 22B)		1,408
Current, total	915	2,708
Total	3,266	5,850

The non-current portion is repayable within 2 to 4 years.

	Group	
	2020	2019
The range of floating interest rates paid were as follows:		
Bank loan	2.85% - 3.75%	3.33% - 3.75%
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) Corporate guarantee from the Company;
- (iv) Repayable monthly over 4 years from the date the loan was drawn down on 18 October 2019;
- (v) Loan-to-value-ratio All sum owing to the bank shall not at any time exceed 105% of the market value of the subsidiary's leasehold property and other securities created in favour of the bank.

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22. LOAN AND BORROWINGS (CONTINUED)

22B. Bills payable

These are repayable within 120 days and covered by joint and several guarantee from the directors of the company. There was no bills payable balance at the end of the current reporting year.

23. LEASE LIABILITIES

	Group	
	2020	2019
	\$'000	\$'000
Lease liabilities, current	423	_
Lease liabilities, non-current	486	
Total	909	_

Movements of lease liabilities for the reporting year are as follows:

	Group
	2020
	\$'000
Total lease liabilities recognised at 1 February 2019	_
Additions	1,279
Lease payments – principal portion paid	(341)
Interest paid	(29)
Total lease liabilities at end of reporting year	909

Lease liabilities are relating to finance the purchases of plant and equipment. The term of the hire-purchase payables is 2 to 3 years and interest rates implicit in the hire-purchase arrangements range from 1.55% to 1.70% per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

The obligations under hire-purchase are secure by:

- (i) The lessors' charge over the leased assets;
- (ii) Joint and several guarantees from certain directors of the company;
- (iii) Corporate guarantee from the company: and
- (iv) Loan-to-value-ratio All sum owing to the bank shall not at any time exceed 105% of the market value of the subsidiary's leasehold property and other securities created in favour of the bank.

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23. LEASE LIABILITIES (CONTINUED)

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

<u>2020</u>	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
Minimum lease payments payable:			
Not later than one year	437	(14)	423
Between 1 and 3 years	502	(16)	486
Total	939	(30)	909

There are no operating lease commitments as at 31 January 2019. The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Expensed amounts related to short-term leases are disclosed in Note 10.

24. TRADE AND OTHER PAYABLES

	Group		Com	pany
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Trade payables:				
Outside parties and accrued liabilities	4,311	2,986	26	52
Related parties (Note 3)	41			
Subtotal	4,352	2,986	26	52
Other payables:				
Dividend payable	_	1,500	_	_
Other payables and accrued liabilities	41	23	30	
Subtotal	41	1,523	30	
Total trade and other payables	4,393	4,509	56	52

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25. SHARE-BASED PAYMENT

There was 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 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 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 was 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 was recognised in the reporting year 2019 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.

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		Com	pany
	2020	2019	2020	2019
_	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Financial assets at amortised cost	11,217	8,473	4,859	_
Financial liabilities:				
Financial liabilities at amortised				
cost	8,568	10,359	56	52
-				

Further quantitative disclosures are included throughout these financial statements.

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

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.

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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 (2019: 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):

	Less than	1 – 5	
Group	1 year	years	Total
	\$'000	\$'000	\$'000
2020:			
Gross borrowings commitment	915	2,516	3,431
Gross lease liabilities	437	502	939
Trade and other payables	4,393		4,393
At end of the year	5,745	3,018	8,763
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

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

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

The undiscounted amounts on the borrowings with fixed and 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

	Group	
	2020	2019
	\$'000	\$'000
Financial liabilities with interest:		
Fixed rates	909	_
Floating rates	3,266	5,850
Total at end of the year	4,175	5,850
Financial assets with interest:		
Fixed rates	325	_

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.

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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. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed below.

SFRS No.	Title
SFRS (I) 16	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other
	Standards)
SFRS (I) INT 23	Uncertainty over Income Tax Treatments

SFRS(I) 16 Leases

The group has adopted and applied the modified retrospective approach for this new standard on leases. Under the modified retrospective approach the comparative Information is not restated and therefore there is no presentation of a third column for the statement of financial position. The group has reclassified the prepaid land lease to right-of-use-asset at the date of initial application as disclosed in Note 15. There is no material impact to current and prior year financial results.

The effect of adopting SFRS(I) 16 as at 31 January 2019 was as follows:

	31 January 2019	Reclassification	1 February 2019
	\$'000	\$'000	\$'000
Other asset, non-current	3,989	253	4,242
Other assets, current	4,576	(253)	4,323

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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(I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 3	Definition of a Business – Amendments	1 Jan 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual	
	Framework for Financial Reporting	1 Jan 2020
SFRS (I)10 and SFRS (I)	Sale or Contribution of Assets between and Investor and	
1-28	its Associate or Joint Venture	1 Jan 2020

29. COMPARATIVE FIGURES FOR THE COMPANY

The financial statements of the company for 2019 cover the reporting year from date of incorporation 11 October 2018 to 31 January 2019. The financial statements for 2020 cover the twelve months ended 31 January. Therefore, the comparative amounts for the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are not entirely comparable.

STATISTICS OF SHAREHOLDINGS

AS AT 11 MAY 2020

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

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

DISTRIBUTION OF SHAREHOLDINGS

	Number of	% of	Number of	% of
Size of Shareholdings	Shareholders	Shareholders	Shares	Shareholdings
1 – 99	0	0.00	0	0.00
100 – 1,000	84	52.50	82,100	0.06
1,001 - 10,000	11	6.87	73,000	0.06
10,001 - 1,000,000	58	36.25	12,782,100	9.76
1,000,001 and above	7	4.38	118,062,800	90.12
	160	100	131,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct In	terest	Deemed In	terest
Name of Shareholders	No. of Shares	%	No. of Shares	%
Chan Chew Leh	50,169,998	38.30%	_	_
Tan Kok Huat	50,268,005	38.37%	_	_
Andrew Dekguang Jhou Chew	11,199,997	8.55%	_	_

STATISTICS OF SHAREHOLDINGS

AS AT 11 MAY 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	TAN KOK HUAT	50,268,005	38.37
2	CHAN CHEW LEH	50,169,998	38.30
3	ANDREW DEKGUANG JHOU CHEW	11,199,997	8.55
4	UOB KAY HIAN PRIVATE LIMITED	3,017,000	2.30
5	TAN LAY SEE	1,300,000	0.99
6	WAN CHUN HONG HENRY (RUAN JUNHONG HENRY)	1,063,900	0.81
7	CHAN BIH TZY	1,043,900	0.80
8	CHAN WENG FITT	980,000	0.75
9	LEE CHER WEE	959,000	0.73
10	CHNG SIEW HWA	900,000	0.69
11	LOW KOON POH	870,000	0.66
12	LIEW YOW FAH	855,000	0.65
13	LAU EE CHUAN	845,000	0.65
14	CHAN KIN HANG	835,000	0.64
15	GOH CHUN HENG (WU JUNXING)	650,000	0.50
16	LIM PIA BOON	500,000	0.38
17	LIEW YIWEN	435,300	0.33
18	LOH GEOK MUI	389,100	0.30
19	WANG TECK CHENG	328,900	0.25
20	MICHAEL MARCUS LIEW	301,000	0.23
	TOTAL	126,911,100	96.88

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

14.78% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

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 by electronic means on Friday, 12 June 2020 at 10.00 a.m. (of which there will be a live webcast) for the following purposes:

AS ORDINARY BUSINESS

- To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended
 January 2020 together with the Independent Auditor's Report thereon. (Resolution 1)
- 2. To declare a one-tier tax exempt final dividend of 0.38 Singapore cents per ordinary share for the financial year ended 31 January 2020. (FY2019: NIL) (Resolution 2)
- To re-elect Mr Tan Kok Huat who is retiring pursuant to Regulation 105 of the Constitution of the Company.
 See Explanatory Note (i)
- To re-elect Mr Andrew Dekguang Jhou Chew who is retiring pursuant to Regulation 105 of the Constitution of the Company.
 See Explanatory Note (ii)
- 5. To approve the payment of Directors' Fees of S\$84,000 for the financial year ended 31 January 2020. (FY2019: S\$20,000) (Resolution 5)
- 6. To approve the payment of Directors' Fees of S\$84,000 for the financial year ending 31 January 2021, to be paid half yearly in arrears. (FY2020: S\$84,000) (Resolution 6)
- 7. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. (Resolution 7)
- 8. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as Ordinary Resolutions with or without modifications:

9. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 ("Companies Act") 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 of the Company 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;
- (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, 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.

Adjustments in accordance with sub-paragraphs (2)(i) and (2)(ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Directors of the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) 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. (Resolution 8) See Explanatory Note (iii)

10. Renewal of the General Mandate for Interested Person Transactions

That for the purposes of Chapter 9 of the Catalist Rules:

- (a) approval be and is hereby given for the renewal of the general mandate as described in the appendix to this Notice of AGM (the "Appendix"), permitting the Entities at Risk (as defined in the Appendix) to enter into any Mandated Transactions (as defined in the Appendix) with the Mandated Interested Persons (as defined in the Appendix), provided that such Mandated Transactions are carried out on normal commercial terms which are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the guidelines and review procedures for Mandated Transactions as set out in the Appendix (the "IPT General Mandate");
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT General Mandate as they may think fit. (Resolution 9)

See Explanatory Note (iv)

BY ORDER OF THE BOARD

Tan Da Xun Wong Yoen Har Company Secretaries Singapore, 28 May 2020

Explanatory Notes:

- (i) Ordinary Resolution 3 in item 3 above is to re-elect Mr Tan Kok Huat who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Tan Kok Huat will, upon re-election as Director of the Company, remain as Executive Director and will be considered non-independent.
- (ii) Ordinary Resolution 4 in item 4 above is to re-elect Mr Andrew Dekguang Jhou Chew who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Andrew Dekguang Jhou Chew will, upon re-election as Director of the Company, remain as Executive Director and Chief Executive Officer of the Company and will be considered non-independent.

Detailed information on the Directors who are proposed to be re-appointed as Directors of the Company can be found under sections "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in the Annual Report for the financial year ended 31 January 2020.

- (iii) Ordinary Resolution 8 in item 9 above, 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.
- (iv) Ordinary Resolution 9 in item 10 above, if passed, will authorise the Entities at Risk to enter into the Mandated Transactions with the Mandated Interested Persons which are recurring in the financial year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company. Please refer to the Appendix for more information on the IPT General Mandate.

Measures to Minimise Risk of Community Spread of COVID-19

On 3 April 2020, the Singapore Government announced the implementation of circuit breaker measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19.

The COVID-19 (Temporary Measures) Act 2020 was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place.

In light of the above developments, the Company is arranging for a live webcast and live audio feed of the AGM proceedings (the "Live AGM Webcast" or "Live AGM Audio Feed") which will take place on Friday, 12 June 2020 at 10.00 a.m. in place of the physical AGM. Shareholders will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.

Shareholders will be able to participate in the AGM in following manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

- Shareholders may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, shareholders
 will need to pre-register at https://reclaims.investorcentral.org (the "Registration Link") by 10.00 a.m. on 9 June 2020 (the "Registration
 Deadline") to enable the Company to verify their status.
- 2. Following verification, authenticated shareholders will receive an email by 5.00 p.m. on 11 June 2020 containing a link to access the Live AGM Webcast of the AGM or Live AGM Audio Feed of the AGM proceedings.
- Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast or the Live AGM Audio Feed.
- 4. Shareholders who have registered by the Registration Deadline but did not receive an email response by 5.00 p.m. on 11 June 2020 may contact the Company by email at <u>agm@reclaims.sg</u> for assistance.

Submission of Proxy Forms to Vote:

- 1. Shareholders will <u>not</u> be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their votes <u>must</u> submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.
- 2. Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- 3. The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
- 4. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:
 - (a) mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) email to agm@reclaims.sg

as soon as possible, in either case, to arrive (a) by post to the office of the Company's Share Registrar at the above address or (b) by email to an email address as mentioned, no later than 10.00 a.m. on 9 June 2020, being 72 hours before the time fixed for the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation.

5. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Supplementary Retirement Scheme ("SRS Investors"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 3 June 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 9 June 2020.

Submission of Questions in Advance:

- Please note that shareholders will <u>not</u> be able to ask questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.
- 2. Shareholders may submit questions relating to the items on the agenda of the AGM by 10.00 a.m. on 9 June 2020:
 - (a) via the Registration Link;
 - (b) in hard copy by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (c) by email to agm@reclaims.sg.
- 3. A shareholder who wishes to submit their questions by email or in hard copy by mail is required to indicate their full name (for individuals)/ company name (for corporates), NRIC/Passport No./Company Registration number, email address, contact number, shareholding type and number of shares held together with their submission of questions, to the email or office address provided.
- 4. The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from shareholders will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act):

- 1. Such investors (including SRS Investors) who wish to participate in the AGM by:
 - (a) observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;
 - (b) submitting questions in advance of the AGM; and/or
 - (c) voting by appointing the Chairman of the AGM as proxy at the AGM,

should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than 72 hours before the time of the AGM.

IMPORTANT REMINDER: Shareholders should also note that the Company may be required to make further changes to its AGM arrangements at short notice as the COVID-19 situation evolves, and shareholders should keep abreast of the Company's announcements that may be made from time to time on SGXNET.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

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.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST"). The SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice. The contact person for the Sponsor is Ms Lee Khai Yinn, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, Telephone: +65 6232 3210.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Kok Huat and Mr Andrew Dekguang Jhou Chew ("**Mr Andrew Chew**") are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 12 June 2020 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist 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 2020:

	Mr Tan Kok Huat	Mr Andrew Chew
Date of appointment	11 October 2018	11 October 2018
Date of last re-appointment	30 May 2019	30 May 2019
Age	47	57
Country of principal residence	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 NC and the qualifications, work experience and competencies of Mr Tan Kok Huat, is of the view that he is suitable for reappointment 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 reappointment as Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Responsible for overseeing the execution of the Group's projects	Responsible for charting the Group's business strategy and the future growth of the Group
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	CEO and Executive Director
Professional qualifications	Skills Evaluation Certificate for plumbing and pipelifting issued by the Construction Industry Development Board	Bachelor of Business Administration degree from Ohio University
Working experience and occupation(s) during the past 10 years	February 2009 – Current: Director, Reclaims Enterprise Pte. Ltd. March 2006 – January 2009: Plumber, Gee Leng Construction Pte. Ltd.	March 2018 – Current: Director, Reclaims Enterprise Pte. Ltd. March 2008 – November 2016: Director, Singapore 360 Pte. Ltd. November 2005 – Current: Director, The Panthenon Pte. Ltd. March 2005 – August 2018: Director, HWH Inc. Pte. Ltd.

	Mr Tan Kok Huat	Mr Andrew Chew
Shareholding interest in the listed issuer and its subsidiaries (Note 1)	50,268,005 shares of the Company	11,199,997 shares of the Company
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	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments* including directorships#	<u>Directorships:</u> ERS Bioculture Pte. Ltd. (struck off)	Directorships: HWH Inc. Pte. Ltd. (struck off)
*Excludes the working experience and occupations(s) as listed in the previous section Past (for the last 5 years)	Gee Leng Construction Pte. Ltd. Other principal commitments: Nil	Reech Aim Asia Pte. Limited (dissolved – creditors' voluntary winding up) Singapore 360 Pte. Ltd. (struck off)
		Other principal commitments:
Present	<u>Directorships:</u> Dreamfish Incorporated Singapore Pte. Ltd.	<u>Directorships</u> : The Panthenon Pte. Ltd. Reimagine Me Sdn. Bhd.
	Reclaims Transport & Trading Pte. Ltd.	Other principal commitments:
	Other principal commitments: Nil	

	Mr Tan Kok Huat	Mr Andrew Chew
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
(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, that business trust, on the ground of insolvency?	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.
(c) Whether there is any unsatisfied judgment against him?	No	No

		Mr Tan Kok Huat	Mr Andrew Chew
(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
(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
(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
(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

		Mr Tan Kok Huat	Mr Andrew Chew
(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
(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
(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
	(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		
	(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		

		Mr Tan Kok Huat	Mr Andrew Chew
	(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?		
(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.	No

RECLAIMS GLOBAL LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

- 1. The Annual General Meeting ("AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 28 May 2020.
- 3 Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
- 4. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by 10.00 a.m. on 3 June 2020 By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 May 2020.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

No.	Resolutions relating to:		Number of Votes For*	Number of Votes Against*	Number of Votes Abstain*
	nary Business			7.9	710010111
1	Audited Financial Statements of the Company for the financial year ended 31 2020	January			
2	Declaration of proposed final dividend				
3	Re-election of Mr Tan Kok Huat as Director pursuant to Regulation 105 of the Constitution of the Company				
4	Re-election of Mr Andrew Dekguang Jhou Chew as Director pursuant to Rec 105 of the Constitution of the Company	gulation			
5	Payment of Directors' Fees of S\$84,000 for the financial year ended 31 January 2020				
6	Payment of Directors' Fees of S\$84,000 for the financial year ending 31 January 2021, to be paid half yearly in arrears				
7	Re-appointment of Messrs RSM Chio Lim LLP as Independent Auditor				
Spec	ial Business				
8	Authority to allot and issue shares				
9	Renewal of the General Mandate for Interested Person Transactions				
pleas dire Note:		g your proportion will be	oxy not to vote treated as inv	. In the abse	
	(a) CDP Re	gister		
	(b) Registe	r of Members		



NOTES:

- 1. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Chairman of the Meeting, as proxy, need not be a member of the Company.
- 2. 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.
- 3. The instrument appointing a proxy must either be (a) submitted by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (b) submitted by email to agm@reclaims.sg, in either case, to arrive, not later than 72 hours before the time set for the AGM, i.e. by **10.00 a.m. on 9 June 2020**.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

- 4. 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.
- 5. 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.
- 6. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 3 June 2020**.

PERSONAL DATA PRIVACY:

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 May 2020.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it 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 instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

