



Reclaims Global Limited

绿达环球有限公司

Company Registration No. 201834755M

Registered Address: 10 Tuas South Street 7 Singapore 637114

**Unaudited Half Year Financial Statements and Dividend Announcement
For the Financial Period Ended 31 July 2021 (“1H2022”)**

This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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

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A) Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group		
	6 months ended 31 July 2021 S\$'000	6 months ended 31 July 2020 S\$'000	Increase/ (Decrease) %
Revenue	18,759	8,239	127.7
Interest income	1	4	(75.0)
Other gains	570	671	(15.1)
Cost of materials, services and consumables	(9,122)	(3,513)	159.7
Other losses	(10)	(133)	(92.5)
Finance costs	(55)	(55)	-
Depreciation expense	(925)	(1,065)	(13.1)
Depreciation of right-of-use-asset	(126)	(127)	(0.8)
Employee benefits expense	(3,231)	(2,441)	32.4
Other expenses	(1,851)	(1,444)	28.2
Profit before tax from continuing operations	4,010	136	N.M.
Income tax expense	(595)	(77)	672.7
Profit from continuing operations, net of tax and total comprehensive income	3,415	59	N.M.
Other comprehensive income:			
Foreign currency translation	5	-	N.M.
Profit, net of tax and total comprehensive income attributable to owners of the Company	3,420	59	N.M.
Earnings per share ("EPS") for profit of the period attributable to the owners of the Company during the year:			
Basic and diluted* (SGD in cent)	2.61	0.05	

* Diluted EPS is the same as basic EPS as no potential dilutive ordinary shares exist during the respective financial periods.

N.M. – Not meaningful.

B) Condensed interim statements of financial position

	Group		Company	
	As at 31 July 2021 S\$'000	As at 31 January 2021 S\$'000	As at 31 July 2021 S\$'000	As at 31 January 2021 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,794	10,374	-	-
Right-of-use asset	3,610	3,736	-	-
Investment in subsidiaries	-	-	15,327	15,327
Total non-current assets	13,404	14,110	15,327	15,327
Current assets				
Inventories	39	30	-	-
Trade and other receivables	9,825	8,619	4,260	5,726
Other assets, current	1,637	3,298	15	8
Cash and cash equivalents	10,491	7,975	377	166
Total current assets	21,992	19,922	4,652	5,900
Total assets	35,396	34,032	19,979	21,227
EQUITY AND LIABILITIES				
Equity				
Share capital	19,388	19,388	19,388	19,388
Retained earnings	6,730	4,625	371	1,654
Other reserve	4	(1)	-	-
Total equity	26,122	24,012	19,759	21,042
Non-current liabilities				
Deferred tax liabilities	428	635	-	-
Loans and borrowings	874	2,253	-	-
Lease liabilities, non-current	419	258	-	-
Total non-current liabilities	1,721	3,146	-	-
Current liabilities				
Income tax payable	1,108	868	-	-
Loans and borrowings	1,124	1,127	-	-
Lease liabilities, current	637	599	-	-
Trade and other payables	4,684	4,280	220	185
Total current liabilities	7,553	6,874	220	185
Total liabilities	9,274	10,020	220	185
Total equity and liabilities	35,396	34,032	19,979	21,227

C) Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 31 July 2021 S\$'000	6 months ended 31 July 2020 S\$'000
Cash flows from operating activities		
Profit before tax	4,010	136
Adjustments for:		
Interest income	(1)	(4)
Interest expense	55	55
Depreciation of property, plant and equipment	925	1,065
Depreciation of right-of-use-asset	126	127
Gain on disposal of plant and equipment	(216)	(23)
Net effect of exchange rate changes in consolidating subsidiary	5	1
Operating cash flows before changes in working capital	4,904	1,357
Inventories	(9)	(37)
Trade and other receivables	(1,206)	2,148
Other assets, current	1,661	2,078
Trade and other payables	564	(2,649)
Net cash flows from operations	5,914	2,897
Income taxes paid	(562)	(38)
Net cash flows from operating activities	5,352	2,859
Cash flows from investing activities		
Purchase of plant and equipment	(250)	(771)
Proceeds from disposal of plant and equipment	508	23
Interest received	1	4
Net cash flows from/(used in) investing activities	259	(744)
Cash flows from financing activities		
Dividends paid	(1,310)	(498)
Interest paid	(55)	(55)
Repayment of borrowings	(1,381)	(417)
Increase in finance lease liabilities	-	466
Lease liabilities – principal portion paid	(349)	(226)
Net cash flows used in financing activities	(3,095)	(730)
Net increase in cash and cash equivalents	2,516	1,385
Cash and cash equivalents, beginning balance	7,975	4,008
Cash and cash equivalents, ending balance	10,491	5,393

Cash and cash equivalents comprise:

Not restricted in use	10,491	5,393
Cash pledged for bank facility	-	325
	<u>10,491</u>	<u>5,718</u>

D) Condensed interim statements of changes in equity

GROUP	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000	Other reserve S\$'000
1H2022				
Balance at 1 February 2021	24,012	19,388	4,625	(1)
Total comprehensive income for the period	3,420	-	3,415	5
Dividends paid on ordinary shares	(1,310)	-	(1,310)	-
Balance at 31 July 2021	26,122	19,388	6,730	4
1H2021				
Balance at 1 February 2020	22,341	19,388	2,953	-
Total comprehensive income for the period	59	-	59	-
Dividends paid on ordinary shares	(498)	-	(498)	-
Balance at 31 July 2020	21,902	19,388	2,514	-

COMPANY	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
1H2022			
Balance at 1 February 2021	21,042	19,388	1,654
Total comprehensive income for the period	27	-	27
Dividends paid on ordinary shares	(1,310)	-	(1,310)
Balance at 31 July 2021	19,759	19,388	371
1H2021			
Balance at 1 February 2020	20,172	19,388	784
Total comprehensive income for the period	32	-	32
Dividends paid on ordinary shares	(498)	-	(498)
Balance at 31 July 2020	19,706	19,388	318

E) Notes to the condensed interim consolidated financial statements

1. Corporate Information

Reclaims Global Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are traded on the Catalist Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 31 July 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The primary activity of the Company is investment holding.

The principal activities of the Group are:

- (a) Recycling of non-metal waste and refuse disposal including demolition and transportation services; and
- (b) Green technology activities, specifically converting organic waste into economic resources and economic materials/products.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 July 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements for the year ended 31 January 2021. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 January 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Recycling – focuses on the reclaiming of natural and urban construction and demolition waste. The recycled waste is for sale as building materials to customers.
- Segment 2: Excavation services – 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.
- Segment 3: Logistics and leasing – provides transportation services and leasing of machinery and equipment.

These operating segments are reported in a manner consistent with internal reporting provided to the directors of the Group who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

Profit or loss from operations

	<u>Recycling</u> S\$'000	<u>Excavation services</u> S\$'000	<u>Logistics and leasing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
6 months ended 31 July 2021					
Revenue by segment					
Total revenue	4,635	6,659	7,408	57	18,759
Recurring EBITDA*	1,744	572	2,804	(5)	5,115
Depreciation expense	(179)	(462)	(158)	(126)	(925)
Depreciation of right-of-use-asset	(57)	–	–	(69)	(126)
ORBIT**	1,508	110	2,646	(200)	4,064
Interest income					1
Finance costs					(55)
Income tax expense					(595)
Profit from continuing operations					3,415
6 months ended 31 July 2020					
Revenue by segment					
Total revenue	1,071	3,954	3,150	64	8,239
Recurring EBITDA*	79	196	1,224	(120)	1,379
Depreciation expense	(195)	(518)	(225)	(127)	(1,065)
Depreciation of right-of-use-asset	(58)	–	–	(69)	(127)
ORBIT**	(174)	(322)	999	(316)	187
Interest income					4
Finance costs					(55)
Income tax expense					(77)
Profit from continuing operations					59

* Recurring EBITDA refers to earnings from operations before depreciation and amortisation, interests and income taxes.

** ORBIT refers to operating result before interests and income taxes and other unallocated items.

4.1 Reportable segments (cont'd)

Assets

	<u>Recycling</u> S\$'000	<u>Excavation</u> <u>services</u> S\$'000	<u>Logistics</u> <u>and</u> <u>leasing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>31 July 2021</u>					
Total assets for reportable segments	6,816	10,611	2,964	4,514	24,905
Cash and cash equivalent					10,491
Total group assets					<u>35,396</u>
<u>31 July 2020</u>					
Total assets for reportable segments	5,973	10,805	1,715	4,797	23,290
Cash and cash equivalent					5,718
Total group assets					<u>29,008</u>

Liabilities

	<u>Recycling</u> S\$'000	<u>Excavation</u> <u>services</u> S\$'000	<u>Logistics</u> <u>and</u> <u>leasing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>31 July 2021</u>					
Total liabilities for reportable segments	1,960	2,372	1,864	1,542	7,738
Deferred tax liabilities					428
Income tax payable					1,108
Total group liabilities					<u>9,274</u>
<u>31 July 2020</u>					
Total liabilities for reportable segments	1,880	1,270	789	1,804	5,743
Deferred tax liabilities					693
Income tax payable					670
Total group liabilities					<u>7,106</u>

Other material items

	<u>Recycling</u> S\$'000	<u>Excavation</u> <u>services</u> S\$'000	<u>Logistics</u> <u>and</u> <u>leasing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Impairment of assets during:					
6 months ended 31 July 2021	–	–	–	–	–
6 months ended 31 July 2020	–	180	–	–	180
Expenditure for non-current assets as at:					
31 July 2021	15	532	15	78	640
31 July 2020	–	30	–	177	207

4.2 Disaggregation of revenue

	<u>Group</u>	
	<u>6 months ended 31 July 2021</u> S\$'000	<u>6 months ended 31 July 2020</u> S\$'000
<u>Type of goods and services</u>		
Sales of goods	4,635	1,071
Excavation services	6,659	3,954
Logistics and leasing services	7,408	3,150
Others	57	64
Total revenue	<u>18,759</u>	<u>8,239</u>
<u>Timing of revenue recognition</u>		
Point in time	12,100	4,285
Over time	6,659	3,954
Total revenue	<u>18,759</u>	<u>8,239</u>
<u>Duration</u>		
Short-term contracts	12,100	4,285
Long-term contracts	6,659	3,954
Total revenue	<u>18,759</u>	<u>8,239</u>

The Group's results are solely generated in Singapore.

5. Financial assets and financial liabilities

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

	<u>Group</u>		<u>Company</u>	
	<u>31 July 2021</u> S\$'000	<u>31 January 2021</u> S\$'000	<u>31 July 2021</u> S\$'000	<u>31 January 2020</u> S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>20,316</u>	<u>16,594</u>	<u>4,637</u>	<u>5,892</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>7,738</u>	<u>8,517</u>	<u>220</u>	<u>185</u>

6. Profit before taxation

6.1 Significant items

	<u>Group</u>	
	<u>6 months ended 31 July 2021</u> S\$'000	<u>6 months ended 31 July 2020</u> S\$'000
Gain on disposal of plant and equipment	216	23
Government grants	95	391
Government grant from Jobs Support Scheme	213	252
Allowance for impairment on trade receivables	–	(180)
Reversal of impairment allowance on trade receivables	45	47
Cost of materials and disposal	(5,212)	(2,110)
Cost of transportation services	(2,387)	(846)
Interest expense – lease liabilities	(16)	(15)
Interest expense – bank loans	(39)	(40)
Rental expenses	(47)	(56)

Repair and maintenance expense	(591)	(325)
Upkeep of motor vehicles	(458)	(332)
Short term rental of equipment and machineries	(198)	(94)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim consolidated financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>	
	<u>6 months ended</u> 31 July 2021 S\$'000	<u>6 months ended</u> 31 July 2020 S\$'000
Current income tax expense	802	99
Deferred tax income relating to reversal of temporary differences	(207)	(22)
	<u>595</u>	<u>77</u>

8. Dividend

	<u>Dividend per share</u>		<u>Group and Company</u>	
	<u>31 July 2021</u> Singapore cent	<u>31 July 2020</u> Singapore cent	<u>31 July 2021</u> S\$'000	<u>31 July 2020</u> S\$'000
Ordinary dividends paid: Final dividend in respect of the previous financial year, approved and paid during the interim period	<u>1.00</u>	<u>0.38</u>	<u>1,310</u>	<u>498</u>

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>31 July 2021</u>	<u>31 January 2021</u>	<u>31 July 2021</u>	<u>31 January 2021</u>
NAV attributable to owners of the Company (S\$'000)	26,122	24,012	19,759	21,042
Total number of issued shares excluding treasury shares ('000)	131,000	131,000	131,000	131,000
NAV per ordinary share (cents)	19.9	18.3	15.1	16.1

10. Property, plant and equipment

During the six-months period ended 31 July 2021, the Group acquired assets amounting to S\$640,000 (31 July 2020: S\$207,000) and disposed of assets amounting to S\$292,000 (31 July 2020: nil).

11. Borrowings

Amount repayable in one year or less:

	Group			
	31 July 2021		31 January 2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	1,124	-	1,127	-
Lease liabilities	637	-	599	-
	1,761	-	1,726	-

Amount repayable after one year:

	Group			
	31 July 2021		31 January 2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	874	-	2,253	-
Lease liabilities	419	-	258	-
	1,293	-	2,511	-

Bank loans

The bank loan refers to bank borrowings drawn down to finance the land acquisition and construction of the Group's corporate headquarters at 10 Tuas South Street 7 Singapore 637114 ("**Tuas Property**") and are repayable by equal monthly instalments until October 2023.

The above bank loan is secured by:

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

Lease liabilities

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

The obligations under lease liabilities are secured by:

- The lessors' charge over the leased assets; and
- Corporate guarantee from the Company.

12. Share Capital

	31 July 2021		31 January 2021	
	<u>No. of shares</u> '000	<u>S\$</u> '000	<u>No. of shares</u> '000	<u>S\$</u> '000
Fully paid ordinary shares, with no par value	131,000	19,388	131,000	19,388

The Company did not hold any convertibles and treasury shares as at 31 July 2021, 31 January 2021 and 31 July 2020. The Company's subsidiaries did not hold any shares in the Company as at 31 July 2021, 31 January 2021 and 31 July 2020.

13. Events subsequent to period end

No new information or event, up till the date of this report, has come to the attention of the management that requires disclosures or adjustments to this set of interim financial statements.

F) Other information required by Catalyst Rule Appendix 7C

1 Review

The condensed consolidated statement of financial position of Reclaims Global Limited and its subsidiaries as at 31 July 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors. The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2 Performance of the Group

Financial Performance Review

Revenue

	1H2022 S\$'000	1H2021 S\$'000	Increase/ (Decrease) \$	Increase/ (Decrease) %
Recycling	4,635	1,071	3,564	332.8
Excavation services	6,659	3,954	2,705	68.4
Logistics and leasing	7,408	3,150	4,258	135.2
Others	57	64	(7)	(10.9)
Total	18,759	8,239	10,520	127.7

The revenue increased 127.7% to S\$18.8 million in 1H2022 as compared to S\$8.2 million in 1H2021. The significant increase can be partly attributed to the low base in 1H2021 as a result of the Circuit Breaker measures in April 2020, and partly attributed to the resumption of construction activities with the easing of restrictions in relations to the Covid-19 in 1H2022.

Other gains

Other gains of S\$0.6 million in 1H2022 decreased slightly from S\$0.7 million in 1H2021. The decrease was mainly due to the decrease of S\$0.3 million in grants received from the Singapore Government's Jobs Support Scheme and foreign worker levy rebates which provided wage support to employers during the pandemic, partially offset by the increase in gain on disposal of plant and equipment of S\$0.2 million.

Cost of materials, services and consumables

Cost of materials, services and consumables increased by S\$5.6 million or 159.7% from S\$3.5 million in 1H2021 to S\$9.1 million in 1H2022 which is in tandem with the increase in revenue. The cost of materials, services and consumables was 48.6% of revenue in 1H2022 which was comparable to the 42.6% in 1H2021.

Other losses

Other losses decreased 92.5% from the S\$0.1 million recorded in 1H2021 which pertained to allowances made for impairment on trade receivables in view of the then economic slowdown. Having assessed the collectability of the trade receivables from the significant customers, management assessed that there was no need for additional allowances in 1H2022. The management will continue to monitor the collectability of trade receivables closely.

2 Performance of the Group (cont'd)

Financial Performance Review (cont'd)

Finance costs

Finance costs remain stable at S\$0.1 million for 1H2022 and 1H2021. The Group maintained its net cash position and the management will continue to exercise prudence in its capital management.

Depreciation expenses

Depreciation expenses for 1H2022 and 1H2021 amounted to S\$1.1 million and S\$1.2 million respectively. The decrease in depreciation expenses was due to some plant and equipment being fully depreciated during the period.

Employee benefits expense

Employee benefits expense increased by 32.4% from S\$2.4 million in 1H2021 to S\$3.2 million in 1H2022. Employee benefits expense consists mainly of staff salaries, accrued bonuses, and statutory contributions. The increase is in line with the higher level of business activities.

Other expenses

Other expenses increased by 28.2% to S\$1.9 million in 1H2022 from S\$1.4 million in 1H2021. The increase was mainly due to higher expenses incurred including rental of equipment and machineries, repair and maintenance and upkeep of motor vehicles as business activities recovers.

Profit before tax

As a result of the above, profit before tax for 1H2022 amounted to S\$4.0 million compared to profit before tax for 1H2021 of S\$0.1 million.

Income tax expense

Our effective tax rates for 1H2022 and 1H2021 were 14.8% and 56.6% respectively. The effective tax rate was lower in 1H2022 mainly due to reversal of temporary differences in deferred tax.

Financial Position Review

Non-current assets

Non-current assets decreased by S\$0.7 million to S\$13.4 million as at 31 July 2021 from S\$14.1 million as at 31 January 2021. The decrease is mainly attributed to depreciation of property, plant and equipment and right-of-use asset amounting to S\$1.1 million, partially offset by net additions to property, plant and equipment of S\$0.3 million.

Current assets

Current assets increased by S\$2.1 million to S\$22.0 million as at 31 July 2021 from S\$19.9 million as at 31 January 2021. The increase was due mainly to the increase in trade and other receivables of S\$1.2 million and cash and cash equivalents of S\$2.5 million, partially offset by the decrease in other assets of S\$1.7 million.

2 Performance of the Group (cont'd)

Financial Position Review (cont'd)

Current assets (cont'd)

Other assets as at 31 July 2021 mainly comprise contract assets pertaining to work performed but not billed amounting to S\$1.6 million (31 January 2021: S\$3.3 million). The decrease is attributed to the higher amount certified by main contractors for the work done, in line with the increase in business activities during the period.

The trade receivables turnover as at 31 July 2021 was 95 days as compared to 127 days as at 31 January 2021. This is in line with the increased level of business activities in 1H2022.

Non-current liabilities

Non-current liabilities decreased by S\$1.4 million to S\$1.7 million as at 31 July 2021 from S\$3.1 million as at 31 January 2021. The decrease was mainly due to repayment of bank loans amounting to S\$1.4 million.

Current liabilities

Current liabilities increased by S\$0.7 million to S\$7.6 million as at 31 July 2021 from S\$6.9 million as at 31 January 2021. The increase was mainly due to increase in trade and other payables of S\$0.4 million and income tax payable of S\$0.2 million. These increases are in line with the increased level of business activities.

The trade payables turnover as at 31 July 2021 was 93 days as compared to 135 days as at 31 January 2021. This is in line with the increase level of business activities in 1H2022.

Cash Flow Review

During 1H2022, the Group generated net cash flows from operating activities of S\$5.4 million demonstrating the underlying strength of the core business to generate positive cashflow.

Net cash flows from investing activities was S\$0.3 million in 1H2022, largely attributed to proceeds from disposal of plant and equipment, partially offset by purchase of plant and equipment.

In 1H2022, the Group repaid S\$1.8 million of borrowings and lease liabilities. During the period, the Group also paid out S\$1.3 million in dividends, approved in the Company's last Annual General Meeting for financial year ended 31 January 2021. As a result, the net cash used in financing activities in 1H2022 was S\$3.1 million.

Overall, the Group generated a net increase of S\$2.5 million in 1H2022, ended the period with a cash and cash equivalents of S\$10.5 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

Singapore's construction industry is expected to have a strong recovery with the gradual easing of restrictions in relations to Covid-19 pandemic. The push for the development of affordable housing, transport, and renewable energy infrastructure by the Singapore Government are the main growth drivers sustaining the expansion and growth of the industry in the coming years.

Even though the pandemic has been brought under control in Singapore, the neighbouring regions are still facing an uphill battle against the virus. This could result in a drag to the pace of recovery for the overall economy.

The Group will remain focused in its operations in Singapore while cautiously assessing its current or new investments. The Company will stay vigilant and continue to adjust its business and strategies as the Covid-19 situation evolves, always bearing in mind to create shareholder value.

5 Dividend information

5.1 Current financial period reported on

Any dividend recommended for the current financial period reported on?

No.

5.2 Corresponding period of the immediate preceding financial year reported on

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

5.3 Date payable

Not applicable.

5.4 Book closure date

Not applicable.

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

No dividend has been declared or recommended for 1H2022. Given the ongoing uncertainties in the economy, the Board of Directors deems it appropriate to conserve resources for the Group's business activities and any potential business opportunities that might come along.

7 Interested person transactions

Renewal of the general mandate for IPTs was obtained at the Annual General Meeting held on 28 May 2021.

During 1H2022, the Group entered into the following IPTs:

Name of Interested Persons and nature of transactions	Aggregate value of all IPTs during 1H2022 (excluding transactions less than S\$100,000)	
	Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000	Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000
New Development Construction ("NDC") ⁽¹⁾ : Rendering of logistics services to NDC	-	107

Note 1:

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

8 Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the condensed interim consolidated financial statements for the six-month period ended 31 July 2021 to be false or misleading in any material aspect.

9 Confirmation pursuant to Rule 720(1) of the Catalist Rules

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

10 Use of IPO proceeds

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

The Company had subsequently announced the utilisation and reallocation of the Gross Proceeds on 1 April 2019, 2 May 2019, 22 May 2019, 4 June 2019, 19 August 2019, 5 September 2019, 31 March 2020, 11 September 2020 and 1 April 2021 ("**Announcements**") and in its annual reports for FY2019, FY2020 and FY2021 released on 15 May 2019, 27 May 2019 and 10 May 2021 respectively ("**Annual Reports**"). Please refer to the Announcements and Annual Reports for further details.

10 Use of IPO proceeds (cont'd)

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

Use of proceeds (as set out in the Offer Document)	Amount allocated S\$'000	Amount re-allocated S\$'000	Aggregate amount utilised per Announcements / Annual Reports S\$'000	Amount utilised post Announcements / Annual Reports S\$'000	Amount unutilised as at date of this announcement S\$'000
Expansion of operational capacity	600	100	(600)	(100)	-
Expansion of recycled product range	500	(100)	(358)	(42)	-
Expansion through acquisition, joint ventures and/or strategic alliances	300	(300)	-	-	-
General working capital purposes	1,363	552	(1,915)	-	-
Net proceeds	2,763	252	(2,873)	(142)	-
Share issue and listing expenses	1,607	(252)	(1,355)	-	-
Gross Proceeds	4,370	-	(4,228)	(142)	-

Subsequent to the release of the Annual Reports, the Group has further utilised S\$42,000 from the Gross Proceeds to finance Phase 1 pilot pre-factory setup costs (including the expenses incurred for testing, optimisation, professional fees and manpower costs).

As part of the effort to remain focused in the operations in Singapore, and to put the financial resources to better use, the Group has re-allocated the amount of S\$100,000 remaining for "Expansion of Recycled Product Range" to "Expansion of Operational Capacity" where the Group has utilised such amount for purchase of plant & equipment.

Save as disclosed above, the utilisation of Gross Proceeds is in line with the intended use and allocation of Gross Proceeds as set out in the Offer Document dated 1 March 2019.

BY ORDER OF THE BOARD

Tan Kok Huat
Executive Director and CEO
10 September 2021