



Reclaims Global Limited

绿达环球有限公司

Company Registration No. 201834755M

Registered Address: 10 Tuas South Street 7 Singapore 637114

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**Unaudited Half Year Financial Statements and Dividend Announcement  
For the Financial Period Ended 31 July 2022 (“1H2023”)**

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.

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

**Table of Contents**

A. Condensed interim consolidated statement of profit or loss and other comprehensive income.....	3
B. Condensed interim statements of financial position .....	4
C. Condensed interim consolidated statement of cash flows .....	5
D. Condensed interim statements of changes in equity .....	6
E. Notes to the condensed interim consolidated financial statements .....	7
F. Other information required by Catalist Rule Appendix 7C .....	13

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

	Note	Group		
		6 months ended 31 July 2022 S\$'000	6 months ended 31 July 2021 S\$'000	Increase/ (Decrease) %
Revenue	4	13,861	18,759	(26.1)
Interest income		3	1	200.0
Other income and gains		344	570	(39.6)
Cost of materials, services and consumables		(7,100)	(9,122)	(22.2)
Other losses		(36)	(10)	260.0
Finance costs		(16)	(55)	(70.9)
Depreciation of property, plant and equipment		(860)	(925)	(7.0)
Depreciation of right-of-use-assets		(126)	(126)	-
Employee benefits expense		(3,119)	(3,231)	(3.5)
Other expenses		(1,803)	(1,851)	(2.6)
Profit before tax from operations	6	1,148	4,010	(71.4)
Income tax expense	7	(235)	(595)	(60.5)
Profit from operations, net of tax		913	3,415	(73.3)
Other comprehensive income:				
Exchange differences on translating foreign operations, net of tax		2	5	(60.0)
Total comprehensive income for the period attributable to owners of the Company		915	3,420	(73.2)
Earnings per share (" <b>EPS</b> ") for profit of the period attributable to the owners of the Company during the year:				
Basic and diluted* (SGD in cent)		0.70	2.61	

\* 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**

	Note	Group		Company	
		As at 31 July 2022 S\$'000	As at 31 January 2022 S\$'000	As at 31 July 2022 S\$'000	As at 31 January 2022 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	9,979	9,499	-	-
Investment in financial instrument		964	-	-	-
Right-of-use assets		3,358	3,483	-	-
Investment in subsidiaries		-	-	15,327	15,327
<b>Total non-current assets</b>		14,301	12,982	15,327	15,327
<b>Current assets</b>					
Inventories		13	59	-	-
Trade and other receivables		6,986	7,462	3,853	4,899
Other assets, current		4,102	2,812	15	13
Cash and cash equivalents		10,684	11,064	676	101
<b>Total current assets</b>		21,785	21,397	4,544	5,013
<b>Total assets</b>		36,086	34,379	19,871	20,340
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	12	19,388	19,388	19,388	19,388
Retained earnings		9,086	8,173	173	107
Other reserve		4	2	-	-
<b>Total equity</b>		28,478	27,563	19,561	19,495
<b>Non-current liabilities</b>					
Deferred tax liabilities		962	874	-	-
Loans and borrowings	11	713	-	-	-
Lease liabilities, non-current		284	264	-	-
<b>Total non-current liabilities</b>		1,959	1,138	-	-
<b>Current liabilities</b>					
Income tax payable		739	1,170	8	9
Loans and borrowings	11	856	-	-	-
Lease liabilities, current		494	398	-	-
Trade and other payables		3,560	4,110	302	836
<b>Total current liabilities</b>		5,649	5,678	310	845
<b>Total liabilities</b>		7,608	6,816	310	845
<b>Total equity and liabilities</b>		36,086	34,379	19,871	20,340

**C) Condensed interim consolidated statement of cash flows**

	Group	
	6 months ended 31 July 2022 S\$'000	6 months ended 31 July 2021 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,148	4,010
Adjustments for:		
Interest income	(3)	(1)
Interest expense	16	55
Depreciation of property, plant and equipment	860	925
Depreciation of right-of-use-assets	126	126
Fair value loss of financial instruments	36	-
Gain on disposal of plant and equipment	(130)	(216)
Net effect of exchange rate changes in consolidating subsidiary	2	5
Operating cash flows before changes in working capital	2,055	4,904
Inventories	46	(9)
Trade and other receivables	476	(1,206)
Other assets, current	(1,291)	1,661
Trade and other payables	(552)	564
Net cash flows from operations	734	5,914
Income taxes paid	(577)	(562)
<b>Net cash flows from operating activities</b>	157	5,352
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(1,069)	(250)
Proceeds from disposal of plant and equipment	272	508
Investment in financial instruments	(1,000)	-
Interest received	3	1
<b>Net cash flows (used in)/from investing activities</b>	(1,794)	259
<b>Cash flows from financing activities</b>		
Dividends paid	-	(1,310)
Interest paid	(16)	(55)
Proceeds from borrowings	1,712	-
Repayment of borrowings	(143)	(1,381)
Lease liabilities – principal portion paid	(296)	(349)
<b>Net cash flows from/(used in) financing activities</b>	1,257	(3,095)
<b>Net decrease in cash and cash equivalents</b>	(380)	2,516
Cash and cash equivalents, beginning balance	11,064	7,975
<b>Cash and cash equivalents, ending balance</b>	10,684	10,491

**D) Condensed interim statements of changes in equity**

<b>GROUP</b>	<b>Total equity S\$'000</b>	<b>Share capital S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Other reserve S\$'000</b>
<b>1H2023</b>				
Balance at 1 February 2022	27,563	19,388	8,173	2
Total comprehensive income for the period	915	-	913	2
Balance at 31 July 2022	28,478	19,388	9,086	4
<b>1H2022</b>				
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

<b>COMPANY</b>	<b>Total equity S\$'000</b>	<b>Share capital S\$'000</b>	<b>Retained earnings S\$'000</b>
<b>1H2023</b>			
Balance at 1 February 2022	19,495	19,388	107
Total comprehensive income for the period	66	-	66
Balance at 31 July 2022	19,561	19,388	173
<b>1H2022</b>			
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

## **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 2022 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 2022 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 2022. 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 2022. 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
<u>6 months ended 31 July 2022</u>					
<b>Revenue by segment</b>					
Total revenue	3,952	6,580	3,262	67	13,861
<b>Recurring EBITDA*</b>					
Depreciation of property, plant and equipment	(200)	(426)	(94)	(140)	(860)
Depreciation of right-of-use-asset	(57)	–	–	(69)	(126)
ORBIT**	1,188	148	218	(393)	1,161
Interest income					3
Finance costs					(16)
Income tax expense					(235)
Profit from operations					913
<u>6 months ended 31 July 2021</u>					
<b>Revenue by segment</b>					
Total revenue	4,635	6,659	7,408	57	18,759
<b>Recurring EBITDA*</b>					
Depreciation of property, plant and equipment	(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 operations					3,415

\* 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 2022</u>					
Total assets for reportable segments	6,308	12,685	1,145	5,264	25,402
Cash and cash equivalents					10,684
<b>Total group assets</b>					<u>36,086</u>
<u>31 July 2021</u>					
Total assets for reportable segments	6,816	10,611	2,964	4,514	24,905
Cash and cash equivalents					10,491
<b>Total group assets</b>					<u>35,396</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 2022</u>					
Total liabilities for reportable segments	1,607	2,521	849	930	5,907
Deferred tax liabilities					962
Income tax payable					739
<b>Total group liabilities</b>					<u>7,608</u>
<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
<b>Total group liabilities</b>					<u>9,274</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
Expenditure for non-current assets during:					
6 months ended 31 July 2022	458	584	266	174	1,482
6 months ended 31 July 2021	15	532	15	78	640

## 4.2 Disaggregation of revenue

	<u>Group</u>	
	6 months ended <u>31 July 2022</u> S\$'000	6 months ended <u>31 July 2021</u> S\$'000
<u>Type of goods and services</u>		
Sales of goods	3,952	4,635
Excavation services	6,580	6,659
Logistics and leasing services	3,262	7,408
Others	67	57
Total revenue	<u>13,861</u>	<u>18,759</u>
<u>Timing of revenue recognition</u>		
Point in time	7,281	12,100
Over time	6,580	6,659
Total revenue	<u>13,861</u>	<u>18,759</u>
<u>Duration</u>		
Short-term Contracts	7,281	12,100
Long-term Contracts	6,580	6,659
Total revenue	<u>13,861</u>	<u>18,759</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>	
	31 July <u>2022</u> S\$'000	31 January <u>2022</u> S\$'000	31 July <u>2022</u> S\$'000	31 January <u>2022</u> S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>17,670</u>	<u>18,526</u>	<u>4,529</u>	<u>5,000</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>5,907</u>	<u>4,772</u>	<u>302</u>	<u>836</u>

## 6. Profit before taxation

### 6.1 Significant items

	<u>Group</u>	
	6 months ended <u>31 July 2022</u> S\$'000	6 months ended <u>31 July 2021</u> S\$'000
Gain on disposal of plant and equipment	130	216
Government grants	177	308
Reversal of impairment allowance on trade receivables	–	45
Cost of materials and disposal	(4,266)	(5,212)
Cost of transportation services	(495)	(2,387)
Cost of diesel	(2,279)	(1,517)
Interest expense – lease liabilities	(5)	(16)
Interest expense – bank loans	(11)	(39)
Rental expenses	(89)	(47)
Repair and maintenance expense	(658)	(591)
Upkeep of motor vehicles	(464)	(458)
Short term rental of equipment and machineries	(147)	(198)

### 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>	
	6 months ended <u>31 July 2022</u> S\$'000	6 months ended <u>31 July 2021</u> S\$'000
Current income tax expense	147	802
Deferred tax expense/(income) relating to origination/reversal of temporary differences	88	(207)
	<u>235</u>	<u>595</u>

## 8. Dividend

	<u>Dividend per share</u>		<u>Group and Company</u>	
	6 months ended 31 July <u>2022</u> Singapore cent	6 months ended 31 July <u>2021</u> Singapore cent	6 months ended 31 July <u>2022</u> S\$'000	6 months ended 31 July <u>2021</u> S\$'000
Ordinary dividends paid: Final dividend in respect of the previous financial year, approved and paid during the interim period	–	1.00	–	1,310

## 9. Net asset value (NAV)

	Group		Company	
	<u>31 July 2022</u>	<u>31 January 2022</u>	<u>31 July 2022</u>	<u>31 January 2022</u>
NAV attributable to owners of the Company (S\$'000)	28,478	27,563	19,561	19,495
Total number of issued shares excluding treasury shares ('000)	131,000	131,000	131,000	131,000
NAV per ordinary share (cents)	21.7	21.0	14.9	14.9

## 10. Property, plant and equipment

During the six-months period ended 31 July 2022, the Group acquired assets amounting to S\$1,482,000 (31 July 2021: S\$640,000) and disposed of assets amounting to S\$142,000 (31 July 2021: S\$292,000).

## 11. Borrowings

### Amount repayable in one year or less:

	Group			
	31 July 2022		31 January 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	856	-	-	-

### Amount repayable after one year:

	Group			
	31 July 2022		31 January 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	713	-	-	-

### Bank loans

The bank loan refers to bank borrowings drawn down to re-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 April 2024.

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.

## 12. Share Capital

	<u>31 July 2022</u>		<u>31 January 2022</u>	
	<u>No. of shares</u> <u>'000</u>	<u>S\$</u> <u>'000</u>	<u>No. of shares</u> <u>'000</u>	<u>S\$</u> <u>'000</u>
Fully paid ordinary shares, with no par value	<u>131,000</u>	<u>19,388</u>	<u>131,000</u>	<u>19,388</u>

The Company did not hold any convertibles and treasury shares as at 31 July 2022, 31 January 2022 and 31 July 2021. The Company's subsidiaries did not hold any shares in the Company as at 31 July 2022, 31 January 2022 and 31 July 2021.

### **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 2022 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**

	1H2023 S\$'000	1H2022 S\$'000	Increase/ (Decrease) \$	Increase/ (Decrease) %
Recycling	3,952	4,635	(683)	(14.7)
Excavation services	6,580	6,659	(79)	(1.2)
Logistics and leasing	3,262	7,408	(4,146)	(56.0)
Others	67	57	10	17.5
Total	13,861	18,759	(4,898)	(26.1)

Revenue decreased by S\$4.9 million or 26.1% to S\$13.9 million in 1H2023 as compared to S\$18.8 million in 1H2022. The decrease is largely driven by a decrease in revenue from logistics and leasing due to weaker market demand, recording a decrease of 56.0% from S\$7.4 million in 1H2022 to S\$3.3 million in 1H2023.

##### **Other gains**

Other gains decreased by S\$0.2 million or 39.6% from S\$0.6 million in 1H2022 to S\$0.4 million in 1H2023. The decrease was mainly due to the decrease of S\$0.1 million in grants received from the Singapore Government and the decrease of S\$0.1 million in gain on disposal of plant and equipment.

##### **Cost of materials, services and consumables**

Cost of materials, services and consumables decreased by S\$2.0 million or 22.2% from S\$9.1 million in 1H2022 to S\$7.1 million in 1H2023 which is in line with the decrease in revenue. The cost of materials, services and consumables was 51.2% of revenue in 1H2023 which was slightly higher than the 48.6% in 1H2022. This is mainly attributed to the increase in diesel prices.

##### **Other losses**

Other losses increased by S\$26,000 or 260% from S\$10,000 in 1H2022 to S\$36,000 in 1H2023 due to fair value loss on financial instrument recognised in 1H2023, as compared to an exchange loss recognised in 1H2022. The fair value loss on an underlying fund investment was due to exposures from geopolitical tensions, rising interest rates and volatile energy prices.

## 2 Performance of the Group (cont'd)

### Financial Performance Review (cont'd)

#### **Finance costs**

Finance costs remain relatively stable in 1H2023 and 1H2022. The Group maintained its net cash position and the management will continue to exercise prudence in its capital management.

#### **Depreciation expenses**

Depreciation expenses for property, plant and equipment of right-of-use assets for 1H2023 and 1H2022 remained stable at S\$0.9 million.

#### **Employee benefits expense**

Employee benefits expense decreased by S\$0.1 million or 3.5% from S\$3.2 million in 1H2022 to S\$3.1 million in 1H2023. Employee benefits expense consists mainly of staff salaries, accrued bonuses, and statutory contributions. The decrease is in line with the lower level of business activities.

#### **Other expenses**

Other expenses decreased by S\$0.1 million or 2.6% to S\$1.8 million in 1H2023 from S\$1.9 million in 1H2022 mainly due to a slight decrease in rental of equipment and machineries, repair and maintenance and upkeep of motor vehicles.

#### **Profit before tax**

As a result of the above, profit before tax for 1H2023 amounted to S\$1.1 million compared to profit before tax for 1H2022 of S\$4.0 million.

#### **Income tax expense**

The Group's effective tax rates for 1H2023 and 1H2022 were 20.5% and 14.8% respectively. The effective tax rate was higher in 1H2023 mainly due to origination of temporary differences in deferred tax.

### Financial Position Review

#### **Non-current assets**

Non-current assets increased by S\$1.3 million or 10.2% to S\$14.3 million as at 31 July 2022 from S\$13.0 million as at 31 January 2022. The increase is mainly attributed to net additions to property, plant and equipment of S\$1.3 million and investment in financial instruments of S\$1.0 million, partially offset by depreciation of property, plant and equipment and right-of-use asset amounting to S\$1.0 million.

#### **Current assets**

Current assets increased by S\$0.4 million or 1.8% to S\$21.8 million as at 31 July 2022 from S\$21.4 million as at 31 January 2022. The increase was due mainly to the increase in other assets by S\$1.3 million, partially offset by the decrease in trade and other receivables of S\$0.5 million and cash and cash equivalents of S\$0.4 million.

## 2 Performance of the Group (cont'd)

### Financial Position Review (cont'd)

#### **Current assets (cont'd)**

Other assets as at 31 July 2022 mainly comprise of contract assets pertaining to work performed but not billed amounting to S\$3.9 million (31 January 2022: S\$2.5 million). The increase is attributed to the slower certification by main contractors for the work done.

The trade receivables turnover as at 31 July 2022 was 92 days as compared to 74 days as at 31 January 2022 due to a general slowdown in repayments by customers.

#### **Non-current liabilities**

Non-current liabilities increased by S\$0.8 million or 72.1% to S\$2.0 million as at 31 July 2022 from S\$1.1 million as at 31 January 2022. The increase was mainly due to increase in bank loans amounting to S\$0.7 million.

#### **Current liabilities**

Current liabilities decreased by S\$0.1 million or 0.5% to S\$5.6 million as at 31 July 2022 from S\$5.7 million as at 31 January 2022. The decrease was mainly due to decrease in trade and other payables of S\$0.6 million in line with the decrease in cost of materials and income tax payable of S\$0.4 million, partially offset by the drawdown of bank loans amounting to S\$0.9 million in 1H2023.

The trade payables turnover as at 31 July 2022 was 56 days as compared to 57 days as at 31 January 2022.

### Cash Flow Review

During 1H2023, the Group generated net cash flows from operating activities of S\$0.2 million.

Net cash flows used in investing activities was S\$1.8 million in 1H2023, largely attributed to purchase of plant and equipment amounting to S\$1.1 million and purchase of financial instruments amounting to S\$1.0 million, partially offset by proceeds from disposal of plant and equipment amounting to S\$0.2 million.

In 1H2023, the Group made a drawdown S\$1.7 million of borrowings and repayments of borrowings and lease liabilities amounting to S\$0.5 million. As a result, the net cash from financing activities in 1H2023 was S\$1.3 million.

Overall, the Group generated a net decrease of S\$0.4 million in 1H2023 and ended the period with cash and cash equivalents of S\$10.7 million.

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

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**

The construction sector had generated real growth of 2.4% and 3.3% in the first and second quarters of 2022 respectively, according to an economic survey conducted by the Ministry of Trade and Industry Economic of Singapore<sup>(1)</sup>. Under the economic landscape of geopolitical tension and volatile energy prices, real growth for the construction sector is expected to be modest and filled with uncertainties. Despite the short to mid-term uncertainties, the push for the development of affordable housing, transport, and renewable energy infrastructure by the Singapore Government remains the main growth drivers sustaining the expansion and growth of the sector in the long term.

The Group remain focused in its operations in Singapore while cautiously assessing any new or additional investments. The Company will stay vigilant and continue to adjust its business and strategies as the global economic situation evolves.

*Note:*

(1) *Extracted from Ministry of Trade and Industry Economic Survey of Singapore Second Quarter 2022 (<https://www.mti.gov.sg/Resources/Economic-Survey-of-Singapore/2022/Economic-Survey-of-Singapore-Second-Quarter-2022>)*

**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 1H2023. 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 27 May 2022.

During 1H2023, the Group entered into the following IPTs:

Name of Interested Persons and nature of transactions	Aggregate value of all IPTs during 1H2023 (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
<b>New Development Construction ("NDC")<sup>(1)</sup>:</b> Rendering of logistics services to NDC	-	321

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 2022 to be false or misleading in any material aspect.

**9 Confirmation that the issuer 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**

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.

BY ORDER OF THE BOARD

Tan Kok Huat  
Executive Director and CEO  
9 September 2022