



Reclaims Global Limited

绿达环球有限公司

Company Registration No. 201834755M

Registered Address: 10 Tuas South Street 7 Singapore 637114

**Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 January 2024
("FY2024")**

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.

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

	Note	Group					
		6 months ended 31 January 2024 S\$'000	6 months ended 31 January 2023 S\$'000	Increase/ (Decrease) %	12 months ended 31 January 2024 S\$'000	12 months ended 31 January 2023 S\$'000	Increase/ (Decrease) %
Revenue	4	13,589	12,900	5.3	24,311	26,761	(9.2)
Interest income		95	41	N.M.	189	44	N.M.
Other gains		306	55	N.M.	537	399	34.6
Cost of materials, services and consumables		(7,463)	(5,774)	29.3	(12,596)	(12,874)	(2.2)
Other losses		(215)	(320)	(32.8)	(315)	(356)	(11.5)
Finance costs		(11)	(20)	(45.0)	(30)	(36)	(16.7)
Depreciation expense		(916)	(857)	6.9	(1,806)	(1,717)	5.2
Depreciation of right-of-use-asset		(127)	(127)	-	(253)	(253)	-
Employee benefits expense		(3,113)	(3,145)	(1.0)	(5,778)	(6,264)	(7.8)
Other expenses		(1,505)	(1,476)	2.0	(2,757)	(3,279)	(15.9)
Profit before tax from operations	6	640	1,277	(49.9)	1,502	2,425	(38.1)
Income tax expense	7	136	(194)	N.M.	14	(429)	N.M.
Profit from operations, net of tax		776	1,083	(28.3)	1,516	1,996	(24.0)
<u>Other comprehensive income:</u> Items that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations, net of tax		-	(1)	N.M.	(3)	1	N.M.
Total comprehensive income attributable to owners of the Company		776	1,082	(28.3)	1,513	1,997	(24.2)
Earnings per share (“EPS”) for profit of the period attributable to the owners of the Company: Basic and diluted* (SGD in cent)		0.59	0.83		1.15	1.52	

* 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 January 2024 S\$'000	As at 31 January 2023 S\$'000	As at 31 January 2024 S\$'000	As at 31 January 2023 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	9,826	10,264	-	-
Investment in financial assets at FVTPL		-	940	-	-
Right-of-use assets		2,977	3,230	-	-
Investment in subsidiaries		-	-	15,327	15,327
Total non-current assets		12,803	14,434	15,327	15,327
Current assets					
Inventories		16	20	-	-
Trade and other receivables		7,835	7,444	3,792	1,887
Other assets, current		3,619	3,948	19	7
Cash and cash equivalents		10,508	9,880	6,301	6,096
Total current assets		21,978	21,292	10,112	7,990
Total assets		34,781	35,726	25,439	23,317
EQUITY AND LIABILITIES					
Equity					
Share capital	12	19,388	19,388	19,388	19,388
Retained earnings		10,375	10,169	603	163
Other reserve		-	3	-	-
Total equity		29,763	29,560	19,991	19,551
Non-current liabilities					
Deferred tax liabilities		644	824	-	-
Loans and borrowings	11	-	285	-	-
Lease liabilities, non-current		-	85	-	-
Total non-current liabilities		644	1,194	-	-
Current liabilities					
Income tax payable		180	451	30	7
Loans and borrowings	11	285	856	-	-
Lease liabilities, current		204	437	-	-
Trade and other payables		3,705	3,228	5,418	3,759
Total current liabilities		4,374	4,972	5,448	3,766
Total liabilities		5,018	6,166	5,448	3,766
Total equity and liabilities		34,781	35,726	25,439	23,317

C) Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31 January 2024 S\$'000	12 months ended 31 January 2023 S\$'000
Cash flows from operating activities		
Profit before tax	1,502	2,425
Adjustments for:		
Interest income	(189)	(44)
Interest expense	30	36
Allowance for trade receivables, net	164	296
Depreciation of property, plant and equipment	1,806	1,717
Depreciation of right-of-use-assets	253	253
Losses on fair value changes of investment at FVTPL	154	60
Gain on disposal of plant and equipment	(108)	(150)
Net effect of exchange rate changes in consolidating subsidiary	(3)	1
Operating cash flows before changes in working capital	3,609	4,594
Inventories	4	39
Trade and other receivables	233	(278)
Other assets, current	328	(1,136)
Trade and other payables	476	(882)
Net cash flows from operations	4,650	2,337
Income taxes paid, net	(437)	(1,198)
Net cash flows from operating activities	4,213	1,139
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,435)	(2,238)
Proceeds from disposal of property, plant and equipment	407	317
Investment in financial assets at FVTPL	-	(1,000)
Interest received	189	44
Net cash flows used in investing activities	(839)	(2,877)
Cash flows from financing activities		
Dividends paid	(1,310)	-
Interest paid	(30)	(36)
Proceeds from borrowings	-	1,712
Repayment of borrowings	(856)	(571)
Lease liabilities – principal portion paid	(550)	(551)
Net cash flows (used in)/from financing activities	(2,746)	554
Net increase/(decrease) in cash and cash equivalents	628	(1,184)
Cash and cash equivalents, beginning balance	9,880	11,064
Cash and cash equivalents, ending balance	10,508	9,880

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
FY2024				
Balance at 1 February 2023	29,560	19,388	10,169	3
Total comprehensive income for the year	1,513	-	1,516	(3)
Dividends paid	(1,310)	-	(1,310)	-
Balance at 31 January 2024	29,763	19,388	10,375	-
FY2023				
Balance at 1 February 2022	27,563	19,388	8,173	2
Total comprehensive income for the year	1,997	-	1,996	1
Balance at 31 January 2023	29,560	19,388	10,169	3

COMPANY	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
FY2024			
Balance at 1 February 2023	19,551	19,388	163
Total comprehensive income for the year	1,750	-	1,750
Dividends paid	(1,310)	-	(1,310)
Balance at 31 January 2024	19,991	19,388	603
FY2023			
Balance at 1 February 2022	19,495	19,388	107
Total comprehensive income for the period	56	-	56
Balance at 31 January 2023	19,551	19,388	163

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 and full year ended 31 January 2024 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 recycling of non-metal waste and refuse disposal including demolition and transportation services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 January 2024 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 2023. 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 2023. 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>6 months ended 31 January 2024</u>	<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
Revenue by segment					
Total revenue	2,698	7,863	2,933	95	13,589
Recurring EBITDA*	1,054	401	129	15	1,599
Depreciation of property, plant and equipment	(354)	(368)	(84)	(110)	(916)
Depreciation of right-of-use-asset	(57)	–	–	(70)	(127)
ORBIT**	643	33	45	(165)	556
Interest income					95
Finance costs					(11)
Income tax expense					136
Profit from operations					776
<u>6 months ended 31 January 2023</u>					
Revenue by segment					
Total revenue	4,988	4,172	3,655	85	12,900
Recurring EBITDA*	2,803	(802)	528	(289)	2,240
Depreciation of property, plant and equipment	(445)	(222)	(48)	(142)	(857)
Depreciation of right-of-use-asset	(57)	–	–	(70)	(127)
ORBIT**	2,301	(1,024)	480	(501)	1,256
Interest income					41
Finance costs					(20)
Income tax expense					(194)
Profit from operations					1,083

4.1 Reportable segments (cont'd)

	Recycling S\$'000	Excavation services S\$'000	Logistics and leasing S\$'000	Unallocated S\$'000	Group S\$'000
<u>Full year ended 31 January 2024</u>					
Revenue by segment					
Total revenue	4,636	13,466	6,030	179	24,311
Recurring EBITDA*	1,401	929	1,237	(165)	3,402
Depreciation expense	(693)	(713)	(155)	(245)	(1,806)
Depreciation of right-of-use-asset	(114)	–	–	(139)	(253)
ORBIT**	594	216	1,082	(549)	1,343
Interest income					189
Finance costs					(30)
Income tax expense					14
Profit from continuing operations					1,516
<u>Full year ended 31 January 2023</u>					
Revenue by segment					
Total revenue	8,940	10,752	6,917	152	26,761
Recurring EBITDA*	4,248	(228)	840	(473)	4,387
Depreciation expense	(645)	(648)	(142)	(282)	(1,717)
Depreciation of right-of-use-asset	(114)	–	–	(139)	(253)
ORBIT**	3,489	(876)	698	(894)	2,417
Interest income					44
Finance costs					(36)
Income tax expense					(429)
Profit from continuing operations					1,996

* 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 January 2024</u>					
Total assets for reportable segments	5,525	13,155	1,252	4,341	24,273
Cash and cash equivalents					10,508
Total group assets					<u>34,781</u>
<u>31 January 2023</u>					
Total assets for reportable segments	7,315	12,097	1,461	4,973	25,846
Cash and cash equivalents					9,880
Total group assets					<u>35,726</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 January 2024</u>					
Total liabilities for reportable segments	622	2,398	772	402	4,194
Deferred tax liabilities					644
Income tax payable					180
Total group liabilities					<u>5,018</u>
<u>31 January 2023</u>					
Total liabilities for reportable segments	1,330	1,884	794	883	4,891
Deferred tax liabilities					824
Income tax payable					451
Total group liabilities					<u>6,166</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 January 2024	–	164	–	–	164
6 months ended 31 January 2023	56	240	–	–	296
Full year ended 31 January 2024	–	164	–	–	164
Full year ended 31 January 2023	56	240	–	–	296
Expenditure for non-current assets for the year ended:					
31 January 2024	–	1,395	271	1	1,667
31 January 2023	458	1,749	293	149	2,649

4.2 Disaggregation of revenue

	<u>Group</u>			
	<u>6 months</u>	<u>6 months</u>	<u>Full year</u>	<u>Full year</u>
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<u>31 January</u>	<u>31 January</u>	<u>31 January</u>	<u>31 January</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Type of goods and services</u>				
Sales of goods	2,698	4,988	4,636	8,940
Excavation services	7,863	4,172	13,466	10,752
Logistics and leasing services	2,933	3,655	6,030	6,917
Others	95	85	179	152
Total revenue	<u>13,589</u>	<u>12,900</u>	<u>24,311</u>	<u>26,761</u>
<u>Timing of revenue recognition</u>				
Point in time	5,726	8,728	10,845	16,009
Over time	7,863	4,172	13,466	10,752
Total revenue	<u>13,589</u>	<u>12,900</u>	<u>24,311</u>	<u>26,761</u>
<u>Duration</u>				
Short-term contracts	5,726	8,728	10,845	16,009
Long-term contracts	7,863	4,172	13,466	10,752
Total revenue	<u>13,589</u>	<u>12,900</u>	<u>24,311</u>	<u>26,761</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 January	31 January	31 January	31 January
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at fair value through profit and loss	-	940	-	-
Financial assets at amortised cost	<u>18,343</u>	<u>17,324</u>	<u>10,093</u>	<u>7,983</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>4,194</u>	<u>4,891</u>	<u>5,418</u>	<u>3,759</u>

6. Profit before taxation

6.1 Significant items

	<u>Group</u>			
	<u>6 months</u>	<u>6 months</u>	<u>Full year</u>	<u>Full year</u>
	<u>ended 31</u>	<u>ended 31</u>	<u>ended 31</u>	<u>ended 31</u>
	<u>January</u>	<u>January</u>	<u>January</u>	<u>January</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Gains on disposal of plant and equipment	–	20	108	150
Government grants	293	5	410	182
Allowance for impairment on trade receivables, net	(164)	(296)	(164)	(296)
Cost of materials and disposal	(5,499)	(3,179)	(9,563)	(7,445)
Cost of transportation services	(734)	(705)	(975)	(1,200)
Cost of diesel	(963)	(1,710)	(1,861)	(3,989)
Interest expense – lease liabilities	(7)	(15)	(18)	(20)
Interest expense – bank loans	(4)	(5)	(12)	(16)
Rental expenses	(94)	(90)	(174)	(179)
Repair and maintenance expense	(432)	(473)	(690)	(1,131)
Upkeep of motor vehicles	(475)	(435)	(903)	(899)
Short term rental of equipment and machineries	(69)	(87)	(127)	(234)

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</u>	<u>6 months</u>	<u>Full year</u>	<u>Full year</u>
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<u>31 January</u>	<u>31 January</u>	<u>31 January</u>	<u>31 January</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	19	332	166	479
Deferred tax (income) expense relating to origination and reversal of temporary differences	(155)	(138)	(180)	(50)
	<u>(136)</u>	<u>194</u>	<u>(14)</u>	<u>429</u>

8. Dividend

	<u>Dividend per share</u>		<u>Group and Company</u>	
	<u>31 January</u> <u>2024</u> Singapore cent	<u>31 January</u> <u>2023</u> Singapore cent	<u>31 January</u> <u>2024</u> S\$'000	<u>31 January</u> <u>2023</u> S\$'000
Ordinary dividends paid: Interim dividend in respect of the six months ended 31 July 2023, paid during the year	1.00	–	1,310	–

9. Net asset value (“NAV”)

	<u>Group</u>		<u>Company</u>	
	<u>31 January</u> <u>2024</u>	<u>31 January</u> <u>2023</u>	<u>31 January</u> <u>2024</u>	<u>31 January</u> <u>2023</u>
NAV attributable to owners of the Company (S\$'000)	29,763	29,560	19,991	19,551
Total number of issued shares excluding treasury shares ('000)	131,000	131,000	131,000	131,000
NAV per ordinary share (cents)	22.7	22.6	15.3	14.9

10. Property, plant and equipment

During the six-months period ended 31 January 2024, the Group acquired assets amounting to S\$1,015,000 (31 January 2023: S\$1,167,000) and disposed of assets amounting to S\$35,000 (31 January 2023: S\$25,000).

11. Borrowings

Amount repayable in one year or less:

	<u>Group</u>			
	<u>31 January 2024</u>		<u>31 January 2023</u>	
	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>
Bank loans	285	–	856	–

Amount repayable after one year:

	<u>Group</u>			
	<u>31 January 2024</u>		<u>31 January 2023</u>	
	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>
Bank loans	–	–	285	–

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 January 2024</u>		<u>31 January 2023</u>	
	<u>No. of shares</u>	<u>S\$</u>	<u>No. of shares</u>	<u>S\$</u>
	<u>'000</u>	<u>'000</u>	<u>'000</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 January 2024 and 31 January 2023. The Company's subsidiaries did not hold any shares in the Company as at 31 January 2024 and 31 January 2023.

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 January 2024 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 6 months period and full financial year then ended and certain explanatory notes have not been audited or reviewed by 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

	FY2024 S\$'000	FY2023 S\$'000	Increase/ (Decrease) \$	Increase/ (Decrease) %
Recycling	4,636	8,940	(4,304)	(48.1)
Excavation services	13,466	10,752	2,714	25.2
Logistics and leasing	6,030	6,917	(887)	(12.8)
Others	179	152	27	17.7
Total	24,311	26,761	(2,450)	(9.2)

Revenue decreased by S\$2.5 million or 9.2% to S\$24.3 million in FY2024 as compared to S\$26.8 million in FY2023. The decrease is largely driven by a decrease in revenue from recycling, and logistics and leasing services. This can be attributed to weaker market demand. The decrease was partially offset by an increase in excavation services as a result of securing several contracts during the year for excavation services.

Interest income

Interest income increased to S\$189,000 in FY2024 from S\$44,000 in FY2023. This is mainly due to interest income earned from fixed deposits placed with a bank.

Other gains

Other gains increased by S\$0.1 million or 34.6% from S\$0.4 million in FY2023 to S\$0.5 million in FY2024. The increase was mainly due to the increase of S\$0.2 million in grants received from the Singapore Government and the decrease of S\$0.1 million in gain on disposal of plant and equipment compared to FY2023.

Cost of materials, services and consumables

Cost of materials, services and consumables decreased by S\$0.3 million or 2.2% from S\$12.9 million in FY2023 to S\$12.6 million in FY2024 which is in line with the decrease in revenue. The cost of materials, services and consumables was 51.1% of revenue in FY2024 which was slightly higher than the 48.1% in FY2023. The increase can be largely attributed to the inflationary effects in the overall economic environment.

2 Performance of the Group (cont'd)

Financial Performance Review (cont'd)

Other losses

Other losses amounted to S\$0.3 million. Of which, approximately half relates to provision for doubtful debts made in the second half of FY2024 while the remaining half relates to fair value loss on financial instrument recognised in FY2024. These other losses were slightly lower than the other losses amounting to S\$0.4 million recorded in FY2023.

Finance costs

Finance costs decreased by 16.7% to \$30,000 in FY2024 from \$36,000 in FY2023. This can be attributed to the existing property loan and most of the hire purchase obligations nearing their maturity. 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 and right-of-use assets for FY2024 were slightly higher at S\$2.1 million as compared to S\$2.0 million in FY2023.

Employee benefits expense

Employee benefits expense decreased by S\$0.5 million or 7.8% from S\$6.3 million in FY2023 to S\$5.8 million in FY2024. 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\$0.5 million or 15.9% to S\$2.8 million in FY2024 from S\$3.3 million in FY2023. The decrease is largely attributed to a decrease in rental of equipment and machineries, and repair and maintenance expense amounting to S\$0.5 million in FY2023.

Profit before tax

As a result of the above, profit before tax for FY2024 amounted to S\$1.5 million compared to profit before tax for FY2023 of S\$2.0 million.

Income tax expense

The Group recorded a net S\$14,000 tax credit. This is made up of S\$166,000 of current corporate income tax expense and a reversal of temporary differences in deferred tax amounting to S\$180,000. After adjusting for the effects of reversal in temporary differences in deferred tax, the Group's effective tax rates for current corporate income tax for FY2024 and FY2023 were 11.1% and 19.8% respectively.

2 Performance of the Group (cont'd)

Financial Position Review

Non-current assets

Non-current assets decreased by S\$1.6 million or 11.3% to S\$12.8 million as at 31 January 2024 from S\$14.4 million as at 31 January 2023. The decrease is mainly attributed to net depreciation to property, plant and equipment of S\$0.4 million, depreciation of right-of-use assets amounting to S\$0.3 million and divestment in financial instruments of S\$0.8 million.

Current assets

Current assets increased by S\$0.7 million or 3.2% to S\$22.0 million as at 31 January 2024 from S\$21.3 million as at 31 January 2023. The increase was due mainly to the increase in cash and cash equivalents by S\$0.6 million, trade and other receivables amounting to S\$0.4 million, partially offset by decrease in other assets by S\$0.3 million.

The decrease in other assets is mainly attributed to a S\$0.5 million decrease in advances to suppliers. This is partially offset by an increase in contract assets. As at 31 January 2024, contract assets pertaining to work performed but not billed amount to S\$3.1 million (31 January 2023: S\$2.9 million). The increase is attributed to the slower certification by main contractors for the work done.

The trade receivables turnover remains relatively stable at 104 days as at 31 January 2024 and 101 days as at 31 January 2023. The management is closely monitoring the collectability of the receivables.

Non-current liabilities

Non-current liabilities decreased by S\$0.6 million or 46.1% to S\$0.6 million as at 31 January 2024 from S\$1.2 million as at 31 January 2023. The decrease was mainly due to decrease in bank loans and lease liabilities amounting to S\$0.3 million from repayment of borrowings and lease liabilities during the year, and a reduction of S\$0.2 million in deferred tax liabilities due to the reversal of temporary differences.

Current liabilities

Current liabilities decreased by S\$0.6 million or 12.0% to S\$4.4 million as at 31 January 2024 from S\$5.0 million as at 31 January 2023. The decrease was mainly due to decrease in borrowings and lease liabilities amounting to S\$0.8 million, and decrease in income tax payable by S\$0.3 million, partially offset by the increase in trade and other payables by S\$0.5 million.

The trade payables turnover as at 31 January 2024 was 64 days as compared to 70 days as at 31 January 2023.

Cash Flow Review

During FY2024, the Group generated net cash flows from operating activities of S\$4.2 million.

Net cash flows used in investing activities was S\$0.8 million in FY2024, largely attributed to purchase of plant and equipment amounting to S\$1.4 million, partially offset by proceeds from disposal of plant and equipment amounting to S\$0.4 million, and interests received amounting to S\$0.2 million.

In FY2024, the Group made a dividend payment of S\$1.3 million, and repayments of borrowings and lease liabilities amounting to S\$1.4 million. As a result, the net cash from financing activities in FY2024 was S\$2.7 million.

Overall, the Group generated a net increase of S\$0.6 million in FY2024 and ended the period with 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 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

According to BCA, the total construction demand in 2024 is projected to be between S\$32 billion to S\$38 billion, with an expectation of steady improvement in construction demand over the medium term reaching between S\$31 billion to S\$38 billion per year from 2025 to 2028¹. Drivers of these demand include investment in infrastructures such as public and private housing, MRT lines, integrated developments, and hospitals.

However, we are also mindful that such projections are against the backdrop of ongoing geopolitical tensions and economic uncertainties. These will continue to weigh on the outlook of the industry.

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

¹Extracted from <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>

5 Dividend information

5.1 Current financial period reported on

The Board of Directors is pleased to recommend a one-tier tax exempt final dividend of S\$0.002 per ordinary share in respect of FY2024 for approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course.

Name of dividend	Final dividend
Dividend type	Cash
Dividend per ordinary shares	0.2 Singapore cent
Total dividend	S\$262,000

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

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

5.4 Book closure date

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

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

Not applicable.

7 Breakdown of the total annual dividend

	<u>Group and Company</u>	
	<u>31 January</u>	<u>31 January</u>
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Ordinary	1,310	-
Preference	-	-

A dividend of 0.2 Singapore cent per ordinary share has been recommended by the Board of Directors for approval by the shareholders in the upcoming Annual General Meeting. If approved, the total dividend for FY2024 would be S\$1,572,000.

8 Breakdown of sales and operating profits

	Group		
	Full year ended 31 January 2024	Full year ended 31 January 2023	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for:			
- First half of the year	10,722	13,861	(22.6)
- Second half of the year	13,589	12,900	5.3
Operating profits after tax:			
- First half of the year	740	913	(18.9)
- Second half of the year	776	1,083	(28.3)

9 Interested person transactions

Renewal of the general mandate for IPTs was obtained at the Annual General Meeting held on 26 May 2023.

During FY2024, the Group entered into the following IPTs:

Name of Interested Persons and nature of transactions	Aggregate value of all IPTs during FY2024 (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	-	167
Supply of construction materials to NDC	-	*_
Leasing of excavators from NDC	-	129
Receipt of demolition and excavation services from NDC	293	-

**amount is less than S\$100,000*

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.

10 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 has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

11 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to paragraph 2 of this section for the detailed review of the performance of the Group.

12 Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chan Bih Tzy	37	Niece of Executive Chairman, Chan Chew Leh and spouse of Executive Director & CEO, Tan Kok Huat	<p>Current Position: Executive Director and Chief Operating Officer.</p> <p>Appointment Date: 23 April 2021</p> <p>Duties: Design, implement, and enhance business strategies, plans and procedures across all business units.</p>	No changes during the year.

13 Disclosure on acquisition and realisation of shares pursuant to Rule 706A of the Catalist Rules

There were no acquisition or sale of shares by the Company during the six months ended 31 January 2024 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Tan Kok Huat
Executive Director and CEO
27 March 2024