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 2020 ("1H2021")

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.

The Company was incorporated in Singapore on 11 October 2018 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of "Reclaims Global Pte. Ltd.". On 23 January 2019, pursuant to the restructuring exercise (the "**Restructuring Exercise**") undertaken to rationalise the corporate structure of our Group in preparation for the IPO as disclosed in the Company's offer document dated 1 March 2019 (the "**Offer Document**"), the Company became the parent company of the Group. The Company was converted into a public limited company on 23 January 2019 and the Company's name was changed to "Reclaims Global Limited". Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purposes of this announcement, the Group's results for the 6-month financial period ended 31 July 2019 ("**1H2020**") have been prepared using the pooling-of-interest method, and the consolidated financial statements are presented as if the combination has occurred since the beginning of the earliest period presented.

Part I Information Required for Quarterly, Half-Year and Full Year Announcements

1(a)(i) Statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Unaudited 1H2021 S$'000	Unaudited 1H2020 S$'000	Increase/ (Decrease) %
Revenue	8,239	15,160	(45.7)
Interest income	4	2	100.0
Other gains	671	453	48.1
Cost of materials, services and consumables	(3,513)	(8,289)	(57.6)
Other losses	(133)	-	N.M
Finance costs	(55)	(107)	(48.6)
Depreciation expense	(1,065)	(1,162)	(8.3)
Depreciation/amortisation of right-of-use-asset	(127)	(127)	-
Employee benefits expense	(2,441)	(3,122)	(21.8)
Other expenses	(1,444)	(2,308)	(37.4)
Profit before tax from continuing operations	136	500	(72.8)
Income tax expense	(77)	(50)	54.0
Profit from continuing operations, net of tax and total comprehensive income	59	450	(86.9)
Profit, net of tax and total comprehensive income attributable to owners of the Company	59	450	(86.9)

1(a)(ii) Total comprehensive income is arrived after crediting/(charging) the following:

	Group		
	Unaudited 1H2021 S$'000	Unaudited 1H2020 S$'000	Increase/ (Decrease) %
Interest income	4	2	100.0
Interest expense	(55)	(107)	(48.6)
Depreciation of property, plant and equipment	(1,065)	(1,162)	(8.3)
Depreciation/amortisation of right-of-use asset	(127)	(127)	-
Allowance for impairment on trade receivables	(180)	-	N.M
Reversal of impairment on trade receivables	47	-	N.M
Gain on disposal of plant and equipment	23	199	(88.4)
Government grants	643	200	221.5

N.M = Not meaningful

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	Unaudited As at 31 July 2020 S$'000	Audited As at 31 January 2020 S$'000	Unaudited As at 31 July 2020 S$'000	Audited As at 31 January 2020 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	11,322	11,616	-	-
Investment in subsidiaries	-	-	15,327	15,327
Right-of-use asset	3,862	3,989	-	-
Total non-current assets	15,184	15,605	15,327	15,327
Current assets				
Inventories	54	17	-	-
Trade and other receivables	4,736	6,884	3,995	4,077
Other assets, current	3,316	5,394	73	42
Cash and cash equivalents	5,718	4,333	363	782
Total current assets	13,824	16,628	4,431	4,901
Total assets	29,008	32,233	19,758	20,228
EQUITY AND LIABILITIES				
Equity				
Share capital	19,388	19,388	19,388	19,388
Retained earnings	2,514	2,953	318	784
Total equity	21,902	22,341	19,706	20,172
Non-current liabilities				
Deferred tax liabilities	693	715	-	-
Loans and borrowings	1,934	2,351	-	-
Financial liabilities – lease liabilities, non-current	560	486	-	-
Total non-current liabilities	3,187	3,552	-	-
Current liabilities				
Income tax payable	670	609	-	-
Trade and other payables	1,745	4,393	52	56
Loans and borrowings	915	915	-	-
Financial liabilities – lease liabilities, current	589	423	-	-
Total current liabilities	3,919	6,340	52	56
Total liabilities	7,106	9,892	52	56
Total equity and liabilities	29,008	32,233	19,758	20,228

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand:

	Group			
	Unaudited As at 31 July 2020		Audited As at 31 January 2020	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Bank loans	915	-	915	-
Lease liabilities	589	-	423	-
	1,504	-	1,338	-

Amount repayable after one year:

	Group			
	Unaudited As at 31 July 2020		Audited As at 31 January 2020	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Bank loans	1,934	-	2,351	-
Lease liabilities	560	-	486	-
	2,494	-	2,837	-

Details of collaterals relating to the above borrowing(s):

Bank loans

The bank loans are relating 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.

Bank loans are covered by:
a) Corporate guarantee from the Company;
b) First legal mortgage over the leasehold Tuas Property; and
c) 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 covered by:
a) The lessors' charge over the leased assets; and
b) Corporate guarantee from the Company.

1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Unaudited 1H2021 S$'000	**Unaudited 1H2020 S$'000**
Cash flows from operating activities		
Profit before tax	136	500
Adjustments for:		
Interest income	(4)	(2)
Interest expense	55	107
Depreciation of property, plant and equipment	1,065	1,162
Depreciation/amortisation of right-of-use-asset	127	127
Gain on disposal of plant and equipment	(23)	(199)
Net effect of exchange rate changes in consolidating subsidiary	1	-
Operating cash flows before changes in working capital	1,357	1,695
Inventories	(37)	11
Trade and other receivables	2,148	135
Other assets, current	2,078	(2,340)
Trade and other payables	(2,649)	998
Net cash flows from operations	2,897	499
Income taxes paid	(38)	(313)
Net cash flows from operating activities	2,859	186
Cash flows from investing activities		
Purchase of plant and equipment	(771)	(2,002)
Proceeds from disposal of plant and equipment	23	685
Interest received	4	2
Net cash flows used in investing activities	(744)	(1,315)
Cash flows from financing activities		
Dividends paid (Note 1)	(498)	(1,200)
Interest paid	(55)	(107)
Increase in bills payable	-	240
Repayment of bills payable	-	(1,648)
Proceeds from borrowings	-	500
Repayment of borrowings	(417)	(801)
Increase in finance lease liabilities	466	860
Lease liabilities – principal portion paid	(226)	(139)
Proceeds from issuance of new shares pursuant to the IPO, net of share issue expenses capitalised	-	4,062
Net cash flows (used in)/from financing activities	(730)	1,767
Net increase in cash and cash equivalents	1,385	638
Cash and cash equivalents, beginning balance	4,008	2,138
Cash and cash equivalents, ending balance	5,393	2,776
Cash and cash equivalents comprise:		
Not restricted in use	5,393	2,776
Cash pledged for bank facility	325	-
	5,718	2,776

Note 1:

Dividend paid of S$0.5 million in 1H2021 pertains to final dividend declared by the Company for Financial Year ended 31 January 2020 (“FY2020”). Dividend paid of S$1.2 million in 1H2020 pertains to final dividend declared by the Group’s subsidiary for FY2018 approved in July 2018.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	Total equity S$'000	Share capital S$'000	Retained earnings S$'000
1H2021 (Unaudited):			
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
1H2020 (Unaudited):			
Balance at 1 February 2019	16,719	15,327	1,392
Total comprehensive income for the period	450	-	450
Initial public offering:			
- Issuance of new shares	4,370	4,370	-
- Share issue expenses capitalised	(309)	(309)	-
Balance at 31 July 2019	21,230	19,388	1,842

COMPANY	Total equity S$'000	Share capital S$'000	Retained earnings/ (Accumulated losses) S$'000
1H2021 (Unaudited):			
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
1H2020 (Unaudited):			
Balance at 1 February 2019	15,275	15,327	(52)
Total comprehensive income for the period	(48)	-	(48)
Initial public offering:			
- Issuance of new shares	4,370	4,370	-
- Share issue expenses capitalised	(309)	(309)	-
Balance at 31 July 2019	19,288	19,388	(100)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	Number of ordinary shares '000	**Share capital S$'000**
As at 31 January 2020 and 31 July 2020	131,000	19,388

There were no changes in the Company's share capital during 1H2021.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 July 2020 and 31 July 2019.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company	
	Unaudited 31 July 2020	**Audited 31 January 2020**
Total number of issued ordinary shares (excluding treasury shares)	131,000,000	131,00,000

The Company did not have any treasury shares as at 31 July 2020 and 31 January 2020.

1(d)(iv) Statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) Statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainly relating to going concern.

Not applicable. The Group's latest audited financial statements for FY2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as presented in the audited financial statements of the Group for the financial year ended 31 January 2020.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and/or revised Singapore Financial Reporting Standards (International) (the "**SFRS(I)s**") that are effective for reporting periods beginning on or after 1 February 2020. Changes to the Group's accounting policies and methods of computation, including any required by the SFRS(I)s, have been made in accordance with the transition provisions in the respective SFRS(I)s. The adoption of the new and/or revised SFRS(I)s did not result in any substantial changes or significant impact on the Group's financial statements for the current financial period reported on.

6 Earnings per ordinary share ("EPS") of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Unaudited 1H2021	Unaudited 1H2020
Profit attributable to owners of the Company (S$'000)	59	450
Weighted average number of ordinary shares ('000)	131,000	127,221
EPS (Basic and diluted) (cents)	0.05	0.35

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

7 Net asset value ("NAV") (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year

	Group		Company	
	31 July 2020	31 January 2020	31 July 2020	31 January 2020
NAV attributable to owners of the Company (S$'000)	21,902	22,341	19,706	20,172
Total number of issued shares excluding treasury shares ('000)	131,000	131,000	131,000	131,000
NAV per ordinary share (cents)	16.72	17.05	15.04	15.40

8 Review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business

(a) Significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factor

Revenue

	1H2021 S$'000	1H2020 S$'000	Increase/ (Decrease) $	Increase/ (Decrease) %
Recycling	1,071	2,203	(1,132)	(51.4)
Excavation services	3,954	8,650	(4,696)	(54.3)
Logistics and leasing	3,150	4,123	(973)	(23.6)
Others	64	184	(120)	(65.2)
Total	8,239	15,160	(6,921)	(45.7)

The Group registered a lower revenue of S$8.2 million in 1H2021 as compared to S$15.2 million in 1H2020. The substantial decrease was mainly as a result of suspension of most of the construction activities during the Circuit Breaker measures by the Singapore Government in April 2020 as well as additional Covid-19 safety measures imposed by the Singapore Government on the construction sector to mitigate the risk of any potential Covid-19 outbreak during and after the Circuit Breaker.

Other gains

Other gains increased by S$0.2 million or 48.1% from S$0.5 million in 1H2020 to S$0.7 million in 1H2021 mainly due to the grants received from the Singapore Government's Jobs Support Scheme and foreign worker levy rebate which provided wage support to employers during the period of economic uncertainty.

Cost of materials, services and consumables

Cost of materials, services and consumables decreased by S$4.8 million or 57.6% from S$8.3 million in 1H2020 to S$3.5 million in 1H2021 mainly due to decrease in the business activities, which is in tandem with the decrease in revenue.

Other losses

Other losses amounting to S$0.1 million recorded in 1H2021 pertained to allowances made for impairment on trade receivables (1H2020: NIL). The management has been monitoring the collectability of trade receivables closely in view of the current economic slowdown. Where recovery is remote, the specific trade receivables would be written-off.

Finance costs

Finance costs decreased by S$52,000 or 48.6% from S$107,000 in 1H2020 to S$55,000 in 1H2021 due to lower bank loans interest charges as a result of lower utilisation of our banking facilities during this period.

Depreciation expense

Depreciation expense for 1H2021 and 1H2020 amounted to S$1.1 million and S$1.2 million respectively. The decrease in depreciation expenses was due to decrease in additions in plant and equipment and some plant and equipment were fully depreciated during this period.

Employee benefits expense

Employee benefits expense decreased by S$0.7 million or 21.8% from S$3.1 million in 1H2020 to S$2.4 million in 1H2021 mainly due to decrease in wages and performance bonus accrued for current financial period as a result of the decrease in the business activities. To support the business operation during these tough times, the executive directors and CEO took a significant pay cut of 26.7% on average.

Other expenses

Other expenses decreased by S$0.9 million or 37.4% from S$2.3 million in 1H2020 to S$1.4 million in 1H2021. The decrease was mainly due to lower expenses incurred including rental of equipment and machineries, repair and maintenances and upkeep lorries, after our business activities has been stalled due to the Circuit Breaker and additional Covid-19 safety measures implemented. The decrease was partially offset by expenses incurred in the project with MPOB, amounting to S$0.1 million.

Profit before tax

As a result of the above, profit before tax for 1H2021 amounted to S$0.1 million compared to profit before tax for 1H2020 of S$0.5 million.

Income tax expense

Our effective tax rates for 1H2021 and 1H2020 were 56.6% and 10.0% respectively. The income tax expense was high in proportion to profit before tax for 1H2021 mainly due to non-deductible expenses such as depreciation, decrease in the capital allowances claimed and business losses recorded in the Company's foreign subsidiary.

(b) Material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Financial Position Review

Non-current assets

Non-current assets decreased by S$0.4 million or 2.7% from S$15.6 million as at 31 January 2020 to S$15.2 million as at 31 July 2020.

Property, plant and equipment decreased by S$0.3 million or 2.5% from S$11.6 million as at 31 January 2020 to S$11.3 million as at 31 July 2020. The decrease was due to addition of plant and equipment amounting to S$0.8 million during 1H2021, partially offset by depreciation expense amounting to S$1.1 million.

Right-of-use asset pertained to the land lease prepaid to Jurong Town Corporation for land parcel at 10 Tuas South Street 7 Singapore 637114. The decrease of S$0.1 million or 3.2% from S$4.0 million as at 31 January 2020 to S$3.9 million as at 31 July 2020 was due to depreciation charged during 1H2021.

Current assets

Current assets decreased by S$2.8 million or 16.9% from S$16.6 million as at 31 January 2020 to S$13.8 million as at 31 July 2020. This was due mainly to the decrease in trade and other receivables and other assets amounting to S$2.1 million and S$2.1 million respectively. These decreases were partially offset by increase in and cash and cash equivalents of S$1.4 million.

Trade receivables' turnover days was 104 as at 31 July 2020 compared to 73 as at 31 January 2020.

Other assets as at 31 July 2020 mainly comprise contract assets pertaining to work performed but not billed amounting to S$2.5 million (31 January 2020: S$4.3 million). The decrease in contract assets as at 31 July 2020 was due to the slowdown in project-based contracts after the Circuit Breaker and additional Covid-19 safety measures being implemented and in payment certification from our customers for the work performed. There was also a decrease in advance payment to suppliers by S$0.2 million in view of decreased operations.

Non-current liabilities

Non-current liabilities decreased by S$0.4 million or 10.3% from S$3.6 million as at 31 January 2020 to S$3.2 million as at 31 July 2020. The decrease was mainly due to repayment of bank loans amounting to S$0.4 million, partially offset by an increase in lease liabilities amounting to S$0.1 million.

Current liabilities

Current liabilities decreased by S$2.4 million or 38.2% from S$6.3 million as at 31 January 2020 to S$3.9 million as at 31 July 2020. The decrease was due to decrease in trade and other payables of S$2.7 million in tandem with the lower level of business activities. The decrease was partially offset by an increase in income tax payable and lease liabilities of S$0.1 million and S$0.2 million respectively.

Trade payables' turnover days was 85 as at 31 July 2020 compared to 84 as at 31 January 2020.

Cash Flow Review

During 1H2021, net cash flows from operating activities was S$2.9 million due to operating cash inflows before changes in working capital of S$1.4 million and net cash inflows from working capital changes of S$1.5 million, partially offset by income tax paid of S$0.1 million. The net cash inflows from working capital changes was mainly due to decrease in trade and other receivables and other assets amounting to S$2.1 million respectively, and partially offset by a decrease in trade and other payables of S$2.7 million. The main reason was due to lower level of business activities from 7 April 2020 until end of 1H2021.

Net cash flows used in investing activities amounting to S$0.8 million was mainly attributable to cash outflows for purchase of plant and equipment of S$0.8 million. This was partially offset by proceeds from disposal of plant and equipment of S$0.1 million.

Net cash flows used in financing activities amounting to S$0.7 million was mainly due to dividends paid amounting to S$0.5 million, repayment of bank borrowings, lease liabilities and interest of S$0.4 million, S$0.2 million and S$0.1 million respectively. These outflows were partially offset by increase in lease liabilities amounting to S$0.5 million. The final dividend was approved in the Company last Annual General Meeting for financial year ended 31 January 2020.

As a result of the above, there was a net increase of S$1.4 million in cash and cash equivalents during 1H2021. Cash and cash equivalents as at 31 July 2020 stood at S$5.4 million after deducted S$0.3 million of restricted cash pledged for bank facility.

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

The Group's results for 1H2021 are generally in line with the Company's business update announcement dated 6 May 2020.

10 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

Public sector projects

The implementation of Circuit Breaker measures in April 2020 as well as additional Covid-19 safety measures imposed by the Singapore Government on the construction sector to mitigate the risk of any potential Covid-19 outbreak during and after the Circuit Breaker have severely impacted the Group's business. The suspension of most of the construction projects during the Circuit Breaker have caused disruption in the projects supply chain. Even after the lifting of the Circuit Breaker, the pace of resumption of construction activities remain slow due to inefficiencies arising from the compliance with Covid-19 safety measures and shortage of manpower.

With the gradual easing of restrictions in relation to Covid-19 outbreak in second half of 2020, the Group is cautiously optimistic that the Group's operations would continue to resume progressively.

Recycled product range

Refer to the Company's announcement dated 6 May 2020, the project with Malaysia Palm Oil Board ("**MPOB**") has been delayed due to (i) the plan of importing the pre-factory machineries from China has been delayed from end April 2020 to end May 2020 due to disruption and delays in freight services; and (ii) the pilot pre-factory setup as part of the Phase 1 project is temporarily put on hold after Malaysia Government has implemented its Movement Control Order ("**MCO**").

The project resumed after the Malaysia Government announced the fourth extension of the MCO, with loosening restrictions under the conditional MCO. The pre-factory machineries had been set-up and the pilot pre-factory renovation has completed. The machineries are currently under commissioning and the Phase 1 project is expected to be completed in 4th quarter of 2020.

In view of the challenging economic outlook, the Group will remain operationally and financially prudent to conserve resources to prepare for the post pandemic recovery and impending economic recession. The Group will focus on reducing operational expenditure, managing working capital and ensuring liquidity. Against the challenging backdrop, the Company will stay vigilant and continue to adjust its measure and strategies as the Covid-19 situation evolve.

11 Dividend

(a) Dividend declared for the current financial period

No dividend has been declared for 1H2021.

(b) Dividend declared for the previous corresponding period of the immediately preceding financial year

Not applicable.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

12 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 1H2021. Having regard to the marginal profit for the 1H2021 and given the current uncertain economic climate, the Board of Directors deems it appropriate to conserve adequate resources for the Group's business activities.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

Renewal of the general mandate for IPTs was obtained at the Annual General Meeting held on 12 June 2020.

In 1H2021, the Group entered into the following IPTs:

Name of Interested Persons and nature of transactions	Aggregate value of all IPTs during 1H2021 (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	-	355

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.

14 Negative confirmation 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 interim financial statements for 1H2021 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured the 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.

16 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 and 31 March 2020 ("**Announcements**") and in its annual reports for FY2019 and FY2020 released on 15 May 2019 and 27 May 2019 respectively ("**Annual Reports**"). Please refer to the Announcements and Annual Reports for further details.

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 Announce-ments / Annual Reports S$'000	Amount utilised post Announce-ments / Annual Reports S$'000	Amount unutilised as at date of this announcement S$'000
Expansion of operational capacity	600	-	(600)	-	-
Expansion of recycled product range	500	-	(203)	(53)	244
Expansion through acquisition, joint ventures and/or strategic alliances	300	(300)	-	-	-
General working capital purposes	1,363	552	(1,615)	-	300
Net proceeds	2,763	252	(2,418)	(53)	544
Share issue and listing expenses	1,607	(252)	(1,355)	-	-
Gross Proceeds	4,370	-	(3,773)	(53)	544

As disclosed in the Company's announcement dated 3 March 2020, the Group has entered into a Memorandum of Agreement ("**MOA**") dated 28 February 2020 with MPOB to plan and execute the production of strandboard from empty fruit bunch fibre, which is part of the Group strategy to expand its recycled product range. Subsequent to the released of the Announcements and the Annual Reports, the Group has further utilised S$53,000 from the Gross Proceeds to finance the Phase 1 pilot pre-factory setup costs (including the factory renovation, machineries set-up, intellectual property rights filing fees, and manpower costs). Provisional application on the intellectual property of the technology process and the patent of the strandboard have been filed in Malaysia.

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. The Company will continue to make periodic announcements via SGXNET on the utilisation of the remaining proceeds as and when such balance of the proceeds is materially disbursed, and will also provide a status report on the use of proceeds in the annual reports of the Company.

BY ORDER OF THE BOARD

Andrew Dekguang Jhou Chew
Executive Director and CEO

11 September 2020