



RECLAIMS GLOBAL LIMITED



HARNESSING DIVERSITY **BUILDING RESILIENCE**

ANNUAL REPORT 2023

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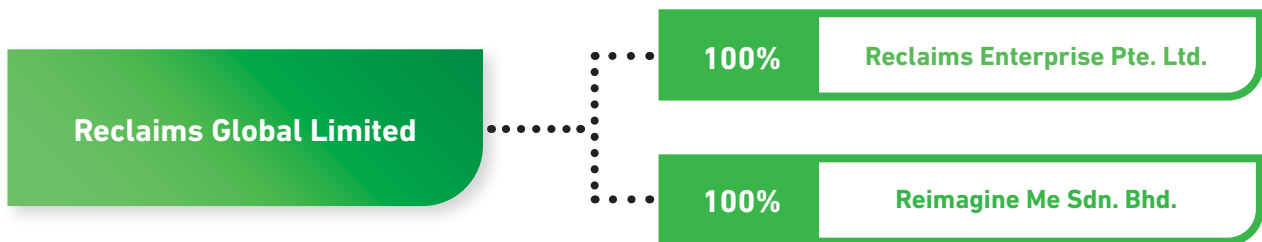
PROXY FORM



CORPORATE PROFILE

Reclaims Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is an eco-friendly integrated service provider which serves the construction industry of Singapore. The Group specialises in the recycling of construction and demolition (“**C&D**”) waste, customisation of excavation solutions and operating fleet management.

GROUP STRUCTURE



Established in 2009 by our Executive Directors, Mr Chan Chew Leh and Mr Tan Kok Huat, the Group’s business is organised into three main business segments as follows:

RECYCLING



Our recycling segment focuses on the reclaiming and recycling of C&D waste for sale as recycled building materials to our customers. The key recycled products are the recycled concrete aggregates (“**RCA**”), such as recycled graded stone, recycled quarry dust and 20-mm recycled aggregate. These RCA are typically used for foundations and roads and the production of ready-mixed concrete.

EXCAVATION SERVICES



Our excavation services include earth moving, mass excavation, deep basement excavation, foundation, pile cap excavation and reshaping of land. Our customers from this business segment comprise mainly contractors who are involved in public sector projects and works, for example, those who are involved in projects relating to civil infrastructures.

LOGISTICS AND LEASING



Our logistics and leasing segment provides material transportation and disposal services using our fleet of tipper trucks. From time to time, we lease our machinery and equipment such as excavators, articulated dump trucks, mobile jaw crushers, tipper trucks and mobile screeners to our customers.

The Group maintains a sizeable fleet of tipper trucks and other construction and recycling equipment and has a wide network of vendors, such as transport companies, building material suppliers and diesel suppliers. Leveraging on these resources, the Group has over the years built an established reputation and a proven track record for effective execution and timely delivery of services of different nature and scales.



MESSAGE TO SHAREHOLDERS

We will continue to remain focused on our operations in Singapore while cautiously assessing any potential investment opportunities to diversify our businesses, so as to become more resilient in the uncertainties ahead.





MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Reclaims Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), I am pleased to present to you our annual report for the financial year ended 31 January 2023 (“**FY2023**”).

OUTLOOK

FY2023 has been another challenging year even as the COVID-19 pandemic stabilised in major parts of the world. In the earlier part of FY2023, the war between Ukraine and Russia had resulted in spikes in energy prices and supply chain shocks. These subsequently contributed to the inflationary pressures around the major economies, which eventually led to the rapid rising of interest rates by most central banks to keep inflation under control. Uncertainties and expectation of an impending recession weighs heavily on the outlook of the global economy.

The Singapore economy, despite being heavily reliant on global trades has proven to be relatively resilient against the backdrop of geopolitical tensions and increasing protectionist trends. For the whole of 2022, the Singapore economy grew by 3.6%, moderating from the 8.9% growth in 2021. According to the Ministry of Trade and Industry, the GDP growth forecast for 2023 is between 0.5% to 2.5%⁽¹⁾.

The Group will continue to remain focused on our operations in Singapore while cautiously assessing the need for additional investments in our existing businesses or potential investments opportunities to diversify our businesses so as to become more resilient in the uncertainties ahead.

GROUP REVENUE AND PROFITABILITY

In FY2023, the Group registered a revenue of S\$26.8 million, a 26.7% decrease from the prior year ended 31 January 2022 (“**FY2022**”). This was mainly due to the pent-up demand after the easing of the COVID-19 lockdowns and stoppages in FY2022, which had dampened in FY2023. Nevertheless, the revenue for FY2023 has demonstrated a healthy recovery towards pre-COVID-19 revenue levels.

Net profit for FY2023 amounted to S\$2.0 million as compared to S\$4.9 million for FY2022. The prior year was an exceptional one as the pent-up demand translated to profits. FY2023 profit level translated to a 7.5% net profit margin which is a healthy recovery towards pre-COVID-19 profitability levels.

DIVIDEND

Given the uncertainties in the business landscape ahead, 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, and have not declared or recommended dividends for FY2023.

APPRECIATION

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

CHAN CHEW LEH
EXECUTIVE CHAIRMAN

¹ Extracted from Ministry of Trade and Industry Press Release on 13 February 2023 (https://www.mti.gov.sg/Newsroom/Press-Releases/2023/02/MTI-Maintains-2023-GDP-Growth-Forecast-at-0_5-to-2_5-Per-Cent)



BOARD OF DIRECTORS



CHAN CHEW LEH

Executive Chairman

Date of first appointment as Director: 11 October 2018

Date of last re-appointment as Director: 28 May 2021

Present directorships in other listed companies: Nil

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

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Mr Chan Chew Leh was appointed as our Executive Chairman on 11 October 2018 and is responsible for spearheading our corporate direction. Mr Chan has worked in the construction industry since the 1970s and has accumulated vast amount of experience. His commitment to pursue excellence has been his driving force all these years. He founded Reclaims Enterprise Pte. Ltd. with our Executive Director and Chief Executive Officer, Mr Tan Kok Huat, in 2009 and has been instrumental in leading our Group to be an established player in the industry.



TAN KOK HUAT

Executive Director and
Chief Executive Officer ("CEO")

Date of first appointment as Director: 11 October 2018

Date of last re-appointment as Director: 12 June 2020

Present directorships in other listed companies: Nil

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

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Mr Tan Kok Huat was appointed as our Executive Director on 11 October 2018 and subsequently re-designated as our Executive Director and CEO with effect from 4 September 2021. He is responsible for charting the Group's business strategies and the future growth of the Group and overseeing the execution of our projects. Mr Tan has worked in the construction industry since late 1990. His passion for the works he does has enabled him to deliver quality services consistently over the years. He founded Reclaims Enterprise Pte. Ltd. with our Executive Chairman, Mr Chan Chew Leh, and has been pivotal in driving the growth of the Group to be an established player in the industry.



BOARD OF DIRECTORS



CHAN BIH TZY
Executive Director and
Chief Operating Officer (“COO”)

Date of first appointment as Director: 23 April 2021
Date of last re-appointment as Director: 28 May 2021
Present directorships in other listed companies: Nil
Past directorships in other listed companies (Preceding 5 years): Nil

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Ms Chan Bih Tzy was appointed as the Executive Director and COO on 23 April 2021 and is responsible for designing, implementing and enhancing the business strategies, plans and procedures across all our Group’s business units. She joined our Group in January 2013. In February 2018, she was appointed as our General Manager where she was responsible for our Group’s planning and coordination of the operations, administration and human resource departments and restructured the work process of various departments which has resulted in higher efficiency and productivity. Prior to joining the Group, she was employed in the food and beverage and retail industries and was responsible for various functions, such as business planning and staff training and development. Ms Chan graduated with an Honours Degree of Bachelor of Science (Management) from National University of Ireland, Dublin in 2012. She obtained a Specialist Diploma in Construction Management issued by the Building and Construction Authority in 2016.



JONG VOON HOO
Lead Independent Director

Date of first appointment as Director: 24 January 2019
Date of last re-appointment as Director: 28 May 2021
Present directorships in other listed companies:
SingAsia Holdings Limited (HKSE)
Snack Empire Holdings Limited (HKSE)
Nam Lee Pressed Metal Industries Limited (SGX)
Past directorships in other listed companies (Preceding 5 years): Sheng Siong Group Ltd. (SGX)

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Mr Jong Voon Hoo was appointed as our Lead Independent Director on 24 January 2019. Mr Jong is the chief executive officer and an executive director of Global Invest & Advisory Pte. Ltd., which provides investment consultancy and advisory services. He started his career as an auditor with Arthur Andersen in 1996. Subsequently, he joined Ernst & Young as an audit manager and Deloitte & Touche as a senior manager. In 2004, he joined Green Build Technology Limited (formerly known as Youyue International Limited) as its chief financial officer where he was responsible for overseeing the group’s accounting and finance matters. Mr Jong graduated with a Bachelor of Accountancy degree from Nanyang Technological University in 1996. He is a Chartered Accountant of Singapore.



BOARD OF DIRECTORS



CHANG CHI HSUNG

Independent Director

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 27 May 2022

Present directorships in other listed companies:

Haina Intelligent Equipment International Holdings Limited (HKSE)

Rich Capital Holdings Limited (SGX)

Past directorships in other listed companies (Preceding 5 years): Alpha DX Group Limited (SGX)

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Mr Chang Chi Hsung was appointed to the Board on 24 January 2019. He is the Managing Director of OA group of companies, a group of professional service firms providing audit, accounting, corporate secretarial, valuation, tax and business advisory services. He has over 20 years of professional experience in providing audit, accounting and business advisory services. Prior to founding the OA group of companies, he worked in KPMG Malaysia, KPMG Singapore and Mazars Singapore where he gathered his experience in audit and accounting advisory.

He graduated with a Bachelor of Commerce degree in Accounting and Finance from The University of New South Wales, Australia, in 2001. He is a Fellow Chartered Accountant of Singapore, Fellow of CPA Australia, a Chartered Accountant of Malaysia, and a CPA of Hong Kong Institute of CPA. Mr Chang is also qualified as an ASEAN Chartered Professional Accountant. Mr Chang has been a member of the Singapore Institute of Directors since 2017 and a member of Charity Accounting Committee of the Institute of Singapore Chartered Accountants.

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 27 May 2022

Present directorships in other listed companies: Nil

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

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Ms Lim Hui Chee was appointed as our Independent Director on 24 January 2019. Ms Lim is currently the chief financial officer of National Dental Centre of Singapore and was previously a non-executive board member of Samaritans of Singapore, a non-profit organisation. She has more than 20 years of experience in accounting and audit. During her tenures in various listed and non-listed companies in Singapore, she oversaw various finance and accounting functions and was involved in various corporate transactions. In November 2010, she was appointed the group chief financial officer of Equation Corp Limited (now known as DISA Limited). Between August 2016 and February 2018, she was the chief financial officer of Octopus Group Holdings Pte. Ltd.. Ms Lim is a Fellow Chartered Accountant of Singapore and a Fellow of The Association of Chartered Certified Accountants. She obtained her Master of Applied Finance degree from Macquarie University in 2004.



LIM HUI CHEE

Independent Director



BOARD OF DIRECTORS



TAN HEOK PING JOSHUA
Independent Director

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 27 May 2022

Present directorships in other listed companies: Nil

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

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Mr Joshua Tan was appointed as our Independent Director on 24 January 2019. Mr Tan is currently the managing director of JT Legal LLC in Singapore, a law firm specialising in capital markets, mergers and acquisitions, corporate and commercial practices. He has more than 20 years of experience in legal practice and focuses on corporate finance transactions, including mergers and acquisitions, rights and warrant issues as well as advised on securities regulations. Mr Tan graduated with a Bachelor of Arts degree (Honours) in Law and Management Science from University of Keele in 1995 and obtained a Master of Laws degree from University of London, King's College London in 1998. He is an advocate and solicitor of the Supreme Court of Singapore, a solicitor of the Supreme Court of England & Wales as well as a barrister-at-law of the Middle Temple, United Kingdom. He is a member of the Singapore Institute of Directors and the Singapore Academy of Law.



EXECUTIVE OFFICER



Mr Toh Yang Wee joined us as our Financial Controller in July 2021. He is in charge of our Group's financial and corporate affairs, including financial reporting, tax, treasury, internal controls, corporate governance and corporate secretarial matters. He started his career as an auditor with Ernst & Young in 2009 and has more than 10 years of experience in accounting and audit. Prior to joining the Group, he held several managerial positions in both listed and non-listed companies in Singapore where he oversaw various finance and accounting functions. Mr Toh graduated with a Bachelor of Accountancy degree from Nanyang Technological University in 2006. He is a Chartered Accountant of Singapore, and an Associate Chartered Valuer & Appraiser.

TOH YANG WEE

Financial Controller and
Company Secretary



FINANCIAL HIGHLIGHTS

FOR THE REPORTING YEAR	FY2023 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Revenue by segment:				
Recycling	8,940	8,032	4,440	4,511
Excavation services	10,752	13,277	11,176	19,668
Logistics and leasing	6,917	15,048	8,970	9,717
Others	152	127	136	317
Total revenue	26,761	36,484	24,722	34,213
Percentage of total revenue:				
Recycling	33.4%	22.0%	18.0%	13.2%
Excavation services	40.2%	36.4%	45.2%	57.5%
Logistics and leasing	25.8%	41.2%	36.3%	28.4%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,387	8,393	5,169	4,786
EBITDA margin	16.4%	23.0%	20.9%	14.0%
Profit before income tax (PBIT)	2,425	6,266	2,701	2,092
PBIT margin	9.1%	17.2%	10.9%	6.1%
Net profit	1,996	4,858	2,170	1,561
Net profit margin	7.5%	13.3%	8.8%	4.6%
AT END OF THE REPORTING YEAR				
Non-current assets	14,434	12,982	14,110	15,605
Current assets	21,292	21,397	19,922	16,628
Total assets	35,726	34,379	34,032	32,233
Non-current liabilities	1,194	1,138	3,146	3,552
Current liabilities	4,972	5,678	6,874	6,340
Total liabilities	6,166	6,816	10,020	9,892
Total debt	1,663	662	4,237	4,175
Cash and cash equivalents	9,880	11,064	7,975	4,333
Net (cash)/debt	(8,217)	(10,402)	(3,738)	(158)
Shareholders' equity	29,560	27,563	24,012	22,341
Weighted average number of ordinary shares ('000) – Basic and diluted	131,000	131,000	131,000	129,126
FINANCIAL RATIOS				
Profitability				
Revenue growth	(26.7%)	47.6%	(27.7%)	8.3%
Net profit growth	(58.9%)	123.9%	39.0%	(46.4%)
Return on assets (Net profit/Total assets)	5.6%	14.1%	6.4%	4.8%
Return on equity (Net profit/Shareholders' equity)	6.8%	17.6%	9.0%	7.0%
Liquidity				
Current ratio (Times)	4.3	3.8	2.9	2.6
Net assets per share (cents)	22.6	21.0	18.3	17.1
Leverage				
Net debt to equity ratio (Times) (Net debt/Shareholders' equity)	(0.3)	(0.4)	(0.2)	(0.0)
Interest cover (Times) (EBITDA/Finance costs)	121.9	90.2	46.2	25.2
Investors' Ratio				
Earnings per share (cents) (Basic and diluted)	1.5	3.7	1.7	1.2



FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME	FY2023 S\$'000	FY2022 S\$'000	Change S\$'000	Change %
Revenue	26,761	36,484	(9,723)	(26.7)
Interest income	44	1	43	N.M.
Other income and gains	399	832	(433)	(52.0)
Cost of materials, services and consumables	(12,874)	(17,760)	4,886	(27.5)
Other losses	(356)	–	(356)	N.M.
Finance costs	(36)	(93)	57	(61.3)
Depreciation expense	(1,717)	(1,782)	65	(3.6)
Depreciation of right-of-use-asset	(253)	(253)	–	–
Employee benefits expense	(6,264)	(7,229)	965	(13.3)
Other expenses	(3,279)	(3,934)	655	(16.6)
Profit before tax from operations	2,425	6,266	(3,841)	(61.3)
Income tax expense	(429)	(1,408)	979	(69.5)
Profit from operations, net of tax	1,996	4,858	(2,862)	(58.9)
Exchange differences on translating foreign operations, net of tax	1	3	(2)	(66.7)
Total comprehensive income attributable to owners of the Company	1,997	4,861	(2,864)	(58.9)

N.M. - Not meaningful

REVENUE

Revenue decreased by S\$9.7 million or 26.7% to S\$26.8 million in FY2023 as compared to S\$36.5 million in FY2022. The decrease is largely driven by a decrease in revenue from logistics and leasing, and excavation services. This was mainly due to the pent-up demand for such services subsequent to the easing of the COVID-19 lockdowns and stoppages in FY2022, which had dampened in FY2023. Nevertheless, the revenue for FY2023 had demonstrated a healthy recovery towards pre-COVID-19 revenue levels.

OTHER GAINS

Other gains decreased by S\$0.4 million or 52.0% from S\$0.8 million in FY2022 to S\$0.4 million in FY2023. The decrease was mainly due to the decrease of S\$0.3 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\$4.9 million or 27.5% from S\$17.8 million in FY2022 to S\$12.9 million in FY2023 which is in line with the decrease in revenue. The cost of materials, services and consumables was 48.1% of revenue in FY2023 which was slightly lower than the 48.7% in FY2022. The slight improvement can be attributed to more emphasis being placed on improving the quality of earnings against the backdrop of rising operating costs.

OTHER LOSSES

Other losses amounted to S\$0.4 million. Of which, S\$0.3 million relates to provision for doubtful debts made in the second half of FY2023 while the remaining S\$0.1 million relates to fair value loss on financial instrument recognised in FY2023. There were no such expenses in FY2022. The fair value loss on the underlying fund investment can be attributed to exposures from geopolitical tensions, rising interest rates and volatile energy prices.

FINANCE COSTS

Finance costs decreased by 61.3% to S\$36,000 in FY2023 from S\$93,000 in FY2022. This is attributed to the refinancing of the existing property loan at a more favourable rate during FY2023. The Group maintained its net cash position and the management will continue to exercise prudence in its capital management.

DEPRECIATION EXPENSE

Depreciation expenses for property, plant and equipment and right-of-use assets for FY2023 and FY2022 remained stable at S\$2.0 million.

EMPLOYEE BENEFITS EXPENSE

Employee benefits expense decreased by S\$0.9 million or 13.3% from S\$7.2 million in FY2022 to S\$6.3 million in FY2023. 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.



FINANCIAL REVIEW

OTHER EXPENSES

Other expenses decreased by S\$0.6 million or 16.7% to S\$3.3 million in FY2023 from S\$3.9 million in FY2022 mainly due to a decrease in rental of equipment and machineries, and upkeep of motor vehicles amounting to S\$0.3 million in FY2023, and the absence of a one-off asset write-off amounting to S\$0.1 million in FY2022.

INCOME TAX EXPENSE

The Group's effective tax rates for FY2023 and FY2022 were 17.7% and 22.5% respectively. The effective tax rate was lower in FY2023 mainly due to reversal of temporary differences in deferred tax.

PROFIT BEFORE TAX

As a result of the above, profit before tax for FY2023 amounted to S\$2.4 million compared to profit before tax for FY2022 of S\$6.3 million.

STATEMENT OF FINANCIAL POSITION	As at 31 January 2023 S\$'000	As at 31 January 2022 S\$'000	Change S\$'000	Change %
Non-current assets				
Property, plant and equipment	10,264	9,499	765	8.1
Right-of-use assets	3,230	3,483	(253)	(7.3)
Investment in financial instruments at FVTPL	940	–	940	N.M.
Total non-current assets	14,434	12,982	1,452	11.2
Current assets				
Inventories	20	59	(39)	(66.1)
Trade and other receivables	7,444	7,462	(18)	(0.2)
Other assets	3,948	2,812	1,136	40.4
Cash and cash equivalents	9,880	11,064	(1,184)	(10.7)
Total current assets	21,292	21,397	(105)	(0.5)
Total assets	35,726	34,379	1,347	3.9
Equity				
Share capital	19,388	19,388	–	–
Retained earnings	10,169	8,173	1,996	24.4
Other reserves	3	2	1	50.0
Total equity	29,560	27,563	1,997	7.2
Non-current liabilities				
Deferred tax liabilities	824	874	(50)	(5.7)
Loans and borrowings	285	–	285	N.M.
Lease liabilities	85	264	(179)	(67.8)
Total non-current liabilities	1,194	1,138	56	4.9
Current liabilities				
Income tax payable	451	1,170	(719)	(61.5)
Loans and borrowings	856	–	856	N.M.
Lease liabilities	437	398	39	9.8
Trade and other payables	3,228	4,110	(882)	(21.5)
Total current liabilities	4,972	5,678	(706)	(12.4)
Total liabilities	6,166	6,816	(650)	(9.5)
Total equity and liabilities	35,726	34,379	1,347	3.9

N.M. - Not meaningful



FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets increased by S\$1.5 million or 11.2% to S\$14.4 million as at 31 January 2023 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\$0.8 million and net investment in financial instruments of S\$0.9 million, partially offset by depreciation of right-of-use assets amounting to S\$0.2 million.

CURRENT ASSETS

Current assets decreased by S\$0.1 million or 0.5% to S\$21.3 million as at 31 January 2023 from S\$21.4 million as at 31 January 2022. The decrease was mainly due to the decrease in cash and cash equivalents by S\$1.2 million, partially offset by increase in other assets by S\$1.1 million.

Other assets as at 31 January 2023 comprise of mainly contract assets pertaining to work performed but not billed amounting to S\$2.9 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 January 2023 was 101 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\$0.1 million or 4.9% to S\$1.2 million as at 31 January 2023 from S\$1.1 million as at 31 January 2022. The increase was mainly due to increase in bank loans amounting to S\$0.3 million from drawdowns of bank loans during the year, partially offset by a decrease in lease liabilities of S\$0.2 million from repayments of lease liabilities during the year.

CURRENT LIABILITIES

Current liabilities decreased by S\$0.7 million or 12.4% to S\$5.0 million as at 31 January 2023 from S\$5.7 million as at 31 January 2022. The decrease was mainly due to decrease in trade and other payables of S\$0.9 million in line with the decrease in cost of materials, and income tax payable of S\$0.7 million, partially offset by the drawdown of bank loans amounting to S\$0.9 million in FY2023.

The trade payables turnover as at 31 January 2023 was 70 days as compared to 57 days as at 31 January 2022.

PROPERTY HELD BY THE GROUP

Address	10 Tuas South Street 7 Singapore 637114
Description	Part single-storey/part 4-storey industrial building
Purpose	Corporate headquarters
Expiry of land tenure	7 November 2035
Land area	54,330 sf (5,047.4 sqm)
Gross floor area	43,465 sf (4,037.96 sqm)
Purchase cost (S\$'000)	5,494
Development costs (S\$'000)	5,108
Book value (S\$'000) as at 31 January 2023	6,635





CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAN CHEW LEH
Executive Chairman

TAN KOK HUAT
Executive Director and CEO

CHAN BIH TZY
Executive Director and COO

JONG VOON HOO
Lead Independent Director

CHANG CHI HSUNG
Independent Director

TAN HEOK PING JOSHUA
Independent Director

LIM HUI CHEE
Independent Director

AUDIT COMMITTEE

JONG VOON HOO (*Chairperson*)
CHANG CHI HSUNG
LIM HUI CHEE

NOMINATING COMMITTEE

LIM HUI CHEE (*Chairperson*)
JONG VOON HOO
TAN HEOK PING JOSHUA

REMUNERATION COMMITTEE

TAN HEOK PING JOSHUA (*Chairperson*)
JONG VOON HOO
CHANG CHI HSUNG

COMPANY SECRETARIES

TOH YANG WEE, CA (*Singapore*)
WONG YOEN HAR, ACIS (*Singapore*)

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

10 Tuas South Street 7
Singapore 637114

SHARE REGISTRAR

BOARDROOM CORPORATE &
ADVISORY SERVICES PTE. LTD.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

DATE OF INCORPORATION

11 October 2018

DATE OF LISTING

11 March 2019

REGISTRATION NUMBER

201834755M

SPONSOR

SAC CAPITAL PRIVATE LIMITED
1 Robinson Road #21-00
AIA Tower
Singapore 048542

INDEPENDENT AUDITOR

RSM CHIO LIM LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095
Partner-in-charge: Lock Chee Wee
(since financial year ended
31 January 2021)

INTERNAL AUDITOR

NLA RISK CONSULTING PTE LTD
143 Cecil Street #17-03
GB Building
Singapore 069542

PRINCIPAL BANKER

OVERSEA-CHINESE BANKING
CORPORATION LIMITED

DBS BANK LTD





SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT



BOARD STATEMENT

The Board of Directors (the “**Board**” or the “**Directors**”) of Reclaims Global Limited (the “**Company**”, and together with the subsidiaries, the “**Group**” or “**Reclaims**”) is pleased to present the Group’s fifth annual sustainability report for the financial year ended 31 January 2023 (“**FY2023**”).

As the Group recovers from the COVID-19 pandemic, the Board wishes to reiterate our unwavering commitment to the Group’s sustainability goals. The pandemic has served as a powerful reminder of the importance of being sustainable and adaptable in our business practices, and we seek to constantly keep our business strategy aligned with our sustainability goals and targets.

We recognise that it is our responsibility to holistically integrate sustainability into our corporate strategy, including managing Economic, Environmental, Social, and Governance (“**EESG**”) risks, obligations, and opportunities. The Board directs management and employees to evaluate key EESG factors relevant to the Group’s core operations in collaboration with stakeholders. Sustainability and accountability to stakeholders are at the core of our daily business decisions as we evolve and progress as a Group. We aim to drive our operations towards positive contributions to both stakeholders and our business as we work towards sustainable business practices.

In order to realign our business objectives with being an environmentally conscious corporate citizen, the Group has embarked on implementing and disclosing our climate footprint in line with the Taskforce for Climate-related Financial Disclosures (“**TCFD**”) recommendations, and this also lays out a roadmap for our climate action over the coming years.

Finally, as we move towards the Group’s next phase of growth, we continue to be grateful and appreciative of our customers, business partners, and other stakeholders for their unwavering support.

Sincerely,
Board of Directors
Reclaims Global Limited



SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reclaims Global Limited is pleased to present the fifth edition of our annual sustainability report for the financial year ended 31 January 2023 (“**FY2023**”).

This report covers the Group’s sustainability strategy, initiatives and performance for the EESG issues that we have determined to be of greatest importance to our business and our stakeholders. In addition to providing an update on the Group’s sustainability initiatives across our key business units and operations, we have also shared our goals and targets for the forthcoming year (“**FY2024**”), where applicable.

This report has been prepared in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and in accordance with the updated Global Reporting Initiative (“**GRI**”) Standards. We are committed to upholding internationally accepted labour and human rights principles. We have selected the GRI Standards as our reporting framework because they align with our business and sustainability concerns, and their principles and reporting requirements are relevant to our operations.

The Group falls within the TCFD-identified ‘Materials and Buildings’ industry, and we are committed to achieving full disclosure of our climate-related risks and opportunities in our annual reporting by FY2025, in compliance with SGX-ST’s enhanced sustainability reporting requirements.

All EESG data has been reported in good faith and to the best of our knowledge. We have not sought external assurance for the report, and monitoring and verification of data disclosed performed internally. We have conducted an internal review of our sustainability reporting process in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

This report forms part of our Annual Report for FY2023 (“**Annual Report 2023**”) and is available on the SGXNET and our website.

The Group welcomes feedback from stakeholders on this report as this will enable us to improve our policies, practices, and performance. For enquires or suggestions, please contact us at sustainability@reclaims.sg.





SUSTAINABILITY REPORT

CORPORATE PROFILE

Headquartered in Singapore, the Company was listed on the Catalist Board of SGX-ST on 11 March 2019.

As an eco-friendly integrated service provider in the construction industry, the Group specialises in the recycling of construction and demolition waste, customisation of excavation solutions, and operating fleet management.

Key Business Activities

Our business consists of the following three main business segments:



1. Recycling

Through on-site mobile recycling, we reclaim and recycle natural and urban resources which are sold as economic resources to our customers or used for our projects. As part of our recycling activities, we may, from time to time provide reinstatement works, demolition works, backfilling, compaction and turfing, and disposal of construction and demolition waste to fulfil the requirements of project or landowners. Our recycled products are environmentally friendly and may be used for many purposes, including use as base materials for foundations and roads.



Recycled Graded Stone



20-mm Recycled Aggregate



Recycled Quarry Dust

2. Excavation Services

Our excavation services are usually provided at the initial stage of a construction project. Our comprehensive excavation services may include earth moving, mass excavation, deep basement excavation, foundation, and pile cap excavation. Further to excavation works, we also reshape the land according to the main contractors' requirements before handing it back for subsequent construction works. With the support of our fleet of excavators, tipper trucks, articulated dump trucks and other machinery, we are able to provide customised and integrated excavation solutions to meet the construction needs and schedules of our customers.



3. Logistics & Leasing

Our ability to plan, control and implement effective movement and storage of materials has played a crucial role in supporting our excavation services and recycling activities seamlessly. With the target of maximising the utilisation of all our machinery and equipment, during periods of project transitions or when there is a demand for such services, we lease our machinery and equipment such as our excavators, articulated dump trucks, mobile jaw crushers and mobile screeners.





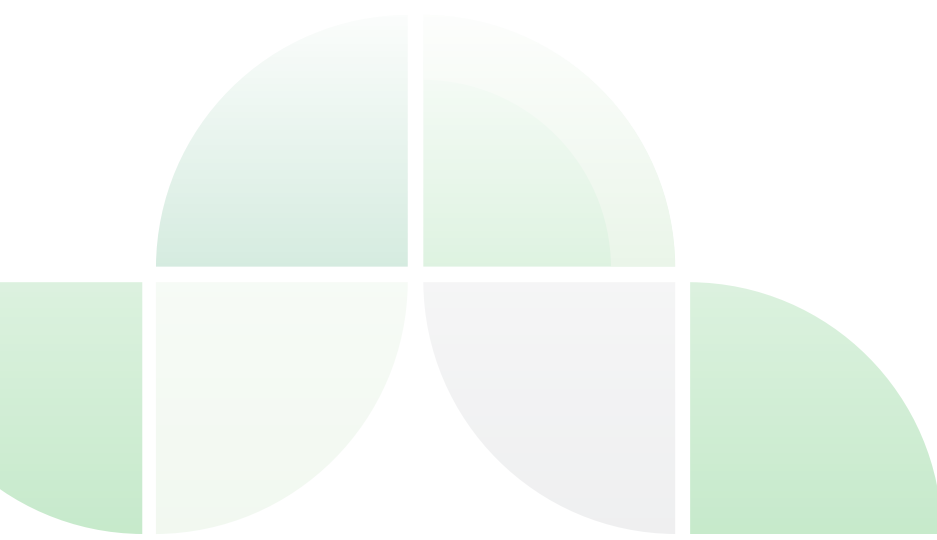
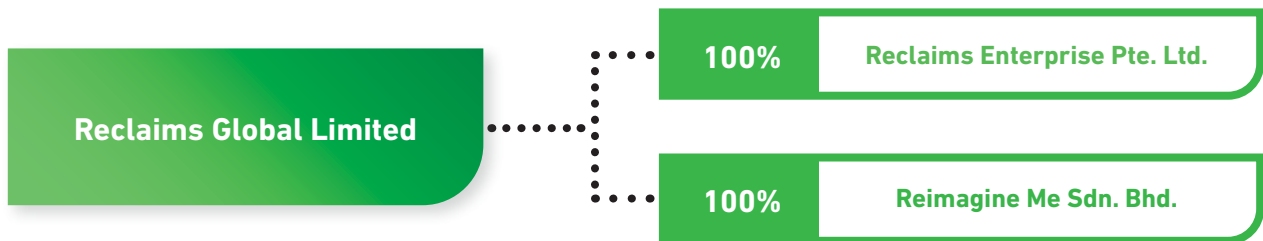
SUSTAINABILITY REPORT

Our Vision and Mission

With a vision to be a holistic, eco-friendly integrated service provider in the construction industry, our mission statement is as follows:



Our Group Structure





SUSTAINABILITY REPORT

Supply Chain Management

We recognise the importance of maintaining a sustainable supply chain, by working closely with our suppliers and customers to identify critical issues and manage the construction industry's social and environmental impacts.

Reclaims' supply chain generally begins with (i) planning & managing our resources, (ii) sourcing for the suppliers and managing supplier relationships, (iii) producing the products or services by coordinating the activities required, (iv) delivering the products or services by carefully monitoring the scheduling, dispatching, notifying the relevant parties, (v) settlement of outstanding issues with products or services, while monitoring closely the relevant payments and refunds.

We use a set of objective criteria – Competitive Pricing, Product Quality, Expertise, and Proven Track Record – to shortlist and retain suppliers. We periodically review and update our approved vendor list and evaluate suppliers based on the criteria to ensure they provide high-quality products or services that meet our needs. We prioritise maintaining a collaborative relationship with our suppliers, and we keep track of the status of all orders to minimise disruptions to our operations.

Membership of Associations and Certificates

The Company's wholly owned subsidiary, Reclaims Enterprise Pte Ltd ("**Reclaims Enterprise**"), is a member of Waste Management & Recycling Association of Singapore.

The Group has also obtained various ISO and bizSAFE certificates, as detailed in subsequent sections on "Customer Service Excellence" and "Occupational Health and Safety" within this sustainability report. For more information, please refer to our website at <https://www.reclaims-enterprise.com/>.

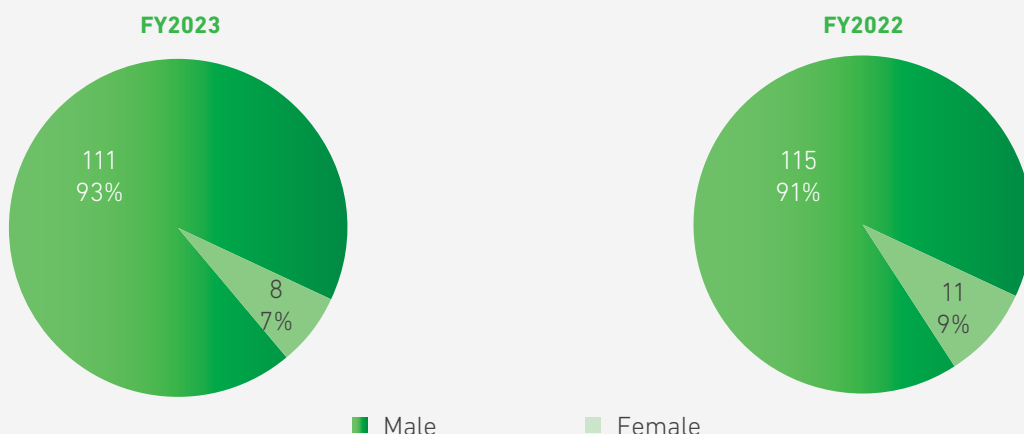
Our People

In recognition of how our workforce is made up of individuals with diverse cultural and personal backgrounds, we consistently promote values of mutual respect, fairness, and equality among all our employees.

In full adherence with local employment laws, we engage in fair, merit-based and non-discriminatory employment practices, and we strive to provide all current and prospective employees with equal opportunities for career growth, regardless of their age, gender, or race.

As of 31 January 2023, the Group has 119 permanent full-time employees, with no contract or part-time employees. No employee of the Group is covered by collective bargaining agreements. All statistical data of the Group's workforce has been maintained and provided by our Human Resources department.

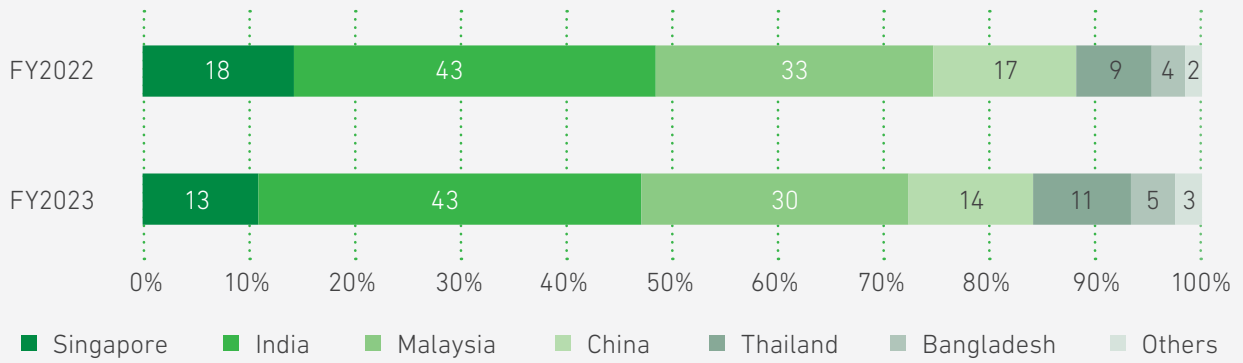
TOTAL NUMBER OF EMPLOYEES, BY GENDER



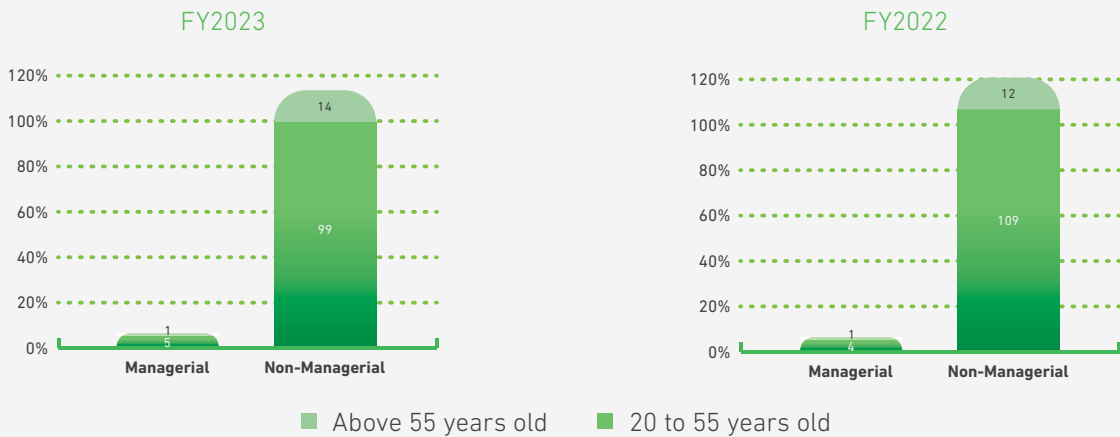


SUSTAINABILITY REPORT

TOTAL NUMBER OF EMPLOYEES, BY COUNTRY OF ORIGIN



TOTAL NUMBER OF EMPLOYEES, BY JOB FUNCTION AND AGE GROUP





SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH

Our primary focus is to deliver lasting and sustainable value to our stakeholders. To achieve this goal, we are committed to conducting our operations in a socially responsible and environmentally friendly manner. To date, the Group has not caused or contributed to any material negative environmental or social impacts, and we remain committed to participating in the remediation of any such impacts, as and when they do occur.

We hold ourselves and our subsidiaries to high standards of corporate governance to safeguard our stakeholders' interests, promote investor confidence, and maximise long-term shareholder value. We strive to maintain high standards of integrity, transparency, accountability, and discipline across all business processes. More details on our governance structure and composition, nomination and selection processes, remuneration policies can be found in the Corporate Governance section of our Annual Report 2023.

Sustainability Governance

The Board of Directors bears joint responsibility for overseeing Reclaims' sustainability reporting practices. They actively participate in integrating EESG factors into our corporate strategy formulation and supervising the Group's sustainability initiatives and performance. They are also responsible for reviewing and approving the information presented in this sustainability report.

The Company's Sustainability Team consists of our Executive Directors, namely Mr Chan Chew Leh, Mr Tan Kok Huat, Ms Chan Bih Tzy, and our Financial Controller, Mr Toh Yang Wee. The Sustainability Team reports to the Board of Directors and holds the responsibility of devising and executing sustainability initiatives throughout the multiple business units and keeping the Board of Directors regularly informed about the Group's approach to managing material EESG risks and opportunities.

To comply with the SGX's sustainability reporting requirements, the Board of Directors have undergone a sustainability course jointly organised by SAC Capital Private Limited and Institute of Singapore Chartered Accountants, to deepen their understanding of sustainability issues.











SUSTAINABILITY REPORT

Stakeholder Engagement

At Reclaims, we strive to create lasting value for all our stakeholders. The Group adopts an inclusive approach in interacting with our key stakeholders, which include our customers, employees, suppliers, shareholders, regulators, and communities to ensure the continued relevance of our sustainability approach. By balancing the needs and interests of all our stakeholders, we strive to create a positive impact on society, the economy, and the environment.

The following table outlines the various engagement activities we have carried out with our key stakeholders, their key topics of interest, and our Group's commitments, in response.

KEY STAKEHOLDER	ENGAGEMENT ACTIVITY	FREQUENCY	TOPICS OF INTEREST	OUR COMMITMENT
Customers 	<ul style="list-style-type: none"> - Site visits - Face-to-face meetings - Email enquiries - Feedback form 	<ul style="list-style-type: none"> - Ad hoc - Weekly - Ad hoc - Ad hoc 	<ul style="list-style-type: none"> - Pricing - Quality - Efficiency 	To maximise customer satisfaction through the effective execution and timely delivery of services
Employees 	<ul style="list-style-type: none"> - Staff appraisal - Get-together sessions - Introduction and orientation program - Structured trainings 	<ul style="list-style-type: none"> - Yearly - Ad hoc - Ad hoc - Ad hoc 	<ul style="list-style-type: none"> - Workplace safety - Welfare benefits - Career progression - Open communication 	To provide a conducive work environment, coupled with competitive pay and benefits, for all employees to achieve their maximum potential
Suppliers 	<ul style="list-style-type: none"> - Quotations - Supplier evaluation - Meetings and dialogues 	<ul style="list-style-type: none"> - Ad hoc - Ad hoc - Ad hoc 	<ul style="list-style-type: none"> - Payment terms - Project pipelines - Financial stability 	To engage and fair, transparent dealings and support local businesses whenever possible
Shareholders 	<ul style="list-style-type: none"> - General meetings - Annual reports, sustainability reports, and SGX announcements 	<ul style="list-style-type: none"> - Yearly - Yearly 	<ul style="list-style-type: none"> - Business development strategies - Financial returns and stability - Corporate governance 	To maximise long-term growth by maintaining transparency and accountability in all business transactions and exploring new business opportunities
Regulators 	<ul style="list-style-type: none"> - Annual reports ("AR"), sustainability reports ("SR"), and SGX announcements - Seminars, trainings, and dialogues - Meetings and emails 	<ul style="list-style-type: none"> - Yearly - Periodic - Periodic 	<ul style="list-style-type: none"> - Regulatory compliance - Anti-corruption and bribery - ISO certifications 	To adhere to all applicable laws and regulations in the jurisdictions that we operate in, and obtain the necessary permits and licenses to operate our business
Communities 	<ul style="list-style-type: none"> - Feedback channels - AR and SR 	<ul style="list-style-type: none"> - Ongoing - Yearly 	<ul style="list-style-type: none"> - Charity contributions - Environmental concerns 	To engage in the eco-friendly production of construction materials and support external initiatives when possible



SUSTAINABILITY REPORT

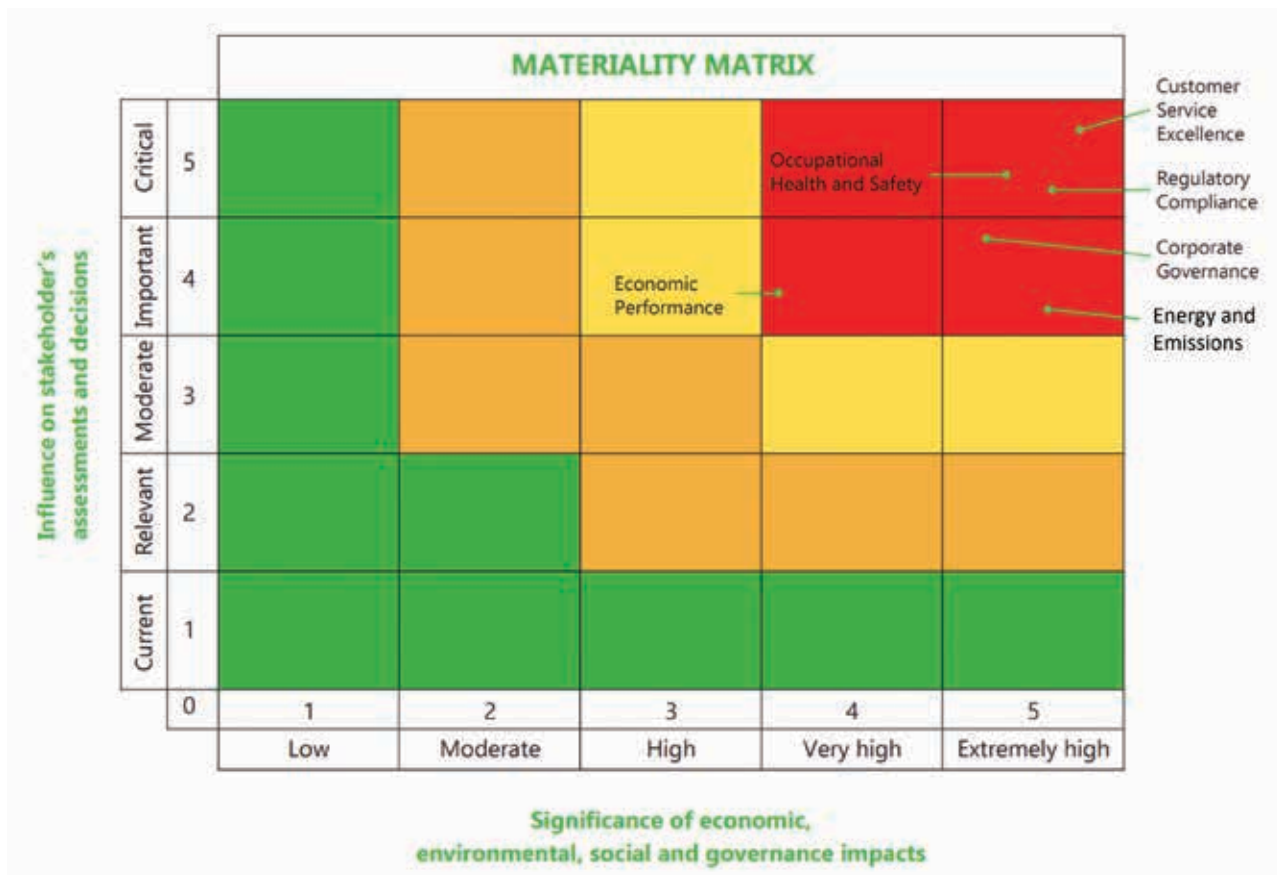
Materiality Assessment

Our materiality assessment process guides the development of our EESG strategy, informing the allocation of resources in addressing the most critical sustainability issues for our businesses and stakeholders.

Referencing the GRI Standards framework, the Sustainability Team, with expertise in various business areas, considers the associated challenges and potential impact of each ESG factor on the Group's operations and business to determine the Group's material ESG topics.

Through internal discussions, the Sustainability Team ranked the importance and significance of the EESG topics on the Group's operations as well as their influence on our stakeholders' judgements and decisions, considering the key issues of concerns voiced by our internal and external stakeholders.

We have reviewed the ESG topics identified in FY2022, as depicted in the following materiality matrix, and assessed that they remain material to our business and our stakeholders for FY2023.



The Sustainability Team monitors and manages these six (6) main sustainability topics on a regular basis, and we endeavour to progressively improve our sustainability management framework, methods, and procedures every year.



SUSTAINABILITY REPORT

ECONOMIC PILLAR

CUSTOMER SERVICE EXCELLENCE

Our commitment to delivering excellent service to customers is upheld through the pillars of Accountability, Communication, and Quality Assurance. To maintain the highest standards of customer service, it is crucial for our employees to be well-trained in their respective areas of expertise, so that they are able to perform their duties safely and efficiently. This also aligns with our responsibility to customers, as our employees must be capable of meeting the stringent safety requirements mandated by customers in the heavily regulated construction industry.

To ensure contract parameters, timelines, and customer expectations are met, the Group maintains frequent and transparent communication with our customers. During the execution of a contract, the project team meets the principal contractor on a weekly basis to ensure that our work meets their expectation and is completed according to specifications. We closely monitor our progress to meet established deadlines. Upon contract completion, we encourage customers to offer constructive feedback to identify areas of improvement and excellence, which we can use to further enhance our service delivery and project execution.

Long-term success depends on customer retention and quality assurance, both of which are critical aspects of our business strategy. As testament to our commitment to provide high-quality service and environmentally friendly products to our customers, our quality assurance processes have been accredited under the following certifications, as of the publication date of this report.

CERTIFICATE	SCOPE	CERTIFYING PARTY	DATE OF EXPIRY
ISO 9001:2015	Quality management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	5 November 2024
ISO 14001:2015	Environmental management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	4 November 2024
Singapore Green Label	20mm Recycled Aggregate for Concrete Mixture 022-053-1364 as "Eco-Friendly Building Materials"	Singapore Environment Council	4 May 2024

Performance Review

Since our incorporation, we have not been required to pay any liquidated damages for failing to meet contractual deadlines. Our goal for FY2024 is to maintain this impeccable record by actively engaging with our customers and consistently delivering high-quality products and services to them.



SUSTAINABILITY REPORT

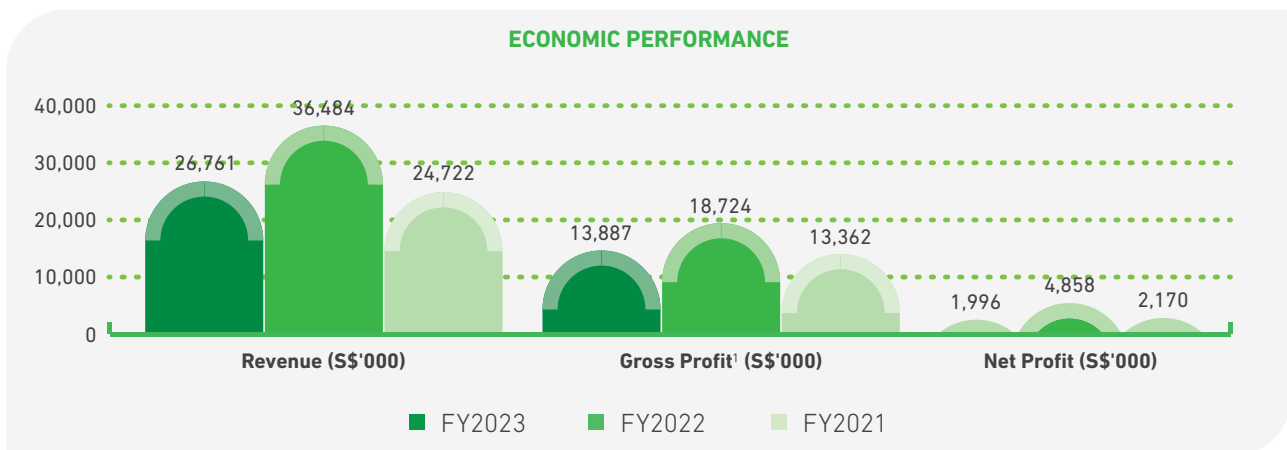
ECONOMIC PERFORMANCE

Through our pursuit of sustainable economic growth, we strive to add value to our investors' shareholdings, meet our financial obligations to internal and external stakeholders such as our employees, suppliers, regulators, and contribute to the local community.

The Group's finance team is responsible for overseeing the Group's financial position and applying for government initiatives and grants where applicable. Accumulating our financial resources leaves us in a better position to invest in strategic assets that will benefit the Group in the long term. The Group does not have a structured dividend policy, allowing us greater versatility as we are less vulnerable to market fluctuations.

Performance Review

There has been a 26.7% decrease in the Group's revenue from S\$36.5 million in FY2022 to S\$26.8 million in FY2023. This was mainly due to the pent-up demand after the easing of the COVID-19 lockdowns and stoppages in FY2022, which had dampened in FY2023. Nevertheless, the revenue for FY2023 had demonstrated a healthy recovery towards pre-COVID-19 revenue levels.



The Group received less government support in FY2023 as compared to FY2022, in line with the easing of COVID-19 restrictions.

	FY2023	FY2022
Job Support Scheme ("JSS") from the Inland Revenue Authority of Singapore ("IRAS")	Not applicable	S\$304,000
Levy rebate from the Ministry of Manpower ("MOM")	S\$123,000	S\$200,000
Others	S\$59,000	S\$36,000
Total	S\$182,000	S\$540,000

Moving forward, the Group will remain operationally and financially prudent, as we cautiously assess possible investment opportunities to generate economic value for our stakeholders. The Company will stay vigilant and continue to adjust its business and strategies as the global economic situation evolves. For further details on the Group's financial information, please refer to the financial statements in our Annual Report 2023.

¹ Gross Profit is derived by deducting cost of materials, services and consumables from revenue.



SUSTAINABILITY REPORT

ENVIRONMENTAL PILLAR

The nature of our work involves the utilisation of heavy-duty construction vehicles that heavily rely on diesel. Therefore, it is our responsibility to manage and monitor our carbon footprint efficiently to minimise the environmental implications on our future generations' health and well-being.

ENERGY AND EMISSIONS

We are aware that monitoring and managing our energy consumption is of key concern to both the Group and our stakeholders. Our energy usage derives solely from electricity consumed within the organisation, and no form of energy is sold. We are working closely with our stakeholders to manage our energy consumption, as we recognise that we have a responsibility to protect the environment for the health and well-being of the current and future generations.

We are currently in the midst of installing solar panels on the rooftop of our office building. Upon completion, we will rely on the solar power generated by the system for much of the Group's electricity consumption, and any extra power will be sold back to the grid. This will further reduce the Group's carbon footprint, whilst contributing towards a greener future for Singapore.

We also encourage our employees to participate in our energy conservation efforts by turning off all unnecessary power when the office is not in use and avoid using office lights when there is sufficient natural light in the room. Lighting units with sensors and timers have been installed in certain parts of the office. We also maintain temperatures within the office at an appropriate level depending on the weather, and we perform regular maintenance on the air conditioning system to ensure its efficiency.

Performance Review

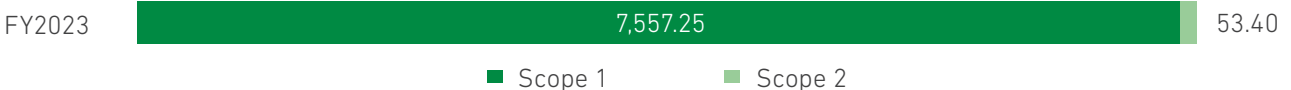
In FY2023, we measured a 16.34% decrease in energy consumption and a 11.42% decrease in energy intensity as compared to the previous financial year.

	FY2023	FY2022	FY2021
Energy consumption (kWh)	131,683	157,401	150,428
Number of full-time employees	119	126	131
Energy intensity	1,106.6	1,249.2	1,148.3

Our employees have played a significant role in reducing energy consumption over the past year. By consciously cultivating a culture of reducing electricity and water usage, we have achieved a noticeable decrease in consumption. Our goal is to consistently achieve reduction in consumption by continuing to promote a culture of awareness.

The Group also started to track our carbon footprint in FY2023, whereby we have computed both Scope 1 emissions arising from mobile combustion and Scope 2 emissions from purchased electricity in tonnes CO₂ equivalent, as follows:

SOCIAL PILLAR





SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

Due to the nature of our business, our employees are exposed to some degree of health and safety risks as they carry out their duties within our business operations. We recognise our legal and social obligation to ensure the safety and welfare of our staff by prioritizing their well-being and adhering to all applicable laws and regulations. It is the responsibility of our entire Group to enforce workplace health and safety protocols to minimise the occurrence of work-related illnesses and injuries.

As a commitment to the safety of our employees, we maintain a practice of administering safety briefings, training, and supplying personal protective equipment to our employees. Additionally, we have established a system of protocols and procedures for reporting, registering, and monitoring potential risks or incidents across our Group.

To maintain a safe and healthy working environment, the Group continues to observe the following Safety and Health practices:

- (a) Conducting periodic risk assessments where necessary to identify the risks and gaps and implement mitigating procedures in order to achieve an accident-free environment or minimise risks to an acceptable level;
- (b) Conducting regular safety meetings and providing sufficient management support and

- (c) resources to plan, implement and execute safety measures in compliance with workplace health and safety legislations and other requirements which include directives, guidelines and standards prescribed by our Group;
- (c) Conducting regular equipment checks;
- (d) Cultivating good safety habits through proper training, instruction and guidance and ensuring that workplace safety and health matters are effectively communicated to all employees; and
- (e) Encouraging employees to report any work-related hazards and hazardous situations during safety meetings and by any means and at any time to the Executive Directors, Site Supervisors and/or Site Engineers.

We prioritise the health and wellness of our employees by providing them with access to quality and timely medical advice. This benefit is extended to all staff members, enabling them to seek medical attention as required. Additionally, the Human Resources Department oversees reports relating to medical issues, particularly for those within the same department or worksite, to identify any potential safety concerns that require attention. We offer work injury compensation insurance to foreign employees, and the Human Resources Department conducts an annual assessment to ensure that the coverage is adequate and appropriate.

In compliance with international voluntary standards and local health and safety initiatives, the Group's health and safety management systems have been continuously evaluated and endorsed by the following parties:

CERTIFICATE	SCOPE	CERTIFYING PARTY	DATE OF EXPIRY
bizSAFE Level Star	Workplace safety and health management system	Workplace Safety and Health Council	15 March 2025
ISO 45001:2018	Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	15 March 2025

Performance Review

In FY2023, there were zero cases of workplace fatalities, work-related injuries or instances of ill health. Our goal is to maintain this achievement in FY2024 by promoting a culture of safety where everyone in the organisation makes safety a top priority.



SUSTAINABILITY REPORT

GOVERNANCE PILLAR

Corporate Governance

The Group regards corporate accountability, transparency, and sustainability as strategic tools for improving long-term shareholder value and is dedicated to upholding high standards of corporate governance. Every year, the Group releases a Corporate Governance Report in its Annual Report, following the guidelines of the Monetary Authority of Singapore's Code of Corporate Governance 2018. Our commitment to maintaining integrity, transparency, accountability, and discipline in all our operations is unwavering. We acknowledge the importance of establishing good corporate governance structure as a key in enhancing shareholders' value and determining our long-term success.

Below are our current policies and practices for maintaining our high corporate governance standards:

i. Code of Business Conduct and Ethics ("Code")

Our employees are obligated to comply with our established Code that outlines the fundamental principles of ethical and professional conduct for all employees. These principles cover responsibilities to the Group and the confidentiality of information. Additionally, we have a Code of Business Conduct and Ethics for Directors that offers guidance on Board appointments, conflicts of interest, proper use of information and assets, and confidentiality.

The Group's Code of Conduct provides clear instructions on how to report any actual or suspected breaches of ethical conduct. This policy reinforces the Company's commitment to ethical behaviour and helps to create a culture of transparency and accountability across the organization. We have also conducted a comprehensive assessment of the risks associated with our Code of Conduct to ensure that the system for reporting any misconduct or providing feedback is operating effectively.

ii. Conflict of Interest

The Group mandates that all key employees, including Directors, must promptly disclose any conflicts of interest to the Group's Human Resources Department as soon as they become aware of them. This policy ensures that the organisation can identify and address potential conflicts in a timely and transparent manner, which helps maintain the integrity of the decision-making process. All interested persons transactions are to be reported to the Audit Committee every quarter and disclosed on SGXNet on a half-yearly basis in the Group's financial results announcements.

iii. Anti-Corruption

The Group upholds a strict "zero-tolerance" approach towards fraud, corruption, and any other forms of unethical behaviour by implementing comprehensive measures to mitigate risk, prevent corruption, and ensure accountability and integrity. In the event of any misconduct, employees are encouraged to report it through various channels, including reporting to their immediate supervisors or via the whistle-blowing policy outlined below, which allows for anonymous reporting to the Audit Committee.





SUSTAINABILITY REPORT

iv. Whistle-Blowing Policy

We have a reporting channel for all stakeholders to raise concerns securely to the Audit Committee at whistleblower@reclaims.sg or to the Lead Independent Director at voonhoo.jong@reclaims.sg. Our whistle-blowing policy can be found at our website.

v. Enterprise Risk Management

The Group has established a comprehensive enterprise risk management system that aims to identify, assess, and mitigate any risks arising from the Group's business operations. The system involves regular reporting to the Board of Directors, where internal reports detailing existing and emerging risks, their significance and potential impact on the Company, and mitigation strategies are presented on a bi-annual basis. Additionally, risk owners are responsible for conducting a thorough analysis of potential risks and devising appropriate action plans to manage them. These plans are then recorded in the Group's risk register, which serves as a centralised database for monitoring and managing identified risks.

Performance Review

By implementing a robust set of policies and procedures, the Group can safeguard against potential risks and protect the interests of its stakeholders. These measures demonstrate the Group's dedication to maintaining the highest standards of corporate governance and promoting a culture of integrity and responsibility.

The Group is proud to have maintained our high level of integrity for FY2023, with zero substantiated misconduct or corruption case raised through our whistle-blowing email, nor documented non-compliance to the Code involving the Company. We aim to achieve the same in FY2024 by ensuring the Group continues to operate at the highest level of integrity and maintain a "zero tolerance" policy for any unethical behaviour. The Board has recently reviewed and introduced enhancements to the Code pertaining to anti-corruption measures.

Regulatory Compliance

We must comply with the laws and regulations that apply to our business to ensure that we possess the necessary licenses to carry out our operations smoothly and avoid any disruptions that may arise due to non-compliance with legal requirements. The responsibility of monitoring updates or changes to these laws and regulations and obtaining and renewing appropriate licenses and permissions falls on our management team. As part of our policy, we provide frequent briefings and reminders to our relevant employees on safety procedures, laws, and regulations.

As a company listed on the Catalist Board of the SGX-ST, we are also obligated to follow the Catalist Rules. Our appointed sponsor, SAC Capital Private Limited (the "**Sponsor**"), advises us on matters of compliance and changes to the Catalist Rules. In addition, we receive regular updates from the Sponsor, corporate secretaries, and external auditors on updates or changes to the Companies Act 1967 of Singapore, Catalist Rules, Code of Corporate Governance, and Singapore Financial Reporting Standards (International).

Reclaims Enterprise, which is our wholly owned subsidiary, is listed on the Building and Construction Authority's ("**BCA**") contractor registry, allowing it to supply construction-related goods and services to government agencies and other public sector organisations. The registration and grading by BCA require renewal every three years, and the BCA grade influences each project's tender capacity. The grading is determined based on various factors, such as our Company's paid-up capital, net worth, and track record.





SUSTAINABILITY REPORT

As of 31 January 2023, Reclaims Enterprise is registered with BCA for the following workheads:

WORKHEAD	DESCRIPTION	GRADE	TENDER CAPACITY FOR EACH PROJECT	DATE OF EXPIRY
CW02	Civil Engineering	C1	S\$4.0 million	1 February 2024
CR01	Minor Construction Work	Single Grade	Unlimited	1 February 2024
CR03	Demolition	Single Grade	Unlimited	1 February 2024

As of 31 January 2023, Reclaims Enterprise continues to hold its General Builder Class 1 licence, enabling us to bid for building projects of any value where plans are required to be approved by the Commissioner of Building Control.

LICENSING CODE	DESCRIPTION	TENDER CAPACITY FOR EACH PROJECT	DATE OF EXPIRY
GB1	General Builder Class 1	Unlimited	17 December 2023

Performance Review

There were no major fines levied against us nor any significant enforcement actions taken against us for non-compliance issues in FY2023, and we aim to maintain this record in FY2024.





SUSTAINABILITY REPORT

TCFD REPORT

Climate change poses an existential threat to the planet we live in. Already, we are experiencing changing weather patterns and an increased frequency of extreme weather events across the globe. If left unchecked, global temperatures may increase by 4 degrees Celsius or more by the year 2100, with devastating effects for societies, economies, and the businesses that operate within them.

At Reclaims, we are committed to doing our part by reducing our carbon footprint, whilst also building climate resilience across our business divisions. This section of the report marks our first step towards the full adoption of the TCFD recommendations for climate-related disclosures, which we aim to achieve by FY2025.

GOVERNANCE

The Board maintains oversight over all sustainability-related matters across the Group, which includes our climate-related risks and opportunities. All existing and emerging risks, their significance and potential impact on the Company, and our proposed mitigation strategies are presented to the Board on a half-yearly basis.

The Board is supported by the Group's sustainability team, which comprises the Board Chairman, Chief Executive Officer, Chief Operating Officer, and Financial Controller. The sustainability team is responsible for identifying, assessing, and managing climate-related risks and opportunities, while providing regular updates to the Board.

STRATEGY

In FY2023, we began an exercise to identify the potential risks and opportunities resulting from climate change and their potential impact on our businesses, strategy, and financial planning, across the following short-, medium- and long-term time horizons:

- Short-term: within 1 year
- Medium-term: in 5 years
- Long-term: in 10 years

Informed by the TCFD framework, our preliminary analysis covers the following two risk categories:

- Physical risks: Acute risks includes the increased severity of extreme weather events, whereas chronic risks arise from longer-term shifts in climate patterns.
- Transition risks: Such risks relate to the process of transitioning to a lower-carbon economy, which entails extensive mitigation and adaptation efforts.

We expect our climate strategy to continually evolve, as we work towards conducting a more detailed analysis of our climate-related risks and opportunities next year. To develop a deeper understanding of the resilience of the Group's strategy under different climate conditions and transitional pathways, we plan to undertake a more detailed climate-scenario analysis over the next two years, as we progress in our climate reporting journey.





SUSTAINABILITY REPORT

The following table outlines the key climate-related risks and opportunities we have identified as being significant to our core business operations.

CATEGORIES	POTENTIAL FINANCIAL IMPACTS	TIMEFRAME	MANAGEMENT APPROACH
Physical Risks: Changing precipitation patterns and rising temperatures	Variability in weather patterns may lead to an increased risk of project delays and higher manpower costs.	Short-term	To consider external parameters such as temperature, rainfall, and flash floods when planning projects, stay updated on the latest weather forecasts, and prepare bad weather back-up plans to minimise delays and idling of resources.
Transition Risks: Increasing regulatory requirements on climate reporting	Non-compliance with new regulations could lead to financial penalties or reputational damage.	Short-term	Engage external consultant(s) to provide guidance on evolving policy and regulatory changes related to climate and carbon emissions, and proactively adjust business practices to remain compliant.
Transition Risks/ Opportunity: Switching to emerging low-carbon technologies	Adopting new technologies in a timely manner helps ensure the Group's market competitiveness and long-term profitability. For instance, renewing our fleet entails an upfront financial cost but could result in reduced maintenance costs.	Medium-term	Stay updated on emerging technological developments and industry best practices, and channel resources to the appropriate technologies. For instance, we periodically review and upgrade our fleet to lower overall carbon emissions.
Opportunity: Transitioning away from traditional energy sources	Adopting renewable energy such as solar power could lead to cost savings in the long run, compared to traditional power sources.	Medium-term	Closely monitor utilities and maintenance expenses to identify opportunities for additional cost savings.





SUSTAINABILITY REPORT

RISK MANAGEMENT

While the Company has yet to formally incorporate climate-related risks into our enterprise risk management framework, we have adopted the same approach in identifying, assessing, and managing climate-related risks.

Our risk identification process is informed by the sustainability team's foresight and experience in understanding how climate change might impact the Group's day-to-day operations. For instance, adverse weather conditions such as an extended period of heavy rain may affect the soil condition or even lead to work stoppages, resulting in the same tasks now requiring increased time and resources to complete.

The sustainability team then proceeds to determine the relative significance of climate-related risks in relation to other risks, by assessing the likelihood and impact of all identified risks, while also considering how quickly the impact might materialise. Following which, we proceed to discuss the effectiveness of various mitigation measures for each identified risk.

In recognition of the existing and emerging regulatory requirements to climate change, we have been taking a proactive approach in managing resultant risks by investing in green assets and technologies. For instance, we are currently installing solar panels on the rooftop of our headquarters, and we are gradually replacing our fleet with lower-emission vehicles.

METRICS AND TARGETS

We recognise the importance of monitoring the Group's performance for environmental-related material topics. As such, we have included the following climate-related metrics for disclosure in earlier sections of the report:

- The total energy consumed, broken down by source, and the energy intensity ratio
- Scope 1 emissions, arising from mobile combustion of diesel and motor gasoline by our vehicle fleet
- Scope 2 emissions, arising from electricity purchased from Singapore's national grid

In addition, we are also internally monitoring the savings from our investment in low-carbon alternatives, such as our rooftop solar panels, which will potentially be operational in the forthcoming year.

Owing to this being our first year disclosing information on our greenhouse gas emissions, we have yet to set specific reduction targets for these metrics, and we strive to progressively improve upon the quality and completeness of our disclosures in future reports.





SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of Use	Reclaims Global Limited has reported in accordance with the GRI Standards for the period starting 1 February 2022 and ending 31 January 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	17
	2-2 Entities included in the organisation's sustainability reporting	18
	2-3 Reporting period, frequency and contact point	16
	2-4 Restatements of information	No restatements
	2-5 External assurance	16
	2-6 Activities, value chain and other business relationships	17 – 19
	2-7 Employees	19 – 20
	2-8 Workers who are not employees	19 – 20
	2-9 Governance structure and composition	36, 39
	2-10 Nomination and selection of the highest governance body	45 – 48
	2-11 Chair of the highest governance body	44 – 45
	2-12 Role of the highest governance body in overseeing the management of impacts	21
	2-13 Delegation of responsibility for managing impacts	21
	2-14 Role of the highest governance body in sustainability reporting	21
	2-15 Conflicts of interest	28
	2-16 Communication of critical concerns	28 – 29
	2-17 Collective knowledge of the highest governance body	21
	2-18 Evaluation of the performance of the highest governance body	49
	2-19 Remuneration policies	50 – 54
	2-20 Process to determine remuneration	50 – 54
	2-21 Annual total compensation ratio	Approximately 6.14 ¹
	2-22 Statement on sustainable development strategy	15
	2-23 Policy commitments	24 – 30
	2-24 Embedding policy commitments	24 – 30
	2-25 Processes to remediate negative impacts	21
	2-26 Mechanisms for seeking advice and raising concerns	28 – 29
	2-27 Compliance with laws and regulations	29 – 30
	2-28 Membership associations	19
	2-29 Approach to stakeholder engagement	22
	2-30 Collective bargaining agreements	No collective bargaining agreements

¹ We have approximated the annual total compensation ratio by computing the ratio of the annual total compensation for the organisation's highest-paid individual to employees' average salary, which is derived from dividing total employee compensation by the total headcount for the reporting period.



SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	23
	3-2 List of material topics	23
Customer Service Excellence		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	25
GRI 201: Economic Performance 2016	201-1 Direct Economic value generated and distributed	25
	201-2 Financial implications and other risks and opportunities due to climate change	32
	201-4 Financial assistance received from government	25
Energy and Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	26
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	26
	302-3 Energy intensity	26
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	26
	305-2 Energy indirect (Scope 2) GHG emissions	26
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	27
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	27
	403-2 Hazard identification, risk assessment, and incident investigation	27
	403-4 Worker participation, consultation, and communication on occupational health and safety	27
	404-5 Worker training on occupational health and safety	27
	404-6 Promotion of worker health	27
	404-9 Work-related injuries	27
	404-10 Work-related ill health	27
Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	28 – 29
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	29
Regulatory Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	29 – 30



CORPORATE GOVERNANCE REPORT

Reclaims Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and are committed to observing high standards of corporate governance.

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requires listed companies to describe, in their annual reports, their corporate governance practices, with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore (“**MAS**”).

This report describes the Company’s corporate governance practices with reference to both the principles and provisions set out in the Code. We have also taken into consideration the Practice Guidance provided by the MAS. The Board of Directors is pleased to confirm that for the financial year ended 31 January 2023 (“**FY2023**”), the Company has adhered to the principles of the Code as well as the Catalist Rules, where appropriate. Where the Company’s practices vary from any provisions of the Code, we have set out the specific provision, explained the reasons for the deviations, and explained how the practices we have adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

**Principle 1:
THE BOARD’S CONDUCT
OF AFFAIRS**

As at the date of this report, the Board is made up of the following members:

Mr Chan Chew Leh	Executive Chairman
Mr Tan Kok Huat	Executive Director and CEO
Ms Chan Bih Tzy	Executive Director and COO
Mr Jong Voon Hoo	Lead Independent Director
Mr Chang Chi Hsung	Independent Director
Mr Tan Heok Ping Joshua	Independent Director
Ms Lim Hui Chee	Independent Director

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

The primary functions of the Board, apart from its statutory duties, include:

- Overseeing the overall management and business affairs of the Group;
- Formulating the Group’s strategies, focusing on value creation and innovation and considering sustainability issues;
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- Setting financial objectives and monitoring the Group’s financial performance and Management’s performance;
- Overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;



CORPORATE GOVERNANCE REPORT

- Setting the Group's approach to corporate governance, including the establishment of ethical values and standards; and
- Balancing the demands of the business with those of the Company's stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met.

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

The Board has also adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. All Directors understand the Group's businesses and aside from their statutory duties, the key roles of different classes of Directors are set out below:

Provision 1.2 of the Code: Directors' duties, induction, training and development

- Executive Directors are members of the Management who are involved in the day- to-day running of the Group's business operations. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- Independent Directors do not participate in the Group's business operations and are deemed independent by the Board. However, they stay informed of the activities of the Group. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.



CORPORATE GOVERNANCE REPORT

New Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operations. The Group will also arrange for first-time Director(s) to attend relevant training in relation to the roles and responsibilities of a Director of a public listed company in Singapore as prescribed by the SGX-ST. The training of the Directors will be arranged and funded by the Group.

During FY2023, the Directors were provided with updates on changes in laws and regulations which are relevant to the Group, including the Companies Act 1967 ("**Companies Act**"), Catalist Rules and the Code of Corporate Governance by the Management, the Sponsor and the company secretaries. The external auditor regularly updates the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

The Nominating Committee evaluates the individual Directors' competencies and recommends to the Board on training and development programmes for each Director. Our Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

All Directors have attended the sustainability training as prescribed by the SGX-ST during FY2023.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Provision 1.3 of the Code:
Matters requiring Board's approval

Matters specifically reserved for the Board's decision are formally documented in a schedule, incorporated in the Group's Accounting Policies and Procedural Manual and clearly communicated to the Management. These matters include:

- Changes to the Group's capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;



CORPORATE GOVERNANCE REPORT

- Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the Terms of References of the respective Board Committees.

Board Committees, namely Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

Provision 1.4 of the Code:
Board Committees

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Board and Board Committee meetings are held regularly, with Board and AC meetings held at least twice a year and RC and NC meetings held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors’ attendance. Ad hoc meetings will be convened when the Board’s guidance or approval is required, outside of the scheduled Board meetings.

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

In accordance with Regulation 118(2) of the Company’s Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other and all directors are able to extend their contribution beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience which would further the interest of the Group. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

Provision 11.3 of the Code:
All Directors attend general meetings



CORPORATE GOVERNANCE REPORT

The attendance record of each Director at meetings of the Board and Board Committees during FY2023 is disclosed below:

Name of the Director	Board of Directors	AC	NC	RC	Annual General Meeting ("AGM")
Mr Chan Chew Leh	2	#2	#1	#1	1
Mr Tan Kok Huat	2	#2	#1	#1	1
Ms Chan Bih Tzy	2	#2	#1	#1	1
Mr Jong Voon Hoo	2	2	1	1	1
Mr Chang Chi Hsung	1	1	1	1	1
Mr Tan Heok Ping Joshua	2	#2	#1	1	1
Ms Lim Hui Chee	2	2	1	#1	1
Number of meetings held in FY2023	2	2	1	1	1

By invitation

All Directors are required to declare their board representations during the year. When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his or her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Principle 4 of this report.

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

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

The Management provides members of the Board with half yearly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least three working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.



CORPORATE GOVERNANCE REPORT

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to the meetings to make the appropriate presentation and answer any queries that the Directors may have.

In respect of the annual budget of the Group, material variance between budgeted results and actual results would be disclosed and explained by the Management at Board meetings.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has separate and independent access to the Management, the company secretaries and external professionals, including our Sponsor, legal counsels and auditors at the Company's expense.

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

The role of the company secretaries is clearly defined and includes:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensuring that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Assisting the Executive Chairman in ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretaries are subject to the approval of the Board as a whole.



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The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

The Board comprises seven Directors of whom four are Non-Executive Independent Directors. The Executive Chairman is part of the Management and therefore not independent. Accordingly, more than one third of the Board is made up of Independent Directors who are free of any material business or financial connection with the Company. There is a strong and independent element on the Board, capable of exercising objective judgement on corporate affairs independently of the Executive Directors. The Board's views and opinions often provide different perspectives to the Group's business.

Under Provisions 2.2 and 2.3 of the Code, independent directors and non-executive directors are to make up a majority of the Board where the Chairman is not independent. In the case of the Company, the Independent Directors make up the majority of the Board. While it may be a best practice for the Board to be chaired by an independent director to ensure effective oversight of both management and the interests of the Company, there are many circumstances which merits the Board Chairman's leadership. Therefore, to demonstrate that the Board is capable of maintaining appropriate level of checks and balances, in instances where a perceived conflict may arise, such as if there is any transaction that would involve him or his immediate family members or associated entities, he would also recuse himself and deliberation of such transaction would be led by the Lead Independent Director. Accordingly, the Independent Directors are in a stronger position to safeguard the interests of the Company, especially when there is a conflict of views and a majority vote is required to reach a decision. Each of the Board Committees is chaired by Non-Executive Independent Directors.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his or her independence. The checklist is drawn up based on the guidelines provided in the Code and the Catalist Rules. The NC adopts the Code's definition of what constitutes an "independent" director in its review.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, its Practice Guidance and Catalist Rules and noted that none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. As at the date of this report, no Independent Director has served on the Board for more than nine years.

Principle 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the Code:
Director independence

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

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



CORPORATE GOVERNANCE REPORT

Board Diversity

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives, strategies and sustainable development in the ever-changing business environment. As such, the Board has adopted a Board Diversity Policy which aims to set out the approach to achieving diversity on the Board and open the Company to a wide and diverse talent pool when shortlisting candidates for Board appointment. The NC will review this policy, as appropriate, to ensure the effectiveness of this policy.

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

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

Currently, the Board has one female Executive Director and one female Independent Director, who is also a member of the NC.

The current Board composition brings together expertise spanning from commercial processes, industry best practices, financial reporting, and legal. The Directors are all in leadership positions from various organisations and have accumulated many years of experience in their own field of specialisations. The combination of their experience and expertise provided a diverse perspective when it comes to directing the affairs of the Group' business and also allows the Group to tap on their wide network of business associates and professionals to aid in the achieving of the Group's business objectives.

However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Executive Chairman strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.



CORPORATE GOVERNANCE REPORT

For FY2023, the Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate diversity and balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management, that provide for effective direction for the Group.

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year, led by Lead Independent Director or other independent director as appropriate, with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Executive Chairman, as appropriate.

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman and the CEO are separate persons. The CEO is the nephew-in-law of the Executive Chairman. Notwithstanding the above, the Board has assessed and is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities.

The roles of the Executive Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that there is a clear division of responsibilities between the leadership of the Board and the Management.

The Executive Chairman, Mr Chan Chew Leh, promotes a culture of openness and debate at the Board level and ensures that corporate information is adequately disseminated to all Directors on a timely manner, to facilitate discussions at meetings. In addition, he encourages constructive relations within the Board and between the Board and the Management to facilitate effective contribution of all Directors. The Executive Chairman also ensures effective communication with shareholders and other stakeholders. The Executive Chairman is assisted by the Board Committees in ensuring compliance with the Company's standards of corporate governance.

The CEO, Mr Tan Kok Huat, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Directors and the Management.

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

**Principle 3:
CHAIRMAN AND CHIEF
EXECUTIVE OFFICER**

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

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



CORPORATE GOVERNANCE REPORT

As the Executive Chairman is part of the Management and therefore not independent, Mr Jong Voon Hoo has been appointed as the Lead Independent Director, as recommended by the Code. The responsibilities of the Lead Independent Director include:

Provision 3.3 of the Code:
Lead Independent Director

- Acting as the principal liaison to address shareholders' concerns for which contact through the normal channels of communication with the Executive Directors or other Executive Officers are inappropriate or failed to resolve the concerns in question;
- Chairing Board meetings in the absence of the Executive Chairman;
- Working with the Executive Chairman in leading the Board and providing leaderships in situations where the Executive Chairman is conflicted; and
- Providing a channel to Independent Directors for confidential discussions on any concerns they may have and to resolve conflicts of interest, as and when necessary.

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

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Principle 4: BOARD MEMBERSHIP

The NC comprises three Independent Directors (including the Lead Independent Director), namely Ms Lim Hui Chee, Mr Jong Voon Hoo and Mr Tan Heok Ping Joshua. The Chairman of the NC is Ms Lim Hui Chee.

Provision 4.1 of the Code:
NC to make recommendations to the Board on relevant matters

The NC's responsibilities, as set out in its terms of reference, include the following:

Provision 4.2 of the Code:
Composition of NC

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to our Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for our Directors, in particular, the appointment and/or replacement of our Executive Chairman, Executive Director, CEO and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole, its Board Committees and the contribution of each Director;



CORPORATE GOVERNANCE REPORT

- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of our Board, taking into account the future requirements of our Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group, and other considerations as set out in the Code, and setting the objectives for achieving Board diversity and reviewing our progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the Code and any other salient factors;
- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as our NC deems fit), whether such Director is able to and has been adequately carrying out his or her duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for our Board and our Directors;
- Assessing whether each Director is able to and has been adequately carrying out his or her duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through our network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board which retains the final discretion in appointing such new Directors.

Provision 4.3 of the Code: Process for the selection, appointment and re-appointment of Directors

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;



CORPORATE GOVERNANCE REPORT

- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

Regulation 115 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election. In addition, Regulation 105 of the Company's Constitution states that at each AGM, one-third (or the number nearest one-third) of the Directors shall retire from office and that all Directors shall retire from office at least once in every three year and such retiring Directors shall be eligible for re-election. In assessing and recommending retiring Directors for re-appointment, the NC takes into account the Director's competencies, commitment, attendance at meetings and his or her contribution and performance at such meetings. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his or her performance or re-nomination as Director.

The NC (save for the interested NC members who have abstained on their own review, recommendation and deliberations) has recommended to the Board that pursuant to Regulation 105 of the Constitution of the Company, the following Directors are due for retirement and eligible for re-election as Directors at the forthcoming AGM:

Mr Jong Voon Hoo	–	Regulation 105
Mr Tan Kok Huat	–	Regulation 105

The details of the Directors seeking for re-election as required under Rule 720(6) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of the Annual Report.

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his or her independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the Code which puts the independence of the Independent Directors in question.

Provision 4.4 of the Code:
Circumstances affecting
Director's independence



CORPORATE GOVERNANCE REPORT

The Board and the NC have established a guideline to address the issue of competing time commitments faced by Directors who hold multiple listed company directorships and other principal commitments. The general guideline is set out below:

Provision 4.5 of the Code: Multiple listed company directorships and other principal commitments

Type of Directors	Maximum number of listed company directorships and other principal commitments allowed
Executive Director	3
Non-Executive Director with full-time employment	5
Non-Executive Director without full-time employment	7

In addition, a Director shall only assume not more than one executive directorship in a listed company at any point in time.

The above guideline is reviewed by the NC annually. The NC requires each Director to declare changes in listed company directorships or other principal commitments during the year to enable the on-going monitoring of the commitment of the Directors to the Company.

In addition to the number of listed company directorships and other principal commitments, the NC also takes into account of the results of the annual evaluation of each Director's effectiveness and the respective Directors' conduct at the Board and Board Committee meetings to determine whether the Director is able to discharge his or her duties diligently.

In respect of FY2023, the NC was of the view that each Director had discharged his or her duties diligently. As at the date of this report, the number of listed company directorships and other principal commitments held by each Director is within the maximum limits stipulated. The NC is of the view that the multiple board directorships and other principal commitments held presently by some Directors do not impede their respective performance in carrying out his or her duties towards the Company. Please refer to the "Board of Directors" section of the Annual Report for the listed company directorships and other principal commitments of the Directors.

No alternate Director has been appointed to the Board.



CORPORATE GOVERNANCE REPORT

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

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole and its Board Committees by completing the Board Assessment Checklist, Audit Committee Checklist, Nominating Committee Checklist and Remuneration Committee Checklist, which take into consideration factors such as the Board's structure, committee composition, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. These checklists are completed on an annual basis.

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Executive Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his or her performance or re-nomination as Director.

Based on the NC's review for FY2023, the NC is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the Board's effectiveness.

Although no external facilitator had been engaged by the Board for this purpose for FY2023, the NC has full authority to do so, if the need arises.

**Principle 5:
BOARD PERFORMANCE**

Provisions 5.1 and 5.2 of the Code:
Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director



CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises three Independent Directors (including the Lead Independent Director), namely Mr Tan Heok Ping Joshua, Mr Jong Voon Hoo and Mr Chang Chi Hsung. The Chairman of the RC is Mr Tan Heok Ping Joshua.

The RC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing and recommending to our Board for approval a framework of remuneration for our Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;
- Reviewing annually the remuneration, bonuses, pay increment and/or promotions of employees who are related to our Directors or substantial shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;
- Reviewing our obligations arising in the event of termination of service contracts entered into between our Group and our Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- If necessary, seeking expert advice within and/or outside our Company on remuneration matters, ensuring that existing relationships, if any, between our Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate our Directors and Executive Officers, and to align the interests of our Directors and Executive Officers with the interests of our shareholders and other stakeholders and promote the long-term success of our Company; and
- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provision 6.1 of the Code:
RC to recommend
remuneration framework
and packages

Provision 6.2 of the Code:
Composition of RC



CORPORATE GOVERNANCE REPORT

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

Provision 6.3 of the Code: RC to consider and ensure all aspects of remuneration are fair

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM. Except as disclosed in the Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated, including a monthly salary, a fixed annual bonus of three months' salary and an annual incentive bonus based on the audited profit before tax ("**PBT**") of the Group. For this purpose, PBT shall refer to the audited consolidated profit before tax, excluding fair value gain or loss to the Group's properties and securities, any profit or loss attributable to non-controlling interests or minority interests and any exceptional or extraordinary items. The amount of the incentive bonus is subject to the Group achieving certain predetermined PBT targets as follows:

PBT	Amount of incentive bonus
Equals or exceeds S\$4.0 million but does not exceed S\$6.0 million	3.0% of PBT
Equals or exceeds S\$6.0 million but does not exceed S\$8.0 million	5.0% of PBT in excess of S\$6.0 million plus S\$180,000
Equals or exceeds S\$8.0 million	7.0% of PBT in excess of S\$8.0 million plus S\$280,000

Pursuant to the terms of the service agreements, each Executive Director shall also be provided with a car, with all maintenance costs and reasonably incurred running expenses to be borne by the Company.



CORPORATE GOVERNANCE REPORT

There are no excessively long or onerous removal clauses in these service agreements. The service agreements entered with Mr Chan Chew Leh and Mr Tan Kok Huat are valid for three years with effect from 11 March 2019, after which they shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. During the initial period of three years, either party may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Executive Director's last drawn monthly salary. For Ms Chan Bih Tzy, the terms of the service agreement are similar to the other Executive Directors except for her agreement is valid for one year with effect from 23 April 2021, after which it shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree.

The RC members are familiar with remuneration matters as they manage their own businesses and are regularly updated of market practices. During FY2023, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants when appropriate and will review the independence of the external firm before engaging them.

Provision 6.4 of the Code:
Expert advice on
remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

**Principle 7:
LEVEL AND MIX OF
REMUNERATION**

Remuneration of Executive Directors and Executive Officers comprise fixed components, including salaries and bonuses, and a variable component, structured to link rewards to corporate and individual performance. Their remuneration is linked to their roles and responsibilities and aligned with shareholders' interests to promote long-term success of the Group. The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel of the required experience and expertise to manage the Company for the long-term. No Director is involved in any discussions relating to his or her own remuneration, terms and conditions of service, and the review of his or her performance.

Provisions 7.1 and 7.3 of
the Code:
Remuneration of
Executive Directors
and key management
personnel are
appropriately structured
to encourage good
stewardship and promote
long-term success of the
Company

Having reviewed the variable component in the remuneration packages of the Executive Directors and Executive Officer, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Executive Officer in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Executive Officer.

The Company does not offer any share scheme. The RC may consider other forms of long-term incentive schemes for the Management when necessary.



CORPORATE GOVERNANCE REPORT

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised.

The Company does not currently have any schemes to encourage Independent Directors to hold shares in the Company.

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

A separate annual remuneration report is not prepared as the matters which need to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the CEO during FY2023 is as follows:

Remuneration band and name of Director	Salary, fixed bonus, allowance and CPF (%)	Variable performance – related bonus (%)	Directors' Fee (%)
Between \$450,000 to \$550,000			
Mr Chan Chew Leh	100	–	–
Mr Tan Kok Huat	100	–	–
Between \$250,000 to \$350,000			
Ms Chan Bih Tzy	100	–	–
Under \$150,000			
Mr Jong Voon Hoo	–	–	100
Mr Chang Chi Hsung	–	–	100
Mr Tan Heok Ping Joshua	–	–	100
Ms Lim Hui Chee	–	–	100

Given the size of the Group's operations, the organisation is structured on a very lean basis. Given the sensitivity of remuneration matters, the Group believes that a full disclosure on a named basis will not be advantageous to the organisation.

The Board is of the view that despite the deviation from Provision 8.1 of the Code, there is still a high level of transparency on remuneration matters, as information on its remuneration policies, levels and mix of remuneration, the relationship between remuneration, performance and value creation has been disclosed in detail in Principle 7. Furthermore, the quantum in aggregate for the Directors, and key management personnel are disclosed separately in notes to the financial statements. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration will not be prejudicial to the interest of shareholders and complies with the Principle 8 of the Code.

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

Principle 8: DISCLOSURE ON REMUNERATION

Provisions 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel; Details of employee share schemes



CORPORATE GOVERNANCE REPORT

In view of the competitive pressures in the talent market and talent retention issues, the Company does not disclose the aggregate amount paid but in percentage terms as such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent. A breakdown (in percentage terms) of the remuneration earned by the Executive Officer during FY2023 is as follows:

Remuneration band and name of Executive Officer ⁽¹⁾	Designation	Salary, allowance and CPF (%)	Variable or performance-related bonus (%)
Below S\$200,000:			
Toh Yang Wee	Financial Controller	80	20

Notes:

(1) Given the size of the Group's operations, the Executive Officer is the only key management personnel of the Group, excluding the Executive Directors and the CEO.

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

The Company does not currently have any employee share scheme.

Save for the Executive Directors, there were no employees who are substantial shareholders of the Company in FY2023.

There were no employees who are the immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in FY2023.

Provision 8.2 of the Code:
Remuneration disclosure of related employees

ACCOUNTABILITY AND AUDIT

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

**Principle 9:
RISK MANAGEMENT AND
INTERNAL CONTROLS**

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



CORPORATE GOVERNANCE REPORT

The Company has in place an enterprise risk management (“**ERM**”) framework which includes a set of processes to ensure that the Group is aware of, and attends to, current and emerging risks. The Management is expected to constantly review the business operations and environment to identify significant risks and ensure that mitigating measures, including preventive, detective and corrective controls, are promptly implemented to address these risks. These significant risks and mitigating measures taken, together with the risk owners and action plans to address any gaps, are documented in a risk register. Significant risks and significant updates to the risk registers are reported to the Board on a bi-annual basis.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditors, NLA Risk Consulting Pte Ltd, has carried out an internal audit on the system of internal controls and reported the findings to the AC. The external auditor, RSM Chio Lim LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors’ recommendations raised during the audit processes. No material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2023.

The Board received assurance from the CEO and the Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances.

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

In addition, the Board received assurance from the key management personnel, including the Executive Directors and the Financial Controller, that the Company’s risk management and internal control systems are adequate and effective.

Based on the ERM framework established, reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 January 2023.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company’s risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company’s operations.



CORPORATE GOVERNANCE REPORT

The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three Independent Directors (including the Lead Independent Director), namely Mr Jong Voon Hoo, Mr Chang Chi Hsung and Ms Lim Hui Chee. The Chairman of the AC is Mr Jong Voon Hoo.

All members of the AC are appropriately qualified and have recent and relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm.

The AC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing the audit plan and scope of work of our external auditors and internal auditors, the results of our external and internal auditors' review and evaluation of our system of internal controls, and their management letters on the internal controls together with our Management's response, and monitoring the implementation of the internal control recommendations made by our external and internal auditors;
- Reviewing and reporting to our Board at least annually the adequacy and effectiveness of our Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks (such review to be carried out internally or with the assistance of any competent third parties);
- Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;
- Making recommendations to our Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that our internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that our internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- Reviewing the interim financial results and annual consolidated financial statements, our external auditors' report on the annual consolidated financial statements, reviewing and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore Financial Reporting Standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of our Group and any announcements relating to our financial performance, before submission to our Board for approval;
- Meeting with the external auditors and internal auditors without the presence of our Management, at least annually;

Principle 10: AUDIT COMMITTEE

Provision 10.1 of the Code:
Duties of AC

Provision 10.2 of the Code:
Composition of AC

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



CORPORATE GOVERNANCE REPORT

- Reviewing and discussing with our external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our Management's response;
- Reviewing and ensuring the co-ordination among our internal auditors, external auditors and our Management, including assistance given by our Management to the auditors;
- Considering the independence and objectivity of the external auditors, taking into account the non-audit services provided by the external auditors and the fees paid for such non-audit services, if any;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions the value of which amount to 3.0% or more of the latest audited NTA of our Group, or any agreement or arrangement with an interested person that is not in the ordinary course of business of our Group, prior to our Group's entry into the transaction, agreement or arrangement;
- Making recommendations to our Board on the proposals to our shareholders with regard to the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
- Reviewing, approving and conducting periodic reviews on our Group's foreign exchange hedging policy (if any), together with the foreign exchange transactions and hedging activities undertaken by our Group;
- Reviewing our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing any potential conflicts of interests and setting out a framework to resolve or mitigate such potential conflicts of interests, and monitoring compliance with such framework;
- Establishing and reviewing the policy and arrangements by which employees of our Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto;
- Ensuring that our Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;



CORPORATE GOVERNANCE REPORT

- Reviewing the assurance from our CEO and our Financial Controller on the financial records and financial statements;
- Undertaking such other reviews and projects as may be requested by our Board, and reporting to our Board its findings from time to time on matters arising and requiring the attention of our AC;
- Ensuring that the terms of non-compete undertakings provided to our Company have been complied with; and
- Reviewing and approve transactions falling within the scope of Chapter 10 of the Catalist Rules.

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The aggregate amount of fees paid/payable to the external auditor, RSM Chio Lim LLP, for audit and audit-related services for FY2023 was S\$75,500. There was no non-audit related work carried out by the external auditors during FY2023, and hence, there was no fee paid in this respect. The AC, having reviewed the scope and value of the audit provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of RSM Chio Lim LLP as the external auditor for the financial year ending 31 January 2024, the AC considered the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor.

The Company has outsourced its internal audit function to NLK Risk Consulting Pte. Ltd., a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the Financial Controller. The firm is part of NLA DFK, a group of accounting and advisory entities with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top 10 international association of independent accounting entities and business advisers. The firm currently maintains an outsourced internal audit portfolio of about 20 companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The Engagement Team comprises a Director, a Manager and is supported by a team of trained internal auditors. The Director has over 20 years of relevant experience and is a Certified Internal Auditor while the Manager has more than 10 years of relevant experience and is also a Certified Internal Auditor. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

Provision 10.4 of the Code: Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel



CORPORATE GOVERNANCE REPORT

The internal audit team has unrestricted access to the Company's documents, records, properties and personnel. The internal audit team performed the work taking references from International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The AC is satisfied that the internal auditors have adequate resources to perform its functions and have appropriate standing within the Group.

The internal audit function is independent of the activities it audits. During FY2023, the internal auditors completed an internal control review of the Group's key processes such as procurement to payment, fixed asset management, general IT controls, investment management, interested persons transactions, and sustainability reporting review. The related internal audit reports, including management's responses and implementation status, have been reviewed and approved by the AC.

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

The AC acknowledges the importance of meeting with the external auditors and internal auditors without the presence of Management. The Audit Committee has met with the internal auditor and external auditor once, without the presence of management, to review the adequacy of audit arrangements for FY2023, with emphasis on the scope and quality of their audit, and to discuss the observations of the auditors on the management or on processes and procedures of the Group over the course of FY2023 audits.

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



CORPORATE GOVERNANCE REPORT

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2023, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The following key audit matters, which are included in the independent auditor's report for FY2023, were discussed with the Management and the external auditor and were reviewed by the AC:

Key audit matters	How the matters were addressed by the AC
a) Revenue recognition for contract revenue	Contract revenue from excavation services amounted to S\$10.8 million, accounting for 40% of the Group's total revenue for FY2023.
b) Impairment allowance on trade receivables and contract assets	<p>The carrying value of trade receivables and contract assets amounted to S\$7.4 million and S\$2.9 million respectively, accounting for in total 29% of the Group's total assets at the end of the reporting year.</p> <p>The AC reviewed the Management's approach, methodology and judgement pertaining to revenue recognition for contract revenue and the estimate of trade receivables and contract assets impairment allowance and took into account of the following considerations:</p> <ul style="list-style-type: none"> a) Nature of business; b) Alignment with the Singapore Financial Reporting Standards (International) and prevailing business practice; c) Observations and findings presented by the external auditor with reference to: Management's estimates of work performed for uncompleted contracts; payment track records of trade receivables; and adequacy of allowance for impairment of trade receivables. <p>The above procedures provided the AC with the assurance and the AC concurred with the Management's conclusion that contract revenue recognised during FY2023 is a faithful depiction of work performed during the reporting year and allowance for impairment on trade receivables and contract assets are adequately made as at 31 January 2023 and the relating disclosures in the financial statements are appropriate.</p>



CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. The Company will treat all information received confidentially and protect the identity and the interests of all whistle-blowers against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of whistle-blowing. Details of this policy are disseminated to employees of the Group and is made available on the Company's website.

Possible improprieties such as suspected fraud, corruption, dishonest practices and other significant matters can be reported via email (whistleblower@reclaims.sg). The Lead Independent Director can also be contacted directly via his email address (voonhoo.jong@reclaims.sg).

To date, no significant matter was raised through the Group's whistle-blowing channels.

SHAREHOLDER RIGHTS AND ENGAGEMENT

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board ensures that the shareholders are treated fairly and equitably. The Board recognises the importance of maintaining transparency and accountability to its shareholders. As such, all material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website.

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company. Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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



CORPORATE GOVERNANCE REPORT

The AGM for the financial year ended 31 January 2023 will be held by way of electronic means on 26 May 2023 (including arrangements by which the AGM can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream), submission of questions to the Chair of the AGM in advance of the AGM or during the AGM via the Q&A feature embedded in the platform, addressing of substantial and relevant questions prior to and during the AGM, real-time electronic voting and voting by appointing the proxy(ies) or Chair of the AGM as proxy at the AGM. In line with the cessation of the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, general meetings of the Company from 1 July 2023 are expected to be held through physical means.

The SGX-ST publishes investor guides to help the investment community in their preparation for annual general meetings and other general meetings. The links to the SGX-ST’s investor guides have been included on the Company’s website under the “Investor Relations” section for ease of reference by shareholders.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings. All resolutions tabled at the 2023 AGM will be conducted by poll pursuant to the Catalist Rules and counted by the Polling Agent as well as verified by the Scrutineer ahead of the 2023 AGM. The poll results will be announced by the Company via SGXNET on the same day of the 2023 AGM.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid ‘bundling’ resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations and the material implications in the notice of meeting.

Provision 11.2 of the Code:
Separate resolution
on each substantially
separate issue

All Directors, including the chairpersons of various Board Committees, and the Executive Officer shall attend general meetings to address shareholders’ queries and receive feedback from shareholders. All Directors attended the 2022 AGM of the Company held on 27 May 2022.

Provision 11.3 of the Code:
All Directors attend
general meetings

The external auditor, RSM Chio Lim LLP, shall also attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor’s report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.



CORPORATE GOVERNANCE REPORT

As the forthcoming AGM will be convened and held wholly by electronic means, the shareholders are given the opportunity to proactively engage with the Board and Management regarding the Group's business activities and operations, financial performance and other business related matters by way of submitting their questions prior to the AGM via email or by post, and during the AGM via the Q&A feature embedded in the platform that will be used to carry out the proceedings of the AGM virtually. All substantial and relevant questions will be answered either prior to the AGM through publication on SGXNET and the Company's corporate website or at the AGM. Shareholders are allowed to contemporaneously observe the proceedings of the meeting by audio and video means or by audio only means. Details on the arrangements are provided to shareholders in the notices of general meetings.

The Company's Constitution allows all shareholders to appoint not more than two proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the Code: Company's Constitution allow for absentia voting of shareholders

The Company's Constitution permits voting in absentia only by appointment of proxy. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means, until issues on security and integrity are satisfactorily resolved.

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officer will be available to shareholders upon their written request.

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

The Company does not publish minutes of general meetings of shareholders on its corporate website as contemplated by Provision 11.5. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting), including risk of litigation if defamatory statements are made during the meeting. The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.



CORPORATE GOVERNANCE REPORT

In regard to the 2022 AGM, minutes were published on the SGXNET and the Company's corporate website within the prescribed timeline set by the SGX-ST.

The Company does not have a formal dividend policy. While this would mean that its practice varies from Provision 11.6 of the Code which implies that companies should have a dividend policy and communicates it with shareholders, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and that this practice is consistent with the intent of Principle 11. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

Provision 11.6 of the Code:
Dividend policy

Subject to its Constitution and the Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. Subject to its Constitution and the Companies Act, the Directors may also declare an interim dividend without the approval of the shareholders.

The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, cash flows, capital needs, general business conditions, terms of borrowing arrangements (if any), plans for expansion, and other factors as the Board may deem appropriate.

Given the ongoing uncertainties in the economy, the Board deems it appropriate to conserve resources for the Group's business activities and any potential business opportunities that might come along. Accordingly, no dividend is declared or recommended for FY2023.

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

**Principle 12:
ENGAGEMENT WITH
SHAREHOLDERS**

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. The Board encourages shareholders' participation at the AGMs and periodically communicates with shareholders through SGXNet throughout the financial year. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

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

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.



CORPORATE GOVERNANCE REPORT

The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Catalyst Rules and the Companies Act. Information is communicated to shareholders on a timely basis through:

- Announcements and press releases via SGXNET;
- Company's website (www.reclaims-enterprise.com); and
- Annual reports.

The investor relations function is overseen by the CEO who leads the Investor Relations team which comprises the Executive Directors and Executive Officer. The Investor Relations team takes an active role in communications with shareholders and the investment community to address their queries or concerns and to update them on the latest corporate developments.

The Company has in place an investor relations policy which promotes the timely dissemination of relevant information to the Company's shareholders and prospective investors to enable them to make well-informed investment decisions and to ensure a level playing field. The policy is available at the Company's website under the "Investor Relations" section.

Shareholders and the investment community can contact the Company's Investor Relations team by telephone at +65 6659 0516, fax at +65 6659 0517 or email at general@reclaims-enterprise.com.

Provisions 12.2 and 12.3 of the Code:
Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

MANAGING STAKEHOLDERS RELATIONSHIPS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company takes pride in meeting and exceeding the expectations of our stakeholders. Our engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the "Sustainability Report" section of the Annual Report.

The Group seizes opportunities to engage our stakeholders and welcomes feedback on our sustainability report. The Company's sustainability team can be contacted via email (sustainability@reclaims.sg).

Stakeholders who wish to know more about the Group and our business and governance practices can visit our website (www.reclaims-enterprise.com). Our website includes an investor relations section containing the Company's financial highlights, annual report, corporate announcements, whistle-blowing policy and investor relations policy.

**Principle 13:
ENGAGEMENT WITH
STAKEHOLDERS**

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

Provision 13.3 of the Code:
Corporate website to engage stakeholders



CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officer and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretaries.

INTERESTED PERSON TRANSACTIONS

The Group has adopted a policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length, on normal commercial terms and not prejudicial to the Company and its minority shareholders. All interested person transactions will be documented and submitted periodically to the AC for their review. Save for the information disclosed in the table below, there were no other interested person transactions conducted during the year, which exceeds S\$100,000 in value.

The Group has adopted a general mandate in respect of interested person transactions which had been effective since 15 May 2019. The Group will be seeking renewal of its general mandate from its shareholders for recurrent interested person transactions, details of which are found in the Circular to Shareholders dated 8 May 2023 in relation to the proposed business diversification and proposed renewal of IPT Mandate.



CORPORATE GOVERNANCE REPORT

The aggregate value of interested person transactions during FY2023 was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000) S\$'000
New Development Construction ("NDC"):	Associate of the Company's Executive Chairman ⁽¹⁾	-	584
- Rendering of logistics services to NDC		-	118
- Supply of constructions materials to NDC		-	116
- Leasing of excavators from NDC			

Note:

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

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed under "General and Statutory Information – Material Contracts" of the Company's Offer Document dated 1 March 2019 and in the "Directors' Statement" and "Financial Statements" sections of the Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.

A call option agreement dated 23 January 2019 was entered into among Madam Tan Lay Khim, shareholder of New Development Contractors Pte Ltd ("NDCPL") and wife of Mr Chan Chew Leh, NDCPL and the Company to further mitigate any potential conflicts of interests arising from competition between the businesses of NDC and NDCPL and the Group.

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

NON- SPONSORSHIP FEES

No non-sponsor fees were paid/payable to the Company's sponsor for FY2023.



STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 January 2023.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Chan Chew Leh
Tan Kok Huat
Chan Bih Tzy
Jong Voon Hoo
Chang Chi Hsung
Tan Heok Ping Joshua
Lim Hui Chee

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related corporation as recorded in the register of directors' interests in shares and debentures kept by the company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors	Shareholdings registered in the name of Director	
	At beginning of the reporting year	At end of the reporting year
<u>The company</u>	Number of shares of no par value	
Chan Chew Leh	51,253,997	51,253,997
Tan Kok Huat	50,616,003	50,616,003
Chan Bih Tzy	1,039,900	1,039,900



STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Act, Chan Chew Leh and Tan Kok Huat are deemed to have interests in the company and in all the related body corporate of the company at the beginning and at the end of the year.

The directors' interests as at 21 February 2023 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

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

6. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Jong Voon Hoo	(Chairman of audit committee and lead independent director)
Chang Chi Hsung	(Independent director)
Lim Hui Chee	(Independent director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- The audit plan of the independent external auditor.
- The independent external auditor's evaluation of the company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the auditor.
- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- The financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- The interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).



STATEMENT BY DIRECTORS

6. Report of audit committee (cont'd)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

7. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the audit committee, is of the opinion that the company's internal controls ((including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 January 2023 to address the risks that the company considers relevant and material to its operations.

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 24 March 2023, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors,

.....
Chan Chew Leh
Director

.....
Tan Kok Huat
Director

28 April 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Reclaims Global Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 January 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 January 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAMs") are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for contract revenue

The group's main revenue is contract revenue from excavation services amounting to \$10.8 million. The group recognises this revenue over time, using the output method for measuring progress towards complete satisfaction of performance obligations. The stage of completion was largely measured by reference to the physical proportion of the contract work completed. This is a key audit matter because of the significant management judgement required in the estimation.

Please refer to Note 2A "Revenue recognition" on significant accounting policies and Note 2C "Revenue recognition for contract revenue" on critical judgements, assumptions and estimation uncertainties. Further information in relation to contract revenue is provided in Note 5 of the financial statements. Also refer to the Audit Committee section in the Corporate Governance Report of the annual report for responses of the Audit Committee to the reported KAMs.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

Key Audit Matters (cont'd)

(a) Revenue recognition for contract revenue (cont'd)

We sighted certified progress reports from main contractors and performed site visits to assess the appropriateness of management estimates of the physical proportion of work completed, relative to the total value contracted. We obtained an understanding of management's internal controls over contract revenue. For a sample of the uncompleted contracts at the end of the reporting year, we reviewed the contracts to understand the scope of work and key contract terms, perused correspondences with customers and discussed the progress of projects with management for events that could impact the amount of revenue recognised. We also obtained relevant information from management when assessing the key contracts terms have been accounted for in the financial statements. We performed a review of available third party evidence (such as interim certified progress reports) and historical trends to assess the consistency with the progress of projects during the year.

We found that management has a consistent and systematic approach to estimate the completion progress which forms the basis to compute the amount of contract revenue to be recognised for the year. We also assessed the adequacy and appropriateness of disclosures made in the financial statements.

(b) Impairment allowance on trade receivables and contract assets

Trade receivables and contract assets, amounting to \$7.4 million (net of allowance for expected credit loss of \$0.7 million) and \$2.9 million respectively, are significant to the group. The group determines expected credit losses of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for overdue trade receivables, and using a provision matrix for remaining trade receivables and contract assets based on historical credit loss experience, specific to the debtors and economic environment. This assessment involved significant judgement.

Please refer to Note 2A "Financial instruments" on significant accounting policies and Note 2C "Assessment of expected credit loss allowance on trade receivables and contract assets" on critical judgements, assumptions and estimation uncertainties. Further information is provided in Notes 19, 20A and 26D on disclosures related to trade and other receivables, contract assets, and related credit risk. Also refer to the Audit Committee section in the Corporate Governance Report of the annual report for responses of the Audit Committee to the reported KAMs.

As part of our audit, we obtained an understanding of the group's processes and controls relating to management's assessment of the recoverability of trade receivables and contract assets which are past due but not impaired, including the assessment of any allowance from expected credit losses to be made. Our audit procedures included, amongst others, obtaining evidence of receipts subsequent to the year-end, considering available evidence which includes actual or expected significant adverse changes in business, financial or economic condition that may cause a significant increase in credit risk. We also considered past payment practices and ongoing business relationship, discussed identified collection issues and enquired the reasons for the delays in payment on overdue trade receivable with the management.

The allowance for expected credit losses recognised in the financial statements is consistent with the methodology used by management to estimate the expected credit losses from trade receivables and contract assets. We also assessed the adequacy and appropriateness of the disclosures made in the financial statements.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RECLAIMS GLOBAL LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lock Chee Wee.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

28 April 2023

Engagement partner effective from financial year ended 31 January 2021



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JANUARY 2023

	Notes	Group	
		2023 \$'000	2022 \$'000
Revenue	5	26,761	36,484
Interest income		44	1
Other income and gains	6	399	832
Cost of materials, services and consumables	7	(12,874)	(17,760)
Other losses	6	(356)	–
Finance costs	8	(36)	(93)
Depreciation expense	14	(1,717)	(1,782)
Depreciation of right-of-use-asset	15	(253)	(253)
Employee benefits expense	9	(6,264)	(7,229)
Other expenses	10	(3,279)	(3,934)
Profit before tax from operations		2,425	6,266
Income tax expense	11	(429)	(1,408)
Profit from operations, net of tax		1,996	4,858
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		1	3
Total comprehensive income for the year		1,997	4,861
Total comprehensive income attributable to owners of the Company		1,997	4,861
		Cents	Cents
Earnings per share			
Basic and diluted earnings per share	12	1.52	3.71

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	10,264	9,499	–	–
Right-of-use assets	15	3,230	3,483	–	–
Investment in financial assets at FVTPL	16	940	–	–	–
Investment in subsidiaries	17	–	–	15,327	15,327
Total non-current assets		14,434	12,982	15,327	15,327
Current assets					
Inventories	18	20	59	–	–
Trade and other receivables	19	7,444	7,462	1,887	4,899
Other assets	20	3,948	2,812	7	13
Cash and cash equivalents	21	9,880	11,064	6,096	101
Total current assets		21,292	21,397	7,990	5,013
Total assets		35,726	34,379	23,317	20,340
EQUITY AND LIABILITIES					
Equity					
Share capital	22	19,388	19,388	19,388	19,388
Retained earnings		10,169	8,173	163	107
Other reserves		3	2	–	–
Total equity		29,560	27,563	19,551	19,495
Non-current liabilities					
Deferred tax liabilities	11	824	874	–	–
Loans and borrowings	23	285	–	–	–
Financial liabilities – lease liabilities	24	85	264	–	–
Total non-current liabilities		1,194	1,138	–	–
Current liabilities					
Income tax payable		451	1,170	7	9
Loans and borrowings	23	856	–	–	–
Financial liabilities – lease liabilities	24	437	398	–	–
Trade and other payables	25	3,228	4,110	3,759	836
Total current liabilities		4,972	5,678	3,766	845
Total liabilities		6,166	6,816	3,766	845
Total equity and liabilities		35,726	34,379	23,317	20,340

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



STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JANUARY 2023

Group	Total equity \$'000	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000
Current year:				
Opening balance at 1 February 2022	27,563	19,388	8,173	2
Changes in equity:				
Total comprehensive income for the year	1,997	–	1,996	1
Closing balance at 31 January 2023	29,560	19,388	10,169	3
Previous year:				
Opening balance at 1 February 2021	24,012	19,388	4,625	(1)
Changes in equity:				
Total comprehensive income for the year	4,861	–	4,858	3
Dividends paid (Note 13)	(1,310)	–	(1,310)	–
Closing balance at 31 January 2022	27,563	19,388	8,173	2

Company	Total equity \$'000	Share capital \$'000	Retained earnings \$'000
Current year:			
Opening balance at 1 February 2022	19,495	19,388	107
Changes in equity:			
Total comprehensive income for the year	56	–	56
Closing balance at 31 January 2023	19,551	19,388	163
Previous year:			
Opening balance at 1 February 2021	21,042	19,388	1,654
Changes in equity:			
Total comprehensive loss for the year	(237)	–	(237)
Dividends paid (Note 13)	(1,310)	–	(1,310)
Closing balance at 31 January 2022	19,495	19,388	107

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



CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JANUARY 2023

	Group	
	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	2,425	6,266
Adjustments for:		
Interest income	(44)	(1)
Interest expense	36	93
Impairment loss on property, plant and equipment	–	140
Allowance for trade receivables – loss/(reversal), net	296	(45)
Losses on fair value changes of investment at FVTPL	60	–
Depreciation of property, plant and equipment	1,717	1,782
Depreciation of right-of-use-assets	253	253
Gain on disposal of property, plant and equipment	(150)	(229)
Net effect of exchange rate changes in consolidating subsidiary	1	3
Operating cash flows before changes in working capital	4,594	8,262
Inventories	39	(29)
Trade and other receivables	(278)	1,205
Other assets	(1,136)	486
Trade and other payables	(882)	(15)
Net cash flows from operations	2,337	9,909
Income taxes paid	(1,198)	(867)
Net cash flows from operating activities	1,139	9,042
Cash flows from investing activities		
Purchase of plant and equipment (Notes 14 and 21A)	(2,238)	(972)
Proceeds from disposal of plant and equipment	317	544
Investment in financial assets at FVTPL	(1,000)	–
Interest received	44	1
Net cash flows used in investing activities	(2,877)	(427)
Cash flows from financing activities		
Dividends paid	–	(1,310)
Interest paid	(36)	(93)
Proceeds from bank borrowings	1,712	–
Repayment of borrowings	(571)	(3,380)
Lease liabilities – principal portion paid	(551)	(743)
Net cash flows from/(used in) financing activities	554	(5,526)
Net (decrease)/increase in cash and cash equivalents	(1,184)	3,089
Cash and cash equivalents, statement of cash flows, beginning balance	11,064	7,975
Cash and cash equivalents, statement of cash flows, ending balance (Note 21)	9,880	11,064

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



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

1. General

The company (Registration No: 201834755M) is incorporated in Singapore under the Companies Act 1967. The company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 March 2019.

The financial statements are presented in Singapore dollars, and all values are rounded to the nearest thousand (\$'000) except where otherwise stated and they cover the company (referred to as "parent") and its subsidiaries.

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

The company is an investment holding company. The principal activities of the subsidiaries are described in Note 17.

The registered office is 10 Tuas South Street 7 Singapore 637114. The principal place of business of the company is in Singapore.

Uncertainties relating to the current economic conditions

Management has considered the current economic conditions caused by commodities inflation, as well as the war in Ukraine at the end of the reporting year and reviewed the probable impact and plausible downside scenarios, (in particular the recoverable amounts of the assets). No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I)INT") as issued by the Singapore Accounting Standards Council. They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

1. General (cont'd)

Basis of presentation and principles of consolidated

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation currency is in the functional currency.

Translation of financial statements of other entities

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



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue and income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue recognition at a point in time – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered). Revenue from short-term service orders and projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Revenue recognition over time – For long-term service contracts and projects, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method. For the output method, the revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, and units produced or units delivered. As a practical expedient, if the entity has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the entity's performance to date, revenue is recognised at that amount (for example, in a goods or services contract an entity may have the right to bill a fixed amount for each unit of goods or service provided).

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

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



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. An investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	–	5%
Plant and equipment	–	10% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use asset

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of lessee

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

Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first in first out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"); (3) Financial asset that is a debt asset instrument classified as measured at FVTOCI; and (4) Financial asset classified as measured at fair value through profit or loss ("FVTPL"). At the end of the reporting year, the reporting entity had the following financial assets:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below.

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revenue recognition for contract revenue:

The group has contract revenue where the performance obligation is satisfied over time. The group recognises contract revenue from excavation services over time, using the output method for measuring progress towards complete satisfaction of performance obligations. The stage of completion was largely measured by reference to the physical proportion of the contract work completed including certified progress reports from main contractors. Assessing the satisfaction of performance obligations over time requires consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay, whether the group has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account transactions during the year and balances at the end of the reporting year are disclosed in the notes on revenue and contract assets.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessment of expected credit loss allowance on trade receivables and contract assets:

Trade and other receivables and contract assets are subjected to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. An assessment is made for the reporting year whether there is any indication that the above mentioned assets may be impacted adversely. If any such indication exists, an estimate is made of the fair value of the account balance. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year are different from assumptions and could require a material adjustment to the carrying amount of the balances affected. The carrying amount is disclosed in the notes on trade and other receivables, and contract assets.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Chan Chew Leh and Tan Kok Huat.

3A. Related party transactions:

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

Significant related party transactions:

	Group	
	2023	2022
	\$'000	\$'000
Related parties: ^(a)		
Sale of goods	121	72
Rendering of services	590	502
Short term rental of equipment and machineries	(116)	(139)

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



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

3. Related party relationships and transactions (cont'd)

3B. Key management compensation:

	Group	
	2023	2022
	\$'000	\$'000
Salaries and other short-term employee benefits	1,499	1,975

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

	Group	
	2023	2022
	\$'000	\$'000
Remuneration of key management personnel	1,411	1,891
Fees to directors	88	84

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Further information about the remuneration of individual directors is provided in the report on corporate governance.

3C. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

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

4. Financial information by operating segments

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

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) recycling, (2) excavation services and (3) logistics and leasing. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the directors in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.



NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

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

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

The segments and the types of products and services are as follows:

- (1) The recycling segment focuses on the reclaiming of natural and urban construction and demolition waste. The recycled waste is for sale as building materials to customers.
- (2) The excavation services segment performs land clearing, excavation and removal of construction and demolition waste. Excavation services consists of demolition works, site clearance, reshaping, backfilling, and compacting and turfing.
- (3) The logistics and leasing segment provides transportation services and leasing of machinery and equipment.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Profit or loss from operations and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2023					
Revenue by segment					
Total revenue	8,940	10,752	6,917	152	26,761
Recurring EBITDA					
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



NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

4B. Profit or loss from operations and reconciliations (cont'd)

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2022					
Revenue by segment					
Total revenue	8,032	13,277	15,048	127	36,484
Recurring EBITDA					
Depreciation expense	(388)	(868)	(280)	(246)	(1,782)
Depreciation of right-of-use-asset	(114)	–	–	(139)	(253)
ORBIT	2,258	(104)	5,045	(841)	6,358
Interest income					1
Finance costs					(93)
Income tax expense					(1,408)
Profit from continuing operations					4,858

4C. Assets and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2023					
Total assets for reportable segments	7,315	12,097	1,461	4,973	25,846
Cash and cash equivalent					9,880
Total group assets					35,726
2022					
Total assets for reportable segments	5,796	10,920	2,113	4,486	23,315
Cash and cash equivalent					11,064
Total group assets					34,379



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4. Financial information by operating segments (cont'd)

4D. Liabilities and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
2023					
Total liabilities for reportable segments	1,330	1,884	794	883	4,891
Deferred tax liabilities					824
Income tax payable					451
Total group liabilities					6,166
2022					
Total liabilities for reportable segments	872	1,907	1,668	325	4,772
Deferred tax liabilities					874
Income tax payable					1,170
Total group liabilities					6,816

4E. Other material items and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
Impairment of assets:					
2023	56	240	–	–	296
2022	140	–	–	–	140
Expenditures for non-current assets:					
2023	458	1,749	293	149	2,649
2022	–	1,011	245	106	1,362

4F. Geographical information

The group's results are solely generated in Singapore. Similarly, its assets and liabilities are located in Singapore.



NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

4G. Information about major customers

	Group	
	2023	2022
	\$'000	\$'000
Top 1 customer	2,241	4,773
Top 2 customers	4,002	9,012
Top 3 customers	5,052	11,062

5. Revenue

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

	Group	
	2023	2022
	\$'000	\$'000
Sales of goods	8,940	8,032
Excavation services	10,752	13,277
Logistics and leasing services	6,917	15,048
Others	152	127
Total revenue	26,761	36,484

5B. Revenue classified by duration of contract:

	2023	2022
	\$'000	\$'000
Short-term contracts	16,009	23,207
Long-term contracts	10,752	13,277
Total revenue	26,761	36,484

5C. Revenue classified by timing of revenue recognition:

	2023	2022
	\$'000	\$'000
Point in time	16,009	23,207
Over time	10,752	13,277
Total revenue	26,761	36,484



NOTES TO THE FINANCIAL STATEMENTS

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6. Other income and gains and (other losses)

	Group	
	2023	2022
	\$'000	\$'000
Gain on disposal of property, plant and equipment	150	229
Government grants	182	540
Losses on fair value changes of investment at FVTPL	(60)	–
Allowance for impairment on trade receivables – (loss)/reversal, net	(296)	45
Others	67	18
Net	43	832
Presented in profit or loss as:		
Other income and gains	399	832
Other losses	(356)	–
Net	43	832

7. Cost of materials, services and consumables

The major components and other selected components include the following:

	Group	
	2023	2022
	\$'000	\$'000
Cost of materials and disposal	7,445	11,386
Cost of transportation services	1,200	3,169
Cost of diesel	3,989	3,185

8. Finance costs

	Group	
	2023	2022
	\$'000	\$'000
Interest on lease liabilities	20	30
Interest on bank loans	16	63
	36	93

9. Employee benefits expense

	Group	
	2023	2022
	\$'000	\$'000
Short term employee benefits expense	5,305	6,212
Contributions to defined contribution plans	173	193
Other	786	824
Total employee benefits expense	6,264	7,229



NOTES TO THE FINANCIAL STATEMENTS

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10. Other expenses

The major components and other selected components include the following:

	Group	
	2023	2022
	\$'000	\$'000
Audit fees to the independent auditor of the company	76	76
Rental expenses (Note 24)	179	105
Repair and maintenance expense	1,131	1,103
Upkeep of motor vehicles	899	948
Impairment loss on property, plant and equipment	–	140
Short term rental of equipment and machineries (Note 24)	234	431

11. Income tax

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

	Group	
	2023	2022
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	479	1,169
Subtotal	479	1,169
<u>Deferred tax (income)/expense:</u>		
Deferred tax (income)/expense	(50)	239
Subtotal	(50)	239
Total income tax expense	429	1,408

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2023	2022
	\$'000	\$'000
Profit before tax	2,425	6,266
Income tax expense at the above rate	412	1,065
Expenses not deductible for tax purposes	145	222
Income not subject to tax	(51)	(90)
Change in temporary differences	(50)	239
Tax exemption and rebates	(27)	(28)
Total income tax expense	429	1,408

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



NOTES TO THE FINANCIAL STATEMENTS

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11. Income tax (cont'd)

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

	Group	
	2023	2022
	\$'000	\$'000
Excess of book value of plant and equipment over tax value	(50)	239

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

	Group	
	2023	2022
	\$'000	\$'000
<u>Deferred tax liabilities:</u>		
Excess of book value of plant and equipment over tax value	(824)	(874)

It is impracticable to estimate the amount expected to be settled or used within a year.

12. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2023	2022
	\$'000	\$'000
<u>Numerators</u>		
Profit, net of tax attributable to owners of the parent	1,996	4,858
<u>Denominators: Weighted average number of ordinary shares</u>		
Basic ('000)	131,000	131,000

The weighted average number of ordinary shares is weighted by reference to shares in issue outstanding during the reporting period. The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

Diluted earnings per share are the same as basic earnings per share as no potential dilutive ordinary share exists during the respective reporting years.

13. Dividends on equity shares

	Dividend per share		Group and Company	
	2023	2022	2023	2022
	Singapore cents	Singapore cents	\$'000	\$'000
Final tax exempt (1-tier) dividends relating to the previous financial year, approved and paid during the year	-	1.00	-	1,310



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14. Property, plant and equipment

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
Cost:			
At 1 February 2021	5,108	16,636	21,744
Additions	–	1,362	1,362
Disposals	–	(803)	(803)
Impairment	–	(140)	(140)
At 31 January 2022	5,108	17,055	22,163
Additions	–	2,649	2,649
Disposals	–	(739)	(739)
At 31 January 2023	5,108	18,965	24,073
Accumulated depreciation:			
At 1 February 2021	1,192	10,178	11,370
Depreciation for the year	256	1,526	1,782
Disposals	–	(488)	(488)
At 31 January 2022	1,448	11,216	12,664
Depreciation for the year	255	1,462	1,717
Disposals	–	(572)	(572)
At 31 January 2023	1,703	12,106	13,809
Carrying value:			
At 1 February 2021	3,916	6,458	10,374
At 31 January 2022	3,660	5,839	9,499
At 31 January 2023	3,405	6,859	10,264

Certain plant and equipment are under hire purchase agreements (Note 24).

15. Right-of-use assets

The right-of-use assets in the statement of financial position are as follows:

Land use rights:	Group	
	2023 \$'000	2022 \$'000
Cost:		
At beginning and end of the reporting year	5,494	5,494
Accumulated depreciation:		
At beginning of the reporting year	2,011	1,758
Depreciation for the year	253	253
At end of the reporting year	2,264	2,011
Carrying value	3,230	3,483

Right-of-use asset pertains to the acquisition costs for a lease of a land parcel at 10 Tuas South Street 7 Singapore 637114, where the company's registered office is located. The lease expires no later than 7 November 2035.



NOTES TO THE FINANCIAL STATEMENTS

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16. Investment in financial assets at FVTPL

	Group	
	2023	2022
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	–	–
Additions	1,000	–
Decrease in fair value through profit or loss	(60)	–
Fair value at end of the year	940	–

This information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

	Level	Group			
		2023	2022	2023	2022
		\$'000	\$'000	%	%
Fund of fund	3	940	–	100	–

The objective of investee fund is to invest in quoted and unquoted shares to achieve capital appreciation. The shares or units of above investee fund (which are unlisted open ended investment fund) are not traded in an active market. The net asset value ("NAV") is from the unaudited financial statements of the investee fund or notifications from the investment manager. This is the redemption price based on the net asset value of the shares or units held at the end of the reporting year. The fair value of an investment in an investee fund where the investee NAV per share is determined and is communicated to the investor, but is not publicly available, is being used as a practical expedient for fair value at Level 3.

Sensitivity analysis for price risk of investments at FVTPL:

Certain financial instruments are exposed to both currency risk and price risk arising from uncertainties about future values of the financial instruments. Sensitivity analysis: The effects are as follows:

	Group	
	2023	2022
	\$'000	\$'000
A hypothetical 10% increase in the market value of the underlying assets of the financial assets measured at FVTPL would have an effect on fair value of	94	–

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).



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17. Investment in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity shares at cost	15,327	15,327
Movements during the year. At carrying amount:		
Balance at beginning of the year	15,327	15,327
Impairment	-	-*
Carrying amount at the end of the reporting year	15,327	15,327

* Amount less than \$1.

The information on the subsidiaries are as follow:

Name of subsidiary, country of incorporation, place of operations and principal activities	Effective equity held	
	2023	2022
	%	%
Reclaims Enterprise Pte. Ltd. ^(a) Singapore Recycling of non-metal waste and refuse disposal including demolition and transportation services	100	100
Reimagine Me Sdn. Bhd. ^(b) Malaysia Green technology activities, specifically converting organic waste into economic resources and economic materials/products	100	100

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

(b) The subsidiary is in the process of being struck off.

18. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Finished goods and goods for resale	20	59



NOTES TO THE FINANCIAL STATEMENTS

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19. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Outside parties	6,252	6,567	–	–
Less: allowance for impairment	(689)	(963)	–	–
Related parties (Note 3)	174	266	–	–
Retention receivables	1,695	1,783	–	–
Less: allowance for impairment	–	(213)	–	–
Net trade receivables – subtotal	7,432	7,440	–	–
<u>Other receivables:</u>				
Outside parties	12	22	23	–
Subsidiaries (Note 3)	–	–	1,864	4,899
Net other receivables – subtotal	12	22	1,887	4,899
Total trade and other receivables	7,444	7,462	1,887	4,899

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Movements in above allowance for trade receivables:</u>				
Balance at the beginning of the year	1,176	1,221	–	–
Charge/(reversal) for trade receivables to profit or loss included in other losses (Note 6)	296	(45)	–	–
Bad trade debts written off	(783)	–	–	–
Balance at the end of the reporting year	689	1,176	–	–

The expected credit losses (“ECL”) on the trade receivables, and contract assets are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from the initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions.

The reporting entity also has a few customers with material balances and which can be credit risk graded individually and these are recorded at inception net of any expected lifetime ECL. For these material balances the credit risk is graded individually. For these material balances, at the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. For the smaller balances the assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions.



NOTES TO THE FINANCIAL STATEMENTS

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19. Trade and other receivables (cont'd)

The allowance model is based on the historical observed default rates (over a period of 60 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The ageing of all the balances is as follows:

	Gross amount		Loss allowance	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables and contract assets:				
Current	6,855	4,245	–	–
1 to 60 days past due	2,565	4,207	–	–
61 to 365 days past due	1,508	1,597	645	146
Over 365 days past due	44	1,030	44	1,030
Total	10,972	11,079	689	1,176

The carrying amount of the group's most significant receivable from one customer is \$977,000 (2022: \$753,000) as at the year-end. The group has no other concentration of customers' credit risk.

Other receivables

The other receivables shown above are subject to the expected credit loss ("ECL") allowance assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of any expected 12 month expected credit losses. At the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, audited financial statements, management accounts and cash flow projections and available published information about debtors that is available without undue cost or effort) and applying experienced credit judgement.

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. A significant increase in credit risk is defined by management as any contractual or expected payment which is more than 60 days past due. Any contractual or expected payment which is more than 90 days past due is considered credit impaired.



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20. Other assets

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract assets (Note 20A)	2,851	2,463	–	–
Prepayments	172	165	7	13
Deposits	67	36	–	–
Advances paid to suppliers	858	148	–	–
	3,948	2,812	7	13

20A. Contract assets

	Group	
	2023	2022
	\$'000	\$'000
The amount is made up of:		
Consideration for work completed but not billed as at the end of the reporting year	2,851	2,463
The movements in the contract assets are as follows:		
At the beginning of the year	2,463	2,410
Revenue recognised for performance obligation satisfied	10,752	13,277
Transfer to trade receivables	(10,364)	(13,224)
At the end of the reporting year	2,851	2,463

The contract assets are for group's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional. It is expected that the contract assets as at the reporting year end date will be recognised as receivables during the next reporting year.

21. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	9,880	11,064	6,096	101

The interest earning balances are not significant.



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21. Cash and cash equivalents (cont'd)

21A. Non cash transactions

	Group	
	2023	2022
	\$'000	\$'000
Acquisitions of certain assets under property, plant and equipment under lease contracts	411	390

21B. Reconciliation of liabilities arising from financing activities:

	2022	Cash flows	Non-cash	2023
	\$'000	\$'000	changes	\$'000
			\$'000	
Loans and borrowings	–	1,141	–	1,141
Lease liabilities	662	(571)	431	522
Total liabilities from financing activities	662	570	431	1,663

	2021	Cash flows	Non-cash	2022
	\$'000	\$'000	changes	\$'000
			\$'000	
Loans and borrowings	3,380	(3,380)	–	–
Lease liabilities	857	(773)	578	662
Total liabilities from financing activities	4,237	(4,153)	578	662

22. Share capital

	Number of shares issued	Share capital \$'000
<u>Group and company:</u>		
Ordinary shares of no. par value:		
Balance at 1 February 2021, 31 January 2022 and 31 January 2023	131,000,000	19,388

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.



NOTES TO THE FINANCIAL STATEMENTS

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22. Share capital (cont'd)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Exchange Securities Trading Limited, the company has to have share capital with a free float of at least 10% of the shares after its IPO. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management will receive a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	2023 \$'000	2022 \$'000
Net cash:		
All current and non-current borrowings including finance leases	1,663	662
Less: cash and cash equivalents	(9,880)	(11,064)
Net cash	(8,217)	(10,402)
Adjusted capital:		
Total equity and adjusted capital	29,560	27,563

The Group is in a net cash position. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.



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23. Loan and borrowings

	Group	
	2023	2022
	\$'000	\$'000
<u>Non-current:</u>		
<u>Financial instruments with fixed interest rate:</u>		
Bank loan (secured) (Note 23A)	285	–
Total non-current portion	285	–
<u>Current:</u>		
<u>Financial instruments with fixed interest rate:</u>		
Bank loan (secured) (Note 23A)	856	–
Total current portion	856	–
Total	1,141	–

The bank loan is with a fixed interest rate of 1.6% per annum and the non-current portion is payable within 2 years.

23A. Bank loans (secured)

The agreement for the bank loan provide among other matters for the following:

- (i) Legal mortgage over the subsidiary's leasehold property;
- (ii) Assignment of all rights, title and benefits under existing and future tenancy agreements and future tenancy agreements and rental income in respect of the subsidiary's leasehold property;
- (iii) Corporate guarantee from the Company;
- (iv) Repayable monthly over 2 years from the date of loan was drawn down on 1 June 2022;
- (v) Loan-to-value-ratio – All sum owing to the bank shall not at any time exceed 70% of the market value of the subsidiary's leasehold property and other securities created in favour of the bank.

24. Lease liabilities

	Group	
	2023	2022
	\$'000	\$'000
Lease liabilities, current	437	398
Lease liabilities, non-current	85	264
Total	522	662

Leases for right-to-use assets – the reporting entity has a few leases relating to the motor vehicles and machineries. Other information about the leasing activities are summarised as follows – The leases prohibit the lessee from selling or pledging the underlying leased assets as security unless permitted by the owners. There are no variable payments linked to an index. The leases are for terms between 2 to 3 years. Certain of the leases provide options to purchase the underlying leased asset outright.



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31 JANUARY 2023

24. Lease liabilities (cont'd)

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Certain leases are secured by a legal charge over the leased assets.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2023	2022
	\$'000	\$'000
Expense relating to short-term leases included in other expenses	413	536
Income from subleasing right-of-use asset	51	52
Total commitments on short-term leases at year end date	179	85

25. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	3,228	4,046	309	836
Subtotal	3,228	4,046	309	836
<u>Other payables:</u>				
Other payables and accrued liabilities	-	64	-	-
Subsidiary	-	-	3,450	-
Subtotal	-	64	3,450	-
Total trade and other payables	3,228	4,110	3,759	836



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

26. Financial instruments: information on financial risks

26A. Categories of financial assets and liabilities

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Financial assets at fair value through profit and loss	940	–	–	–
Financial assets at amortised cost	17,324	18,526	7,983	5,000
	18,264	18,526	7,983	5,000
Financial liabilities:				
Financial liabilities at amortised cost	4,891	4,772	3,759	836

Further quantitative disclosures are included throughout these financial statements.

26B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk and market price risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. All financial risk management activities are carried out and monitored by senior management staff.
3. All financial risk management activities are carried out following acceptable market practices.

There has been no change to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

26C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

26. Financial instruments: information on financial risks (cont'd)

26D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances and any other financial instruments with banks and other financial institutions is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the ECL allowance. Under this general approach the financial assets move through the three stages as their credit quality change. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, for trade receivables that do not contain a significant financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a significant financing component, the reporting entity applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the reporting entity does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 discloses the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

26E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2022: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

26. Financial instruments: information on financial risks (cont'd)

26E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
2023:			
Gross lease liabilities	446	85	531
Trade and other payables	3,228	–	3,228
Loan and borrowings	867	286	1,153
At end of the reporting year	4,541	371	4,912
2022:			
Gross lease liabilities	423	272	695
Trade and other payables	4,110	–	4,110
At end of the reporting year	4,533	272	4,805

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

26F. Interest rate risk

	Group	
	2023	2022
	\$'000	\$'000
Financial liabilities with interest:		
Fixed rates	1,663	662

Sensitivity analysis: The effect on pre-tax profit is not significant.

26G. Foreign currency risk

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on pre-tax profit is not significant.



NOTES TO THE FINANCIAL STATEMENTS

31 JANUARY 2023

27. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments
SFRS (I) 16	The Conceptual Framework for Financial Reporting COVID-19 Related Rent Concessions – Amendments (effective from 30 June 2021)

28. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – Amendments relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments	1 January 2023



STATISTICS OF SHAREHOLDINGS

AS AT 21 APRIL 2023

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

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 99	0	0.00	0	0.00
100 – 1,000	80	45.98	77,500	0.06
1,001 – 10,000	12	6.90	72,700	0.05
10,001 – 1,000,000	71	40.80	13,002,700	9.93
1,000,001 AND ABOVE	11	6.32	117,847,100	89.96
TOTAL	174	100.00	131,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chan Chew Leh	51,253,997	39.13	–	–
Tan Kok Huat	50,616,003	38.64	–	–



STATISTICS OF SHAREHOLDINGS

AS AT 21 APRIL 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHAN CHEW LEH	51,253,997	39.13
2	TAN KOK HUAT	50,616,003	38.64
3	DBS NOMINEES (PRIVATE) LIMITED	2,639,900	2.02
4	UOB KAY HIAN PRIVATE LIMITED	2,439,500	1.86
5	ANDREW DEKGUANG JHOU CHEW	2,295,400	1.75
6	HO BUCK CHAI	2,007,300	1.53
7	LEE CHER WEE	1,485,200	1.13
8	WAN CHUN HONG HENRY (RUAN JUNHONG HENRY)	1,458,900	1.11
9	SEOW JING YI JONAH	1,311,000	1.00
10	TAN LAY SEE	1,300,000	0.99
11	CHAN BIH TZY	1,039,900	0.79
12	CHAN WENG FITT	979,000	0.75
13	CHAN KIN HANG	917,900	0.70
14	CHNG SIEW HWA	900,000	0.69
15	LIEW YOW FAH	855,000	0.65
16	LAU EE CHUAN	845,000	0.65
17	ONG SWEE HEE	760,800	0.58
18	GOH CHUN HENG (WU JUNXING)	650,000	0.50
19	CITIBANK NOMINEES SINGAPORE PTE LTD	500,000	0.38
20	LIM PIA BOON	500,000	0.38
	TOTAL	124,754,800	95.23

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

20.79% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Reclaims Global Limited (the “**Company**”) will be held by electronic means on Friday, 26 May 2023 at 10.00 a.m. (of which there will be a live webcast) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 January 2023 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Tan Kok Huat who is retiring pursuant to Regulation 105 of the Constitution of the Company.
See Explanatory Note (i) **(Resolution 2)**
3. To re-elect Mr Jong Voon Hoo who is retiring pursuant to Regulation 105 of the Constitution of the Company.
See Explanatory Note (ii) **(Resolution 3)**
4. To approve the payment of Directors’ Fees of S\$90,000 for the financial year ending 31 January 2024, to be paid half yearly in arrears. (FY2023: S\$88,000) **(Resolution 4)**
5. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this authority was in force,



NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority is given, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

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

- (3) in exercising the authority conferred by this Resolution, the Directors of the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

See Explanatory Note (iii)

(Resolution 6)

8. **Business Diversification**

That:

- (a) approval be and is hereby given for the diversification by the Group of its core business to include the Proposed New Business as described in Section 2.1 of the Circular to Shareholders dated 8 May 2023;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the Proposed New Business on such terms and conditions as the Directors deem fit; and
- (c) such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such investment, purchase, acquisition or disposal.

See Explanatory Note (iv)

(Resolution 7)



NOTICE OF ANNUAL GENERAL MEETING

9. **Renewal of the General Mandate for Interested Person Transactions**

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

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

See Explanatory Note (v)

(Resolution 8)

BY ORDER OF THE BOARD

Toh Yang Wee
Wong Yoen Har
Company Secretaries
Singapore, 8 May 2023



NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolution 2 in item 2 above is to re-elect Mr Tan Kok Huat who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Tan Kok Huat will, upon re-election as Director of the Company, remain as, Executive Director and Chief Executive Officer of the Company.
- (ii) Ordinary Resolution 3 in item 3 above is to re-elect Mr Jong Voon Hoo who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Jong Voon Hoo will, upon re-election as Director of the Company, remain as, Lead Independent Director, Chairman of Audit Committee, member of Remuneration Committee and Nominating Committee, and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Detailed information on the Directors who are proposed to be re-appointed as Directors of the Company can be found under sections "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in the Annual Report for the financial year ended 31 January 2023.

- (iii) Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.
- (iv) Ordinary Resolution 7 in item 8 above, if passed, will authorise the Company to enter into transactions in connection with the Proposed New Business, and be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under the Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek shareholders' approval as and when the opportunities arise. This will reduce substantially the administrative time and expenses in convening such meetings. Please refer to the Circular to Shareholders dated 8 May 2023 in relation to the proposed business diversification and the proposed renewal of IPT Mandate ("**Circular to Shareholders**") for more information on the Proposed Business Diversification.
- (v) Ordinary Resolution 8 in item 9 above, if passed, will authorise the Entities at Risk to enter into the Mandated Transactions with the Mandated Interested Persons which are recurring in the financial year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company. Please refer to the Circular to Shareholders for more information on the IPT General Mandate.



NOTICE OF ANNUAL GENERAL MEETING

Measures to Minimise Risk of Community Spread of COVID-19

Pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM of the Company will be held by way of electronic means and members of the Company will not be able to attend the AGM in person.

The proceedings of this AGM will be broadcasted “live” through a live webcast and live audio feed (the “**Live AGM Webcast**” or “**Live AGM Audio Feed**”) which will take place on Friday, 26 May 2023 at 10.00 a.m.. **Shareholders will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

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

Live AGM Webcast and Live AGM Audio Feed:

1. Shareholders may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, shareholders will need to pre-register at <https://go.lumiengage.com/reclaimsagm23> (the “**Registration Link**”) by 10.00 a.m. on 23 May 2023 (the “**Registration Deadline**”) to enable the Company to verify their status.
2. Following verification, authenticated shareholders will receive an email by 10.00 a.m. on 25 May 2023 containing a link to access the Live AGM Webcast or the Live AGM Audio Feed of the AGM proceedings.
3. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast or the Live AGM Audio Feed.
4. Shareholders who have registered by the Registration Deadline but did not receive an email response by 10.00 a.m. on 25 May 2023 may contact the Company by email at agm@reclaims.sg for assistance.

Submission of Proxy Forms to Vote:

1. **Shareholders will be able to vote online through the Live AGM Webcast on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their votes can vote during the AGM or submit a proxy form to appoint proxy(ies) (other than the Chairman of the AGM) to cast votes on their behalf.**
2. Shareholders (whether individual or corporate) may appoint not more than two proxies to attend and vote in their stead. A shareholder who appoint more than one proxy shall specify the proportion of the shareholding to be represented by each proxy in the Proxy Form.
3. Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to the manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
4. A proxy, and the Chairman of the AGM, as proxy, need not be a shareholder of the Company.



NOTICE OF ANNUAL GENERAL MEETING

5. The Proxy Forms must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the proxy form.
6. A corporation which is a shareholder may authorise by resolutions of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
7. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:
 - (a) uploading via the Registration Link; or
 - (b) mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (c) email to agm@reclaims.sg.

as soon as possible, to arrive **no later than 10.00 a.m. on 23 May 2023**, being seventy-two (72) hours before the time fixed for the AGM.

Shareholders are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing proxy(ies) should approach their SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 17 May 2023) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint proxy(ies) to vote on their behalf by 10.00 a.m. on 23 May 2023.
9. Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act) including SRS Investors who wish to participate in the AGM by:
 - (a) observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;
 - (b) submitting questions in advance of the AGM; and/or
 - (c) voting by appointing the Chairman of the AGM as proxy at the AGM,

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

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



NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions in Advance:

1. **Please note that shareholders will be able to ask questions at the AGM during the Live AGM Webcast and therefore it is important for shareholders to pre-register their participation in order to ask questions during the AGM.**
2. Shareholders may also submit questions relating to the items on the agenda of the AGM at least seven (7) calendar days after publication of the Notice of AGM i.e. by 10.00 a.m. on 15 May 2023:
 - (a) via the Registration Link;
 - (b) in hard copy by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (c) by email to agm@reclaims.sg.
3. A shareholder who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
4. Shareholders may submit questions during the AGM by clicking on the "Ask a Question" option, typing in and submitting their questions through the "live" chat box via the webcast platform during the AGM.
5. The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from shareholders will be posted on the SGXNET and the Company's website no later than 72 hours prior to the closing date and time for the lodgement of the proxy forms i.e. no later than 10.00 a.m. on 20 May 2023, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

Access to all documents relating to the business of the AGM:

Printed copies of this Annual Report, Notice of AGM, Proxy Form, and Circular to Shareholders will not be sent to shareholders. Instead, shareholders may access these documents via SGXNET and the Company's website.



NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By (i) submitting an instrument appointing a proxy and/or representative to attend and vote at the AGM and/or any adjournment thereof or (ii) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (iii) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data and/or its representative's by the Company (or its agents or service providers) for the following purposes:

- (a) processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (c) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM.

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



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Kok Huat and Mr Jong Voon Hoo are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 May 2023 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors are set out below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors” in the Annual Report 2023:

	Tan Kok Huat	Jong Voon Hoo
Date of appointment	11 October 2018	24 January 2019
Date of last re-appointment	12 June 2020	28 May 2021
Age	50	50
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Tan Kok Huat, is of the view that he is suitable for re-election as Director of the Company	The Board, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Jong Voon Hoo, is of the view that she is suitable for re-election as Independent Director of the Company
Whether appointment is executive, and if so, the area of responsibility	Executive. Charting the Group’s business strategies and future growth of the Group, and overseeing the execution of the Group’s projects	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Lead Independent Director, Chairman of the Audit Committee, Member of the Remuneration Committee, Member of the Nominating Committee
Professional qualifications	Skills Evaluation Certificate for plumbing and pipelifting issued by the Construction Industry Development Board (now known as Building and Construction Authority)	Bachelor of Accountancy degree from Nanyang Technological University Chartered Accountant of Singapore
Working experience and occupation(s) during the past 10 years	March 2019 – Current: Executive Director and Chief Executive Officer, Reclaims Global Limited February 2009 – Current: Director, Reclaims Enterprise Pte Ltd	October 2015 – Current: Chief Executive Officer and Executive Director, Global Invest & Advisory Pte Ltd October 2004 – August 2015: Chief Financial Officer, Green Build Technology Limited



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Tan Kok Huat	Jong Voon Hoo
Shareholding interest in the listed issuer and its subsidiaries (based on shareholding interest in the Company as at 21 April 2023)	50,616,003	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Ms Chan Bih Tzy (Executive Director and Chief Operations Officer) Nephew-in-law of Mr Chan Chew Leh (Executive Chairman)	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments* including directorships <i>*Excludes the working experience and occupations(s) as listed in the previous section</i>	<u>Directorships:</u> <u>Present:</u> Reclaims Enterprise Pte Ltd <u>Past 5 years:</u> Dreamfish Incorporated Singapore Pte. Ltd. Reclaims Transport & Trading Pte. Ltd.	<u>Directorships:</u> <u>Present:</u> Global Invest & Advisory Pte Ltd SingAsia Holdings Limited Snack Empire Holdings Limited Nam Lee Pressed Metal Industries Limited <u>Past 5 years:</u> Sheng Siong Group Ltd
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Tan Kok Huat	Jong Voon Hoo
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Tan Kok Huat	Jong Voon Hoo
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Tan Kok Huat	Jong Voon Hoo
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No



ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Tan Kok Huat	Jong Voon Hoo
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No

RECLAIMS GLOBAL LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. The Annual General Meeting ("AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing proxy(ies) or the Chairman of the AGM as proxy for the AGM, are set out in the Notice of AGM dated 8 May 2023.
3. **A member will not be able to attend the AGM in person.**
4. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the AGM, by **10.00 a.m. on 17 May 2023**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 May 2023.

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

I/We, _____ (Name)

_____ (NRIC/Passport No./Registration No.)

_____ (Address)

being a member/members of **Reclaims Global Limited** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to the above, the Chairman of the AGM as my/our proxy(ies), to attend and vote for or against or abstain from voting on the resolutions for me/us on my/our behalf at the Annual General Meeting of the Company (the "**Meeting**" or "**AGM**") to be held by electronic means on Friday, 26 May 2023 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy(ies) to vote for or against or abstain from voting on the resolutions proposed at the Meeting in the spaces provided hereunder. **If no specific directions as to voting is given in respect of a resolution, the proxy(ies) will vote or abstain from voting at his/her/their discretion as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.**

No.	Resolutions relating to:	Number of Votes For*	Number of Votes Against*	Number of Votes Abstain*
Ordinary Business				
1	Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 January 2023			
2	Re-election of Mr Tan Kok Huat as Director pursuant to Regulation 105 of the Constitution of the Company			
3	Re-election of Mr Jong Voon Hoo as Director pursuant to Regulation 105 of the Constitution of the Company			
4	Payment of Directors' Fees of S\$90,000 for the financial year ending 31 January 2024, to be paid half yearly in arrears			
5	Re-appointment of Messrs RSM Chio Lim LLP as Independent Auditor			
Special Business				
6	Authority to allot and issue shares			
7	Diversification of business			
8	Renewal of the General Mandate for Interested Person Transactions			

* Please indicate your vote "For" or "Against" or "Abstain" with a tick (✓) within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate. If you mark "Abstain", you are directing your proxy(ies) not to vote. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Note: Voting will be conducted by poll.

Dated this _____ day of _____ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. Shareholder (whether individual or corporate) may appoint not more than two proxies to attend and vote in his stead. A shareholder who appoints more than one proxy shall specify the proportion of the shareholding to be represented by each proxy in the instrument appointing proxy ("Proxy Form").
3. Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to the manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
4. A proxy, and the Chairman of the AGM as proxy, need not be a member of the Company.
5. Shareholders **will not** be able to attend the AGM in person. Shareholders who wish to exercise their voting rights at the AGM may vote at the AGM via real-time electronic voting or by submitting this Proxy Form appointing a proxy(ies) or the Chairman of the AGM as proxy to vote on his/her/its behalf at the AGM. This Proxy Form has been made available at the Company's website and SGXNet.
6. The duly completed and signed Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted via the Registration Link at <https://go.lumiengage.com/reclaimsagm23>.
 - (b) if submitted by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (c) if submitted by email to agm@reclaims.sg,

as soon as possible, to arrive no later than 10.00 a.m. on 23 May 2023, being seventy-two (72) hours before the time fixed for the AGM.

Shareholders are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

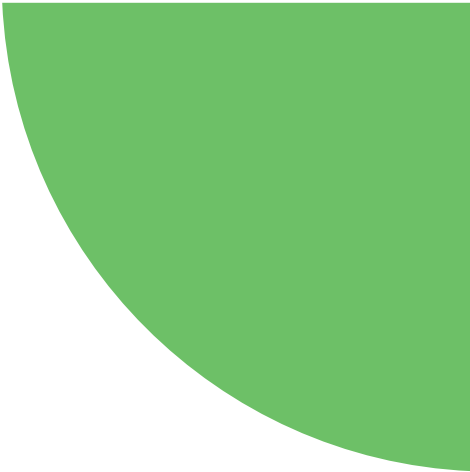
7. This Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
8. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this proxy form shall be treated as invalid.
9. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 17 May 2023**.

PERSONAL DATA PRIVACY:

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 May 2023.

GENERAL:

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



RECLAIMS GLOBAL LIMITED
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