



## Reclaims Global Limited

(Incorporated in the Republic of Singapore  
on 11 October 2018)  
(Company Registration Number: 201834755M)

**Invitation in respect of 20,000,000 Invitation Shares (comprising 19,000,000 New Shares and 1,000,000 Vendor Shares) as follows:**

- (i) 2,000,000 Offer Shares at S\$0.23 for each Offer Share by way of public offer; and
- (ii) 18,000,000 Placement Shares at S\$0.23 for each Placement Share by way of placement, comprising:
  - (a) 13,000,000 Placement Shares at S\$0.23 for each Placement Share; and
  - (b) 5,000,000 Reserved Shares at S\$0.23 for each Reserved Share reserved for subscription and/or purchase by the management, employees and business associates of our Group who have contributed to our success (to be determined by us at our sole discretion),

**payable in full on application.**



### OFFER DOCUMENT DATED 1 MARCH 2019

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 1 March 2019)

**This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.**

An application has been made by SAC Capital Private Limited (the "Sponsor" and "Issue Manager") to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and for quotation of all the ordinary shares (the "Shares") in the capital of Reclaims Global Limited (the "Company") already issued (including the Vendor Shares (as defined herein) and the new Shares (the "New Shares" and together with the Vendor Shares, the "Invitation Shares") on Catalist (as defined herein). The dealing in and quotation of our Shares and the New Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

**This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the "Authority").** We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor confirming that the listing applicant is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Invitation Shares being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional, inter alia, upon the issue of the New Shares and upon permission being granted by the SGX-ST for the listing and quotation of all the existing issued Shares (including the Vendor Shares) of our Company and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us or the Sponsor, Issue Manager, Underwriter and Placement Agent (as defined herein).

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

**Investing in our Shares involves risks which are described in the "RISK FACTORS" section of this Offer Document.**

**Sponsor, Issue Manager, Underwriter and Placement Agent**



**SAC CAPITAL PRIVATE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200401542N)





## CORPORATE **PROFILE**

**RECLAIMS GLOBAL LIMITED** is a Singapore-based eco-friendly integrated service provider in the construction industry, specialising in the recycling of construction and demolition (C&D) waste, customisation of excavation solutions and operating fleet management. Our revenue is mainly derived from our three business segments of recycling, excavation services and logistics and leasing.

We have built an established reputation and a proven track record for effective execution and timely delivery of our services of different scales and nature since we began operations in 2009. As at the Latest Practicable Date, we owned 46 tipper trucks and 47 units of other construction and recycling equipment, including articulated dump trucks, excavators and mobile jaw crushers.

We are an ISO 9001:2015 and ISO 14001:2015 certified company. Our 20-mm recycled aggregate for concrete mixture has been granted the Singapore Green Label since 2011.

RECYCLING	EXCAVATION	LOGISTICS AND LEASING
<ul style="list-style-type: none"><li>• Our recycling business is primarily focused on the reclaiming of natural and urban resources and recycling them for sale as economic resources to our customers or use in our projects.</li><li>• Revenue from this segment is generated from the sale of recycled concrete aggregates (RCA) such as recycled graded stone, recycled quarry dust, and 20-mm recycled aggregate. RCA is typically used in road works and the production of ready-mixed concrete.</li></ul>	<ul style="list-style-type: none"><li>• Our excavation services mainly include earth moving, mass excavation, deep basement excavation, foundation and pile cap excavation.</li><li>• Whilst our project portfolio comprises residential, industrial, commercial projects as well as civil infrastructure, we focus on public sector projects and works in view of the consistent pipeline of such projects and the creditworthiness of government agencies.</li><li>• We also reshape the land according to the main contractors' requirements.</li></ul>	<ul style="list-style-type: none"><li>• We provide material transportation and disposal services using our fleet of tipper trucks.</li><li>• From time to time and between projects, we provide leasing of our equipment such as excavators, tipper trucks, breakers, articulated dump trucks, mobile jaw crushers and mobile screeners.</li></ul>

## CERTIFICATIONS



### ISO9001:2015

Guardian Independent Certification Pte Ltd  
Quality management systems for provision of civil engineering services including demolition and earthworks



### ISO14001:2015

Guardian Independent Certification Pte Ltd  
Environmental management systems for provision of civil engineering services including demolition and earthworks



### Singapore Green Label

Singapore Environmental Council  
20-mm Recycled Aggregate For Concrete Mixture 022-053-1364 as "Eco-Friendly Building Materials"



### ISO45001:2018

Guardian Independent Certification Pte Ltd  
Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks



### OHSAS18001:2007

Guardian Independent Certification Pte Ltd  
Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks



### bizSAFE Level Star

Workplace Safety and Health Council  
Workplace safety and health management system

## COMPETITIVE STRENGTHS

### INTEGRATED BUSINESS OPERATIONS

- Integrated business operations to meet the needs of customers efficiently and cost-effectively, building this as our core competency.
- C&D waste collected from our excavation services segment contributes as input for our recycling operations.
- State-of-the-art mobile jaw crushers and mobile screeners produce recycled quarry dust, recycled graded stone and recycled aggregates which are widely used by our customers in the construction industry.



- Our logistics and leasing team, supported by our vehicle tracking system, fulfils our heavy transportation needs through route optimisation and effective deployment of our tipper trucks.
- Established network of transport companies who partner with us on an ongoing basis.

### ESTABLISHED REPUTATION AND STRONG CUSTOMER RELATIONSHIPS

- Built an established reputation and a proven track record for effective execution and timely delivery of our services.
- We strive to be responsive to our customers' requirements and meet or exceed their expectations through a customer-oriented approach.
- Completed more than 100 projects, including notable projects such as reinstatement of land surrounding the Marina-Coastal Expressway at Marina South, earthworks at Media Circle at One-North, and cut and fill earth-moving project at Loyang Drive.

### EXPERIENCED AND COMMITTED MANAGEMENT TEAM

- Our management team possesses extensive experience, technical expertise and valuable business relationships within the construction industry.
- Our Executive Chairman, Chan Chew Leh, and our Executive Director, Tan Kok Huat, collectively have more than 50 years of experience in the industry.
- Our Executive Director and CEO, Andrew Chew, spearheads the Group's development plans and growth strategies.



## PROSPECTS

### SUSTAINED CONSTRUCTION DEMAND

- Civil engineering construction demand is driven by public infrastructure works, which in turn are affected by population trends. The total population in Singapore is projected to reach between 5.8 million and 6.0 million in 2020<sup>(1)</sup>. The citizen population is also expected to age rapidly given Singapore's low birth rate and increasing life expectancy. We believe a growing and ageing population is expected to sustain public sector construction demand for infrastructural projects.
- Public sector construction demand over the medium term is expected to be supported by public housing developments and major infrastructure projects such as Changi Airport Terminal 5, the Cross Island MRT Line and developments at Jurong Lake District<sup>(2)</sup>.

### WIDER USE OF RECYCLED MATERIALS

- We believe that with advancements in how C&D waste is repurposed and the government's initiatives to incentivise the building and using of green buildings, more will start to embrace the use of recycled and waste materials as mainstream building products.
- More companies are striving to achieve environmental sustainability, driven by environmental concerns of their end-customers. This led many companies to design products around sustainability principles as well as recycle more of their waste.

### UNDERGROUND WORKS

- We believe that the government's push to optimise land use will intensify the use of underground space, which could help to sustain the civil engineering construction demand.
- With underground space becoming cluttered with a growing number of gas and water pipes and telecommunication cables, pipe jacking is increasingly being used to lay water pipes to preserve the expanding built-up space and to bypass existing infrastructure underground<sup>(3)</sup>. This presents an opportunity for us to expand into the pipe jacking business and other civil engineering activities.

#### Sources:

- (1) "A Sustainable Population for a Dynamic Singapore – Population White Paper" published in January 2013 by the National Population and Talent Division, Prime Minister's Office at <https://www.strategygroup.gov.sg/docs/default-source/Population/population-white-paper.pdf>.
- (2) BCA's media release titled "Singapore's total construction demand remain strong this year" published on 14 January 2019 at [https://www.bca.gov.sg/newsroom/MR\\_Prospects2019.html](https://www.bca.gov.sg/newsroom/MR_Prospects2019.html).
- (3) The Business Times' article titled "Pipe jacking increasingly tapped to install segments of PUB's underground network" published on 18 May 2017 at <https://www.businesstimes.com.sg/government-economy/pipe-jacking-increasingly-tapped-to-install-segments-of-pubs-underground-network>.

## BUSINESS STRATEGIES AND FUTURE PLANS

### CONTINUING OUR FOCUS ON PUBLIC SECTOR PROJECTS

- We will continue to focus on public sector projects as:
  - ❖ They tend to be larger in scale and longer in duration;
  - ❖ We have a proven track record for public sector construction services; and
  - ❖ We believe that demand for public sector construction will continue to be strong in view of a consistent pipeline of public sector projects.

### EXPANDING OUR OPERATIONAL CAPACITY

- We intend to expand by acquiring more plant and equipment, which would enable us to tap on more and larger projects in the market.
- Invest in a customised enterprise resource planning system, including a proprietary project management module and an optimised job assignment and route mapping module. This will allow us to serve our customers more effectively and raise the productivity of our operations.

### EXPANDING OUR RECYCLED PRODUCT RANGE

- We intend to expand our recycled product range to acquire more business from new and existing customers.
- Explore recycling processes that convert organic waste into recycled hard board, which we believe may be an attractive sustainable replacement for plywood for furniture-manufacturing, interior decoration and building construction in both residential and commercial sectors.

### EXPANDING THROUGH ACQUISITIONS, JOINT VENTURES AND/OR STRATEGIC ALLIANCES

- We may consider expanding through acquisitions, joint ventures or strategic alliances with parties who provide synergistic values to our existing business or to the culture and philosophy of our Company.
- Explore collaboration with overseas civil engineering companies with proprietary technologies to undertake projects which require pipe jacking and soil and ground improvement works.

## INDICATIVE TIMETABLE

Opening date and time for the Invitation

1 March 2019 at 6.00 p.m.

Closing date and time for the Invitation

7 March 2019 at 12.00 noon

Commence trading on a "Ready" basis

11 March 2019 at 9.00 a.m.



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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Chan Chew Leh (Executive Chairman) Tan Kok Huat (Executive Director) Andrew Dekguang Jhou Chew (Chief Executive Officer and Executive Director) Jong Voon Hoo (Lead Independent Director) Chang Chi Hsung (Independent Director) Tan Heok Ping Joshua (Independent Director) Lim Hui Chee (Independent Director)
<b>COMPANY SECRETARIES</b>	:	Wu Peicong, CA (Singapore) Wee Mae Ann, LLB (Hons)
<b>REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS</b>	:	10 Tuas South Street 7 Singapore 637114
<b>SHARE REGISTRAR AND SHARE TRANSFER OFFICE</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
<b>SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT</b>	:	SAC Capital Private Limited 1 Robinson Road #21-00 AIA Tower Singapore 048542
<b>INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT</b>	:	RSM Chio Lim LLP 8 Wilkie Road #04-08 Wilkie Edge Singapore 228095  Partner-in-charge: Lee Mong Sheong (a member of the Institute of Singapore Chartered Accountants)
<b>SOLICITORS TO THE INVITATION</b>	:	Vincent Lim & Associates LLC 18 Cross Street #07-11 China Square Central Singapore 048423
<b>RECEIVING BANK</b>	:	Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513
<b>PRINCIPAL BANKER</b>	:	Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513
<b>VENDORS</b>	:	Chan Chew Leh 10 Tuas South Street 7 Singapore 637114  Tan Kok Huat 10 Tuas South Street 7 Singapore 637114

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## DEFINITIONS

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In this Offer Document and the accompanying Application Forms and, in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks or the IB websites or the mobile banking interface of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply:

### Companies within our Group

<i>“Company”</i>	:	Reclaims Global Limited
<i>“Reclaims Enterprise”</i>	:	Reclaims Enterprise Pte. Ltd.
<i>“Group”</i>	:	Our Company and our subsidiary, Reclaims Enterprise

### Other Corporations and Organisations

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“BCA”</i>	:	Building and Construction Authority
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“HDB”</i>	:	Housing and Development Board
<i>“ISO”</i>	:	International Organisation for Standardisation, a worldwide federation of national standards bodies
<i>“JTC”</i>	:	JTC Corporation
<i>“LTA”</i>	:	Land Transport Authority
<i>“MOM”</i>	:	Ministry of Manpower
<i>“MND”</i>	:	Ministry of National Development
<i>“NDC”</i>	:	New Development Construction
<i>“NDCPL”</i>	:	New Development Contractors Pte. Ltd.
<i>“NEA”</i>	:	National Environment Agency
<i>“Participating Banks”</i>	:	United Overseas Bank Limited ( <b>“UOB”</b> ), DBS Bank Ltd. (including POSB Bank) ( <b>“DBS Bank”</b> ) and Oversea-Chinese Banking Corporation Limited ( <b>“OCBC”</b> ), and each a “Participating Bank”



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## DEFINITIONS

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<i>“Reclaims Transport”</i>	:	Reclaims Transport & Trading Pte. Ltd.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“SLA”</i>	:	Singapore Land Authority
<i>“Sponsor”, “Issue Manager”, “Underwriter”, “Placement Agent” or “SAC Capital”</i>	:	SAC Capital Private Limited

### General

<i>“6M”</i>	:	Six months ended or ending 31 July, as the case may be
<i>“Act” or “Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription and/or purchase of the Invitation Shares
<i>“Associate”</i>	:	As defined in the SFR: <ul style="list-style-type: none"> <li>(a) in relation to an entity, means:               <ul style="list-style-type: none"> <li>(i) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder – its related corporation, related entity, associated company or associated entity; or</li> <li>(ii) in any other case, (A) a director or an equivalent person of the entity, (B) where the entity is a corporation, a controlling shareholder of the entity, (C) where the entity is not a corporation, a controlling interest-holder of the entity, (D) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the entity, or (E) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be, of the entity; and</li> </ul> </li> </ul>

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## DEFINITIONS

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(b) in relation to an individual, means:

- (i) any member of the individual's immediate family (being spouse, child, adopted child, step-child, sibling and parent);
- (ii) a trustee of any trust of which the individual or any member of the individual's immediate family is (A) a beneficiary; or (B) where the trust is a discretionary trust, a discretionary object, when the trustee acts in that capacity; or
- (iii) any corporation in which the individual, one or more members of the individual's immediate family, or the individual and one or more members of the individual's immediate family together, whether directly or indirectly, has or have interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares

The terms "associated company", "associated entity", "controlling interest-holder", "controlling shareholder", "related corporation", "related entity", "subsidiary", "subsidiary entity" and "substantial interest-holder" in the above definition of "Associate" shall have the same meanings ascribed to them respectively in the SFR, provided that if the context so requires, the term "Associate" shall have the meaning ascribed to it in the Catalist Rules

<i>"ATM"</i>	:	Automated teller machine of a Participating Bank
<i>"Audit Committee"</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>"Board" or "Board of Directors"</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>"business trust"</i>	:	Has the same meaning as in section 2 of the Business Trusts Act (Chapter 31A) of Singapore
<i>"Catalist"</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>"Catalist Rules"</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, varied, supplemented or modified from time to time
<i>"CEO"</i>	:	The chief executive officer of our Company as at the date of this Offer Document, unless otherwise stated
<i>"Constitution"</i>	:	The constitution of our Company, as amended or modified from time to time

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## DEFINITIONS

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<i>“Controlling Shareholder”</i>	:	As defined in the Catalist Rules, a person who:  (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over our Company,  or where the context so requires, shall have the meaning ascribed to it in the SFR
<i>“Deed of Indemnity”</i>	:	The deed of indemnity dated 23 January 2019, pursuant to which our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, have undertaken to indemnify our Group against liabilities arising from certain past instances of non-compliance with applicable laws (please refer to the “Government Regulations” section of this Offer Document for further details)
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Electronic Applications”</i>	:	Applications for the Offer Shares made through an ATM, IB website or the mobile banking interface of the relevant Participating Banks, subject to and on the terms and conditions of this Offer Document
<i>“entity”</i>	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The key executives of our Group as at the date of this Offer Document, unless otherwise stated, who make or participate in making decisions that affect the whole or a substantial part of our business or have the capacity to make decisions that affect significantly our financial standing
<i>“FY”</i>	:	Financial year ended or ending 31 January, as the case may be
<i>“GST”</i>	:	Goods and services tax
<i>“IB”</i>	:	Internet banking

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## DEFINITIONS

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<i>“Independent Directors”</i>	:	The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Invitation”</i>	:	The invitation by our Company and the Vendors to the public in Singapore to subscribe for and/or purchase the Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Invitation Price”</i>	:	S\$0.23 for each Invitation Share
<i>“Invitation Shares”</i>	:	The 20,000,000 Invitation Shares, comprising 19,000,000 New Shares and 1,000,000 Vendor Shares, which are the subject of the Invitation
<i>“IPO”</i>	:	Initial public offering
<i>“Latest Practicable Date”</i>	:	18 January 2019, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“Lead Independent Director”</i>	:	The lead non-executive independent Director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Listing Manual”</i>	:	Sections A and B of the listing manual of the SGX-ST (including the Catalist Rules), as may be amended, supplemented or modified from time to time
<i>“LPS”</i>	:	Loss per Share
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“MRT”</i>	:	Mass Rapid Transit, the rapid transit system which is part of the public transport system in Singapore
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 19,000,000 new Shares for which our Company invites applications to subscribe pursuant to the Invitation, subject to and on the terms and conditions of this Offer Document
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-Compete Undertaking”</i>	:	The non-compete undertaking given by Chan Chew Leh to our Group, as further described in the “Potential Conflicts of Interests – Interests of Directors, CEO, Controlling Shareholders or their Associates” section of this Offer Document
<i>“NTA”</i>	:	Net tangible assets



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## DEFINITIONS

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<i>“Offer”</i>	:	The offer by our Company and the Vendors of the Offer Shares to the public in Singapore for subscription and/or purchase at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Offer Document”</i>	:	This offer document dated 1 March 2019 issued by our Company in respect of the Invitation
<i>“Offer Shares”</i>	:	The 2,000,000 Invitation Shares which are the subject of the Offer
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period comprising FY2016, FY2017, FY2018 and 6M2019
<i>“Placement”</i>	:	The placement by the Placement Agent of the Placement Shares on behalf of our Company and the Vendors for subscription and/or purchase at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Placement Shares”</i>	:	The 18,000,000 Invitation Shares (including the Reserved Shares) which are the subject of the Placement
<i>“Relevant Period”</i>	:	The Period Under Review and the period from 1 August 2018 to the Latest Practicable Date
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Reserved Shares”</i>	:	The 5,000,000 Placement Shares reserved for subscription and/or purchase by the management, employees and business associates of our Group who have contributed to our success (to be determined by us at our sole discretion)
<i>“Restructuring Agreement”</i>	:	The restructuring agreement dated 23 January 2019 entered into by our Company for the purpose of the Restructuring Exercise
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Invitation, as described in the “General Information on our Group – Restructuring Exercise” section of this Offer Document
<i>“Road Traffic Act”</i>	:	The Road Traffic Act (Chapter 276) of Singapore, as amended, supplemented or modified from time to time
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account

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## DEFINITIONS

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<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Chan Chew Leh, Tan Kok Huat and Andrew Chew as described in the “Service Agreements” section of this Offer Document
<i>“SFR”</i>	:	The Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore, as amended, supplemented or modified from time to time
<i>“SFRS(I)”</i>	:	Singapore Financial Reporting Standards (International)
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Share-Based Payment”</i>	:	The expense relating to the transfer of shares constituting 5.0% of the issued capital of Reclaims Enterprise from each of Chan Chew Leh and Tan Kok Huat to Andrew Chew, in consideration of his contribution towards the listing of our Company
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company
<i>“Sponsorship and Management Agreement”</i>	:	The full sponsorship and management agreement dated 1 March 2019 entered into among our Company, the Vendors and SAC Capital pursuant to which SAC Capital agreed to sponsor and manage the Invitation, as described in the “Sponsorship, Management, Underwriting and Placement Arrangements” section of this Offer Document
<i>“Sub-Division”</i>	:	The sub-division of 15,327,085 Shares in the issued and paid-up share capital of our Company into 112,000,000 Shares, as described in the “General Information on our Group – Restructuring Exercise” section of this Offer Document
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in one or more voting shares (excluding treasury shares) in our Company, the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in our Company

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## DEFINITIONS

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<i>“Tuas Property”</i>	:	The leasehold property at 10 Tuas South Street 7, Singapore 637114, held by our Group and used as our corporate headquarters
<i>“Underwriting and Placement Agreement”</i>	:	The underwriting and placement agreement dated 1 March 2019 entered into among our Company, the Vendors and SAC Capital pursuant to which SAC Capital agreed to (a) underwrite our offer of the Offer Shares; and (b) subscribe and/or purchase and/or procure subscriptions for and/or purchases of the Placement Shares, as described in the “Sponsorship, Management, Underwriting and Placement Arrangements” section of this Offer Document
<i>“Vendor Shares”</i>	:	The 1,000,000 Invitation Shares for which the Vendors invite applications to purchase pursuant to the Invitation, subject to and on the terms and conditions of this Offer Document

### Currencies, Units and Others

<i>“S\$” or “\$” and “cents”</i>	:	Singapore dollars and cents, respectively, the lawful currency of Singapore
<i>“sqm”</i>	:	Square metres
<i>“%” or “per cent.”</i>	:	Per centum or percentage
<i>“N.A.”</i>	:	Not applicable
<i>“n.m.”</i>	:	Not meaningful

For the purpose of this Offer Document, the following person named in the second column below is also known by the name set out in the first column:—

<b>Name used in this Offer Document</b>	<b>Name in National Registration Identity Card (NRIC)/ Passport</b>
Andrew Chew	Andrew Dekguang Jhou Chew
Joshua Tan	Tan Heok Ping Joshua
Lim Hui Chee	Lim Hui Chee (Lin Huiqi)

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## DEFINITIONS

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The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Act, the SFA, the SFR or any statutory modification thereof and used in this Offer Document, the Application Forms and/or the Electronic Applications shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the SFR or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to Shares being allotted and/or allocated to an applicant includes allotment and/or allocation to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group or any member of our Group as the context requires.

Any information on our website or any website directly or indirectly linked to our website does not form part of this Offer Document and should not be relied upon by any applicant for our Invitation Shares.



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## GLOSSARY OF TECHNICAL TERMS

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The glossary contains an explanation of certain terms used in this Offer Document in connection with our Group and our business. The terms and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms.

<i>“aggregate”</i>	:	A broad category of coarse to medium grained particulate materials (including, sand, gravel and crushed stone) used for the making of concrete for construction use
<i>“bizSAFE”</i>	:	A five-step programme developed by the Workplace Safety and Health Council that assists companies to build up their workplace safety and health capabilities so that they can achieve improvements in safety and health standards at the workplace. The highest bizSAFE level which a company can achieve is bizSAFE Star
<i>“C&amp;D waste”</i>	:	Construction and demolition waste, being materials resulting from the construction, modification or demolition of buildings and other structures, consisting of a mixture of hardcore, rebars, dry walls, wood, plastic, glass, scrap iron, other metals and other components
<i>“earthworks”</i>	:	Works involving the removal, moving or adding of large quantities of soil or rock from one area to another. Earthworks are carried out to ensure that an area is of a suitable height, gradient and level for a specific construction purpose
<i>“hardcore”</i>	:	A layer of large aggregates with low absorbency, including bricks, broken tiles, quarry waste, clean concrete rubble and other crushed rock and gravel, that is used to create a firm and level working base onto which heavy load-bearing stone and concrete floors can be laid on. Hardcore helps to evenly spread imposed loads and forms an essential part of a strong foundation for building work
<i>“ISO 9001”</i>	:	A standard which specifies the requirements for a quality management system for any organisation that needs to demonstrate its ability to consistently provide products that meet customer and applicable requirements and aim to enhance customer satisfaction
<i>“ISO 14001”</i>	:	A standard which specifies the requirements for an environmental management system to enable an organisation to develop and implement a policy and objectives to control the impact of its activities, products or services on the environment
<i>“ISO 45001”</i>	:	A standard which specifies the requirements for an occupational health and safety management system to enable an organisation to provide safe and healthy workplaces by preventing work-related injury and ill health

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## GLOSSARY OF TECHNICAL TERMS

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<i>“OHSAS 18000”</i>	:	An international occupational health and safety management system specification
<i>“rebar”</i>	:	Reinforcing bar, a steel bar or mesh of steel wires used as a tension device in reinforced concrete to strengthen and hold the concrete in compression
<i>“recycled aggregates”</i>	:	Crushed concrete or asphalt from C&D waste that is mainly reused for road base, cement concrete or other infrastructure projects
<i>“RCA” or “recycled concrete aggregates”</i>	:	Concrete derived from C&D waste that are crushed and screened and thereafter re-used to make ready-mix concrete and as sub-base gravel for road works
<i>“screener”</i>	:	A machine designed to separate and sort aggregates by sizes
<i>“tipper truck”</i>	:	A truck or lorry, the rear platform of which may be raised at the front end to enable the load to be discharged by gravity

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “will” and “would”, or similar words and phrases. However, you should note that these words and phrases are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including, without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends and development;
- (d) anticipated expansion and development plans;
- (e) anticipated commencement and completion dates for projects; and
- (f) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in government policies and budgets relating to expenditures on public infrastructure;
- (b) changes in political, social, economic and stock or securities market conditions and the regulatory environment in Singapore;
- (c) our anticipated growth strategies and expected internal growth;
- (d) changes in labour costs and the prices of materials and/or equipment and machinery which we require to operate our business;
- (e) changes in customers’ preferences;
- (f) changes in competitive conditions and our ability to compete under these conditions;
- (g) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (h) changes in inflation, currency exchange or interest rates; and
- (i) other factors beyond our control.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievement to differ materially include, but are not limited to, those discussed in the “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” sections of this Offer Document.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Offer Document, press releases or oral statements are expressly qualified in their entirety by the above factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on those statements which apply only as at the date of this Offer Document. Neither our Company, our Directors, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other person represent or warrant to you that our actual future results, performance or achievements will be as discussed in those statements. Further, our Company, our Directors, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revision to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, if after this Offer Document is registered but before the close of the Invitation, we become aware of (a) a false or misleading statement in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority, and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

Where such changes occur and are material or are required to be disclosed by law, we will comply with the relevant provisions of the SFA, the SFR and the Catalist Rules and make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority pursuant to the SFA. All applicants should take note of any such announcement, or supplementary or replacement offer document and, upon the release of the same, shall be deemed to have notice of such changes.



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## SELLING RESTRICTIONS

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This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

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## DETAILS OF THE INVITATION

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### LISTING ON CATALIST

An application has been made by the Sponsor and Issue Manager to the SGX-ST for permission to deal in, and for the listing and quotation of all our existing issued Shares (including the Vendor Shares) and the New Shares on Catalist. The dealing in, and listing and quotation of, our existing issued Shares (including the Vendor Shares) and the New Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor and the Issue Manager confirming that the listing applicant is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Invitation Shares being offered for investment.

Admission to the Official List of Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our Shares that are already issued and the New Shares.

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional, *inter alia*, upon the allotment and issue of the New Shares and upon permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all the existing issued Shares (including the Vendor Shares) and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us or the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

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## DETAILS OF THE INVITATION

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We and the Vendors are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, if after this Offer Document is registered but before the close of the Invitation, we and/or the Vendors become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST and would have been required by the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we and/or the Vendors may lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Invitation Shares, then:

- (a) where the Invitation Shares have not been issued and/or transferred to the applicants, we (for our Company as well as on behalf of the Vendors) shall either:
  - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
  - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
  - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or

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## DETAILS OF THE INVITATION

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- (b) where the Invitation Shares have been issued and/or transferred to the applicants but trading has not commenced, we (for our Company as well as on behalf of the Vendors) shall either:
  - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us (for our Company as well as on behalf of the Vendors) the Invitation Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
  - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us (for our Company as well as on behalf of the Vendors) the Invitation Shares which they do not wish to retain title in; or
  - (iii) treat the issue and/or sale of the Invitation Shares as void, in which case the issue and/or sale shall be deemed to be void, and we (for our Company as well as on behalf of the Vendors) shall:
    - (A) if documents purporting to evidence title to the Invitation Shares (the “**title documents**”) have been issued to the applicants, within seven days from the date of lodgement of the supplementary or replacement offer document, inform the applicants to return the title documents to us (for our Company as well as on behalf of the Vendors) within 14 days from the date of lodgement of the supplementary or replacement offer document, and within seven days from the date of receipt of the title documents or the date of lodgement of the supplementary or replacement offer document, whichever is the later, pay to the applicants all monies paid by them for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants’ own risk; or
    - (B) if no title documents have been issued to the applicants, within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid by them for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants’ own risk.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we (for our Company as well as on behalf of the Vendors) shall, within seven days from the receipt of such notification, pay to him all monies paid by him on account of his application for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Invitation Shares issued and/or transferred to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to evidence title to those Invitation Shares to us, whereupon we (for our Company as well as on behalf of the Vendors) shall, subject to compliance with applicable laws and the Constitution of our Company, within seven days from the receipt of such notification and



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## DETAILS OF THE INVITATION

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documents, if any, pay to him all monies paid by him for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent, and the issue and/or sale of those Invitation Shares shall be deemed to be void.

The Authority, the SGX-ST or other competent authority may, in certain circumstances issue a stop order ("**Stop Order**") to our Company, directing that no or no further Invitation Shares be allotted, issued or sold. In the event that a Stop Order is issued and applications to subscribe for and/or purchase the Invitation Shares have been made prior to the Stop Order, then to the extent permissible under applicable laws:

- (a) where the Invitation Shares have not been issued and/or transferred to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and we (for our Company as well as on behalf of the Vendors) shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have been issued and/or transferred to the applicants, but trading has not commenced, the issue and/or sale of the Invitation Shares shall be deemed to be void and we (for our Company as well as on behalf of the Vendors) shall:
  - (i) if documents purporting to evidence title to the Invitation Shares have been issued to the applicants, within seven days from the date of the Stop Order, inform the applicants to return such documents to us within 14 days from that date, and within seven days from the date of receipt of those documents or the date of the Stop Order, whichever is the later, pay to the applicants all monies paid by them for the Invitation Shares; or
  - (ii) if no such documents have been issued to the applicants, within seven days from the date of the Stop Order, pay to the applicants all monies paid by them for the Invitation Shares.

Where monies are returned to applicants for the Invitation Shares, it shall be paid to the applicants without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants will not have any claim against us, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent.

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

Neither our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

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## DETAILS OF THE INVITATION

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The Invitation Shares are offered for subscription and/or purchase solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, condition or prospects or the Invitation Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will promptly make an announcement of the same to the SGX-ST and the public, and if required, we may lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority, and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or the Authority. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiary.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their applications for the Invitation Shares or for any other purpose.

**This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.**

Copies of this Offer Document and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

**SAC Capital Private Limited**  
1 Robinson Road #21-00  
AIA Tower  
Singapore 048542

A copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

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## DETAILS OF THE INVITATION

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The Invitation will be open at 6.00 p.m. on 1 March 2019 and will remain open until 12.00 noon on 7 March 2019 or for such other period or periods as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event that a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Invitation will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for and/or purchase the Invitation Shares are set out in Appendix G of this Offer Document.

### INDICATIVE TIMETABLE FOR LISTING

An indicative timetable in respect of the Invitation and the trading of our Shares is set out below for your reference:

Indicative Date and Time	Event
1 March 2019, 6.00 p.m.	Commencement of Offer
7 March 2019, 12.00 noon	Close of Application List
8 March 2019	Balloting of applications, if necessary
11 March 2019, 9.00 a.m.	Commence trading on a “ready” basis
13 March 2019	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 7 March 2019, the date of admission of our Company to Catalist is 11 March 2019, the SGX-ST's shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 11 March 2019. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modifications as the SGX-ST may in its discretion decide, including the commencement date of trading on a “ready” basis.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>; and
- (b) in a major English newspaper in Singapore.

We will publicly announce the results of the Invitation (including the level of subscription for and/or purchase of the Invitation Shares and the basis of allocation of the Invitation Shares pursuant to the Invitation), as soon as practicable after the closure of the Application List through the channels described in (a) and (b) above.

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## DETAILS OF THE INVITATION

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We reserve the right to reject or accept, in whole or part, or to scale down or ballot any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allocation, due consideration will be given to the desirability of allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

**Investors should consult the SGX-ST announcement of the “ready” trading date on the SGX-ST website at <http://www.sgx.com> or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.**

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## OFFER DOCUMENT SUMMARY

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*The information contained in this summary is derived from and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that potential investors should consider before investing in our Shares. Potential investors should read this entire Offer Document carefully, especially the matters set out under the “Risk Factors” section of this Offer Document, before deciding to invest in our Shares.*

### OVERVIEW OF OUR GROUP

Our Company was incorporated in Singapore on 11 October 2018 under the Act as a private company limited by shares, under the name “Reclaims Global Pte. Ltd.”. We were converted into a public limited company on 23 January 2019 and our name was changed to “Reclaims Global Limited”.

Our Company is the holding company of our subsidiary, Reclaims Enterprise.

### Our Business

We pride ourselves as an eco-friendly integrated service provider in the construction industry. We specialise in the recycling of C&D waste, customisation of excavation solutions and operating fleet management. Through the years, we have built an established reputation and a proven track record for effective execution and timely delivery of our services of different scales and nature.

Our business is divided into three main business segments as follows:

- (a) recycling;
- (b) excavation services; and
- (c) logistics and leasing.

Further details are set out in the “Business” section of this Offer Document.

### Our Competitive Strengths

Our Directors believe that our key competitive strengths are as follows:

- (a) we have integrated business operations;
- (b) we have an established reputation and strong customer relationships; and
- (c) we have an experienced and committed management team.

Further details are set out in the “Business – Competitive Strengths” section of this Offer Document.

### Our Business Strategies and Future Plans

Our business strategies and future plans are as follows:

- (a) continuing our focus on public sector projects;
- (b) expanding our operational capacity;

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## OFFER DOCUMENT SUMMARY

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- (c) expanding our recycled product range; and
- (d) expanding through acquisitions, joint ventures and/or strategic alliances.

Further details are set out in the “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” section of this Offer Document.

### **Our Order Book**

As at the Latest Practicable Date, our order book for our excavation services segment amounted to approximately S\$8.1 million, which will be recognised as revenue for our Group up to the financial year ending 31 January 2021, barring unforeseen circumstances.

As orders for our recycling and logistics and leasing business segments are placed by our customers on an ad-hoc basis, an order book for these business segments will not be meaningful.

### **Our Contact Details**

Our principal place of business and registered office is located at 10 Tuas South Street 7, Singapore 637114. Our telephone and facsimile numbers are (65) 6659 0516 and (65) 6659 0517, respectively. Our website address is [www.reclaims-enterprise.com](http://www.reclaims-enterprise.com) and our email address is [general@reclaims-enterprise.com](mailto:general@reclaims-enterprise.com).

**Information on our website does not constitute a part of this Offer Document.**



## OFFER DOCUMENT SUMMARY

### SUMMARY OF OUR FINANCIAL INFORMATION

*The following tables present a summary of the combined financial statements of our Group and should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018”, the “Independent Auditor’s Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018” and the “Independent Auditor’s Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year Ended 31 January 2018” as set out in Appendices A, B and C of this Offer Document respectively, as well as the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document.*

### Selected items from the Combined Statements of Profit or Loss and Other Comprehensive Income<sup>(1)</sup>

(S\$'000)	Audited			Unaudited	
	FY2016	FY2017	FY2018	6M2018	6M2019
Revenue	35,674	29,777	27,542	13,978	13,110
Profit before tax from continuing operations	7,887	4,088	3,641	684	46 <sup>(4)</sup>
Profit/(Loss) from continuing operations, net of tax and total comprehensive income/(loss)	6,924	3,676	3,196	684	(92) <sup>(4)</sup>
Pre-Invitation EPS/LPS (cents) <sup>(2)</sup>	6.18	3.28	2.85	0.61	(0.08) <sup>(4)</sup>
Post-Invitation EPS/LPS (cents) <sup>(3)</sup>	5.29	2.81	2.44	0.52	(0.07) <sup>(4)</sup>

#### Notes:

- (1) The combined statements of profit or loss and other comprehensive income for the Period Under Review have been prepared on the basis that our Group had been in existence throughout the Period Under Review.
- (2) For comparative purposes, pre-Invitation EPS/LPS for the Period Under Review have been computed based on the profit for the years/periods and our pre-Invitation share capital of 112,000,000 Shares.
- (3) For comparative purposes, post-Invitation EPS/LPS for the Period Under Review have been computed based on the profit for the years/periods and our post-Invitation share capital of 131,000,000 Shares.
- (4) Had the Share-Based Payment been excluded, our Profit before tax from continuing operations and Profit from continuing operations, net of tax and total comprehensive income for 6M2019 will be S\$846,000 and S\$708,000, respectively. Correspondingly, the pre-Invitation EPS and post-Invitation EPS for 6M2019 excluding the Share-Based Payment will be 0.63 cents and 0.54 cents, respectively. The Share-Based Payment is a non-recurring expense and does not have any impact on our cash flows. For more information on the Share-Based Payment, please refer to the “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans – Trend Information” sections of this Offer Document.

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## OFFER DOCUMENT SUMMARY

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### Selected items from the Combined Statements of Financial Position

(S\$'000)	Audited As at 31 January 2018	Unaudited Pro Forma <sup>(1)</sup> As at 31 January 2018	Unaudited As at 31 July 2018
Current assets	12,199	12,199	11,382
Non-current assets	15,265	15,265	15,112
Current liabilities	5,664	7,664	6,640
Non-current liabilities	5,181	5,181	4,527
Total equity	16,619	14,619	15,327
NAV per Share (cents) <sup>(2)</sup>	14.84	13.05	13.68

**Notes:**

- (1) The unaudited pro forma combined statement of financial position as at 31 January 2018 has been prepared for illustration purposes only to show what the financial position of our Group as at 31 January 2018 would have been if the final one-tier tax-exempt dividend for FY2018 had been approved on 31 January 2018.
- (2) For comparative purposes, NAV per Share has been computed based on the total equity and our pre-Invitation share capital of 112,000,000 Shares.

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## OFFER DOCUMENT SUMMARY

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### THE INVITATION

- Invitation Size** : 20,000,000 Invitation Shares comprising 19,000,000 New Shares and 1,000,000 Vendor Shares.
- The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares (including the Vendor Shares).
- Invitation Price** : S\$0.23 for each Invitation Share.
- The Offer** : The Offer comprises an offer by our Company and the Vendors to the public in Singapore to subscribe for and/or purchase 2,000,000 Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
- The Placement** : The Placement comprises a placement by the Placement Agent on behalf of our Company and the Vendors of 18,000,000 Placement Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
- Reserved Shares** : Out of the 18,000,000 Placement Shares, 5,000,000 Reserved Shares will be reserved for subscription and/or purchase by the management, employees and business associates of our Group who have contributed to our success (to be determined by us at our sole discretion). These Reserved Shares are not subject to any moratorium and may be disposed of after the admission of our Company to Catalist. In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares), or in the event of any under-subscription for the Placement Shares (excluding the Reserved Shares), to satisfy excess applications for the Offer Shares.
- Clawback and Re-allocation** : The Invitation Shares may be re-allocated between the Offer and the Placement tranches at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent in the event of an excess of applications in one and a deficit of applications in the other, subject to the minimum distribution requirements of the Catalist Rules.

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## OFFER DOCUMENT SUMMARY

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- Purpose of the Invitation** : Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and globally and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
- In addition, the net proceeds from the issue of the New Shares will provide us with additional capital to fund our expansion. Please refer to the “Use of Proceeds from the Invitation and Expenses Incurred” section of this Offer Document for further details.
- Listing Status** : Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to the admission of our Company to Catalist and permission for dealing in and quotation of our Shares being granted by the SGX-ST and a stop order not being issued.
- Risk Factors** : Investing in our Shares involves risks which are described in the “Risk Factors” section of this Offer Document.

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## PLAN OF DISTRIBUTION

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### THE INVITATION

The Invitation is for 20,000,000 Invitation Shares offered in Singapore comprising 2,000,000 Offer Shares and 18,000,000 Placement Shares for subscription and/or purchase under the Offer and the Placement respectively. The Invitation is managed and underwritten by SAC Capital.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by us and the Vendors in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the Invitation Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Investors may apply to subscribe for and/or purchase the Invitation Shares in multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted and/or allocated to any single applicant and allot and/or allocate the Invitation Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set forth in the Sponsorship and Management Agreement and the Underwriting and Placement Agreement entered into among us, the Vendors and SAC Capital as set out in the “Sponsorship, Management, Underwriting and Placement Arrangements” section of this Offer Document, our Company appointed SAC Capital to manage and act as full sponsor of the Invitation, to underwrite the Offer and to undertake the Placement on our behalf. SAC Capital will receive a management fee for its services rendered in connection with the Invitation.

### Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription and/or purchase at the Invitation Price. Members of the public may apply for the Offer Shares by way of printed Offer Shares Application forms or by Electronic Applications. The terms, conditions and procedures for applications and acceptance are described in Appendix G of this Offer Document.

An applicant who has made an application for Offer Shares by way of an Offer Shares Application Form may not make another separate application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate application shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, and approved by the SGX-ST, if required.

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## PLAN OF DISTRIBUTION

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### **Placement Shares (excluding Reserved Shares)**

The Placement Shares (excluding Reserved Shares) are reserved for placement to retail and institutional investors in Singapore who may apply through their brokers or financial institutions. Application for the Placement Shares may only be made by way of printed Placement Shares Application Forms or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate. The terms, conditions and procedures for applications and acceptance are described in Appendix G of this Offer Document.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers and/or purchasers of Placement Shares (excluding Reserved Shares) may be required to pay a brokerage of up to 1.0% of the Invitation Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

### **Reserved Shares**

To recognise their contributions to our Group, we have reserved 5,000,000 Placement Shares for subscription and/or purchase at the Invitation Price by the management, employees and business associates of our Group who have contributed to our success (to be determined by us at our sole discretion). The Reserved Shares will be offered on the same terms as the other Placement Shares in the Placement. These Reserved Shares are not subject to any moratorium and may be disposed of after the listing of our Company on Catalist. Applications for the Reserved Shares must be made by way of printed Reserved Shares Application Forms or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate.

In the event that any of the Reserved Shares are not subscribed for and/or purchased, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares) to the extent that there is an over-subscription for the Placement Shares (excluding Reserved Shares) as at the close of the Application List, or, in the event of an under-subscription for the Placement Shares (excluding Reserved Shares) as at the close of the Application List, to satisfy excess applications made by members of the public for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

### **Subscription for and/or purchase of Invitation Shares**

Save for the Reserved Shares, none of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Invitation Shares in the Invitation.

None of our management or employees intends to subscribe for and/or purchase more than 5.0% of the Invitation Shares in the Invitation.



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## **PLAN OF DISTRIBUTION**

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To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for and/or purchase more than 5.0% of the Invitation Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for and/or purchase more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares pursuant to the Invitation and were subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and/or allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be allotted and/or allocated on the basis of this Offer Document later than six months after the date of registration of this Offer Document with the SGX-ST acting as agent on behalf of the Authority.

## USE OF PROCEEDS FROM THE INVITATION AND LISTING EXPENSES INCURRED

The estimated net proceeds from the Invitation (comprising the New Shares and the Vendor Shares) will be approximately S\$2.99 million after deducting the estimated expenses in relation to the Invitation of approximately S\$1.61 million (to be borne by our Company and the Vendors).

We will not receive any of the proceeds from the Vendor Shares sold by the Vendors in the Invitation. The net proceeds attributable to the Vendors for the sale of Vendor Shares, after deducting the Vendors' share of the estimated expenses in relation to the Invitation of approximately S\$8,000, are approximately S\$0.22 million.

The net proceeds to be raised by our Company from the issue of the New Shares will be approximately S\$2.76 million after deducting our share of the estimated expenses in relation to the Invitation of S\$1.61 million.

Save for the underwriting and placement commission and brokerage which will be borne by our Company and the Vendors in proportion to the number of Invitation Shares offered by each of them, the rest of the expenses in relation to the Invitation will be borne by our Company.

The allocation of each principal intended use of proceeds and estimated listing expenses is set out below:

	Estimated amount (S\$'000)	Estimated amount allocated for each dollar of proceeds raised from the issue of New Shares (cents)
<b>Use of proceeds</b>		
Expansion of our operational capacity by investing in more plant and equipment and our enterprise resource planning system	600	13.7
Expansion of our recycled product range	500	11.4
Expansion through acquisitions, joint ventures and/or strategic alliances	300	6.9
General working capital purposes	1,363	31.2
<b>Net proceeds</b>	2,763	63.2
<b>Listing expenses to be borne by our Company</b>		
Professional fees	990	22.7
Underwriting and placement commission <sup>(1)</sup>	153	3.5
Miscellaneous expenses (including listing and processing fees)	464	10.6
<b>Total listing expenses to be borne by our Company<sup>(2)</sup></b>	1,607	36.8
<b>Gross proceeds</b>	4,370	100.0

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## USE OF PROCEEDS FROM THE INVITATION AND LISTING EXPENSES INCURRED

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**Notes:**

- (1) Pursuant to the Underwriting and Placement Agreement, SAC Capital agreed to underwrite the Offer Shares and to subscribe for and/or purchase and/or procure subscriptions for and/or purchases of the Placement Shares for the underwriting and placement commission as described in the “Sponsorship, Management, Underwriting and Placement Arrangements” section of this Offer Document. Our Company and the Vendors will bear the estimated underwriting and placement commission and brokerage in proportion to the number of Invitation Shares offered by our Company and the Vendors.
- (2) In accordance with SFRS(I), of the total estimated listing expenses to be borne by our Company of approximately S\$1.61 million, S\$0.34 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

The above represents our reasonable estimate of the allocation of the net proceeds from the issue of New Shares based on our current plans and estimates regarding our anticipated expenditure. Actual expenditure may vary from these estimates. In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Invitation. Please refer to the “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” section of this Offer Document for further details on our future plans.

No material part of the proceeds from the issue of New Shares will be used to discharge, reduce or retire any indebtedness of our Group.

No material part of the proceeds from the issue of New Shares will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity.

Pending the deployment of the net proceeds as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

We will make periodic announcements on the use of the net proceeds from the issue of the New Shares as and when the funds are materially disbursed, and provide a status report on the use of the proceeds in our annual report.

In the event that any part of our proposed uses of the net proceeds from the issue of the New Shares does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET.

In the event that the amount set aside to meet the estimated expenses listed above is in excess of the actual expenses incurred, such excess amount will be made available for our general working capital purposes.

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## SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

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Pursuant to the full sponsorship and management agreement dated 1 March 2019 (the “**Sponsorship and Management Agreement**”) entered into among our Company, the Vendors and SAC Capital as the Sponsor and Issue Manager, we appointed SAC Capital to manage the Invitation and to provide full sponsorship services in relation to the Invitation, subject to the terms and conditions of the Sponsorship and Management Agreement. SAC Capital will receive a management fee for its services rendered in connection with the Invitation and an annual sponsorship fee for at least three years from the date of listing of our Company on Catalist.

Pursuant to the underwriting and placement agreement dated 1 March 2019 (the “**Underwriting and Placement Agreement**”) entered into among our Company, the Vendors and SAC Capital as the Underwriter and Placement Agent, SAC Capital agreed (a) to subscribe and/or purchase and/or procure subscriptions for and/or purchases of the Offer Shares not subscribed for and/or purchased by members of the public and not allocated to satisfy excess applications for Placement Shares, and (b) to procure subscriptions for and/or purchases of the Placement Shares, subject to the terms and conditions of the Underwriting and Placement Agreement.

The Underwriter will receive an underwriting commission of 3.5% of the aggregate Invitation Price for the total number of Offer Shares underwritten by the Underwriter but excluding the portion of the Offer Shares which have been applied to satisfy excess applications for Placement Shares. The Underwriter may, at its absolute discretion, appoint one or more sub-underwriters for the Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment or allocation of the Offer Shares is made to the Underwriter or its nominees.

The Placement Agent will receive a placement commission of 3.5% of the aggregate Invitation Price for the total number of Placement Shares (including the Reserved Shares) successfully procured for subscription and/or purchase by the Placement Agent but excluding the portion of the Placement Shares which have been applied to satisfy excess applications for the Offer Shares. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares. Payment of the placement commission shall be made whether or not any allotment or allocation of the Placement Shares is made to the Placement Agent or its nominees. Subscribers and/or purchasers of the Placement Shares may be required to pay to the Placement Agent an end placees' commission of up to 1.0% of the Invitation Price (including GST, if applicable) for each Placement Share.

Brokerage will be paid by our Company to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% (or 0.75% in the case of DBS Bank) of the Invitation Price for each New Share. In addition, DBS Bank levies a minimum brokerage fee of S\$10,000.

Our Company and the Vendors will bear the underwriting and placement commission and brokerage in proportion to the number of Invitation Shares offered by our Company and the Vendors.

The Sponsorship and Management Agreement may be terminated by the Sponsor and Issue Manager at any time prior to the time and date of the commencement of trading of our Shares on Catalist, on the occurrence of certain events including:

- (a) any breach of warranties or undertakings in the Sponsorship and Management Agreement;
- (b) any occurrence of a specified event (as described in the Sponsorship and Management Agreement) which comes to the knowledge of the Sponsor and Issue Manager;

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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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- (c) any material adverse change, or any development involving a prospective material adverse change, in the condition (business, trading, operational, financial or otherwise), performance or general affairs of our Company or of our Group as a whole;
- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by ACRA, the Authority, the SIC, the SGX-ST or relevant authorities in Singapore or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;
- (e) any change, or any development involving a prospective change, or any crisis, in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), or any combination of any such changes or development or crisis, or deterioration of any such conditions;
- (f) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets;
- (h) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioration of any such conditions;
- (i) the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist; or
- (j) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Sponsor and Issue Manager (i) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market of Singapore or elsewhere; or (ii) be likely to prejudice the success of the offer, subscription or sale of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market); or (iii) make it impossible, impracticable or non-commercial to proceed with any of the transactions contemplated in the Sponsorship and Management Agreement; or (iv) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole; or (v) be such that no reasonable sponsor or issue manager would have entered into the Sponsorship and Management Agreement; or (vi) result or be likely to result in the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist at any point prior to the listing of all our existing issued Shares and the New Shares; or (vii) make it non-commercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Sponsor and Issue Manager to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement.

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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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Notwithstanding the aforesaid, the Sponsor and Issue Manager may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the commencement of trading of our Shares on the Catalist, a notice of refusal to admit our Company to Catalist shall have been issued by the SGX-ST; or
- (b) at any time after the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
  - (i) a false or misleading statement or matter in this Offer Document;
  - (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules and/or the SFA; or
  - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Catalist Rules and/or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,that is materially adverse from the point of view of an investor; or
- (c) our existing issued Shares and the New Shares have not been admitted to the Catalist on or before 11 March 2019 (or such other date as our Company, the Vendors and the Sponsor and Issue Manager may agree).

The Underwriting and Placement Agreement is conditional upon the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

In the event that the Sponsorship and Management Agreement and/or the Underwriting and Placement Agreement is terminated, our Company reserves the right, at our absolute discretion, to cancel the Invitation.

Save as aforesaid, no commission, discount or brokerage has been paid or other special terms granted by our Company within the two years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in or debentures of our Company.

Save as disclosed above, we do not have any material relationship with the Sponsor, Issue Manager, Underwriter and Placement Agent.



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## RISK FACTORS

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*Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which could directly and/or indirectly affect us and are material to investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develop into actual events, our business, financial performance and/or operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.*

*This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.*

### **RISKS RELATING TO OUR INDUSTRY AND BUSINESS**

#### **We may be affected in the event of a slowdown in the construction industry**

Our business is largely derived from sub-contracting public sector works, including public housing, civil infrastructure, institutional facilities and transportation networks projects. There is no assurance that the construction demand of the public sector will continue unabated, especially if there is deterioration in the prospects of the overall economy of Singapore.

In the event of an economic slowdown, the local private property market would likely be adversely affected. Contractors who predominately serve the private sector will turn to public sector works as the number of available private sector contracts reduces. This may result in increased competition and a decline in profit margin. Consequently, our business and financial performance and position will be adversely affected.

#### **We may not be able to maintain our competitiveness**

Our business contracts are mostly secured via open tenders and referrals from customers, suppliers and other business associates. Our continued success thus relies on our ability to maintain strong relationships with our customers, stay competitive and expand our market exposure to secure new customers and business opportunities. We compete with existing players who may have larger scale operations, more access to funding or more financial clout. New entrants will also intensify competition. If we are not able to continue to provide better value for our customers, we may not be able to increase or maintain our market share. Competition may result in, among other things, the loss of business or lower profit margins. In the event that we are unable to compete effectively, our business and financial performance and position will be adversely affected.

#### **We may not be able to secure new projects and may be affected by delays or cancellations of projects**

Some of our revenue is derived from project-based contracts and our continuous growth depends on the profitability of each contract. In the event that we are unable to secure new projects of values and/or margins comparable to projects that we have previously undertaken, our financial performance will be adversely affected.

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## RISK FACTORS

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In addition, the delay in commencement, standstill, premature termination or cancellation of projects may adversely affect us. If we are unable to secure other contracts in substitution of the delayed or terminated contracts on a timely basis, we may suffer a reduction in revenue. This may also lead to idle or excess capacity between the completion of existing projects and the commencement of new projects. Consequently, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we did not experience any delay in commencement, standstill, premature termination or cancellation of projects which had a material adverse impact on our business and financial performance and position.

### **We are exposed to credit risk of and payment defaults by our customers**

Our customers may not be able to meet their payment obligations to us, either in a timely manner or at all. The reasons for payment delays or defaults by our customers may include, amongst others, insolvency or insufficient financing or working capital. In the event that a significant number of our customers default in their payments, our business and financial performance and position will be adversely affected. For more details, please refer to the “Business – Credit Management” section of this Offer Document.

During the Period Under Review and up to the Latest Practicable Date, we had bad debts written-off amounting to approximately S\$35,000 in FY2016 and made an allowance for impairment of trade receivables of approximately S\$393,000 in FY2018 and S\$380,000 in 6M2019. For more details, please refer to the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document. There is no assurance that we can collect the outstanding amount in full or at all or that any payment default in the future will not have a material adverse impact on our business and financial performance and position.

### **We are subject to changes in the relevant laws and regulations**

The construction industry in Singapore is highly regulated and there can be no assurance that the regulatory environment in which we operate will not change significantly or become more stringent in the future. Compliance with changes in existing or new laws and regulations may increase our compliance costs significantly. In addition, there can be no assurance that we would be able to comply with such amended or new laws and regulations, and if we are unable to do so, our business and financial performance and position will be adversely affected. To the best of our knowledge, we had complied with the applicable laws and regulations as at the Latest Practicable Date. Nevertheless, there is no assurance that a review by any regulatory authorities will not result in adverse determinations against us. For more details on the laws and regulations applicable to our business, please refer to the “Government Regulations” section of this Offer Document.

During the Period Under Review and up to the Latest Practicable Date, changes in the relevant laws and regulations did not have a material adverse impact on our business and financial performance and position.

### **Our suppliers and sub-contractors may default on their obligations**

We purchase construction materials, consumables, machinery and equipment from our suppliers and, if necessary, we also engage sub-contractors to support our business. These suppliers and sub-contractors are selected based on, amongst others, our past working experience with them, and their track record, pricing, availability and ability to meet our requirements. We cannot be assured that the products and services of our suppliers and sub-contractors will continue to be satisfactory. In the event of any non-performance by our suppliers or sub-contractors, we may suffer losses and damages or incur liabilities to our customers.

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## **RISK FACTORS**

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Furthermore, if our suppliers and sub-contractors are unable to fulfil their obligations to us, we may not be able to meet our customers' requirements and/or complete the contract within schedule. In the event that we are unable to find suitable alternative suppliers or sub-contractors in a timely manner and on comparable commercial terms, we may be subject to cost overruns or be liable to pay liquidated damages. Accordingly, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we did not experience any non-performance by our suppliers or sub-contractors which had a material adverse impact on our business and financial performance and position.

### **We may be liable for delays in the completion of projects**

For the provision of services on a project basis, we may be liable to pay liquidated damages to our customers in the event that we fail to meet certain contract milestones within the time frame stipulated in the contract. The liquidated damages payable are usually pre-determined by the tender terms or through contractual negotiations. Delays in the delivery of services could occur from time to time. Sometimes, the delays could be due to factors which are not within our control, such as adverse weather conditions or work stoppages arising from accidents or mishaps at the work site. In the event that we are not able to deliver our services within the contractual time frame and are liable to pay liquidated damages, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we had not been made liable to pay any liquidated damages which had a material adverse impact on our business and financial performance and position.

### **We are exposed to project cost overruns**

Contract values quoted in the tender submissions and sales quotations are determined after the evaluation of the work scope and the estimation of all related costs, such as the costs of labour, machinery, disposal of earth, and construction materials. However, unanticipated increases in costs, site issues or errors in cost estimation may arise. Such circumstances may require us to incur additional costs and work which are not factored in the contract value, leading to project cost overruns which will adversely affect our business and financial performance and position.

During the Period Under Review and up to the Latest Practicable Date, we did not encounter any project cost overruns which had a material adverse impact on our business and financial performance and position.

### **We may have contractual disputes with our customers, suppliers and sub-contractors**

As much as we seek to fulfil our obligations, disputes may arise during our conduct of business with our customers, suppliers and sub-contractors. From time to time, there may also be disputes between our customers and us on issues relating to payment certification, invoicing and non-payment. These disputes may result in legal or other proceedings which may cause disruption to our business and work progress, in addition to the expenditure incurred and management resources dedicated to resolve them. In the event that we are not able to promptly resolve such disputes and proceedings or an award is not in our favour, our business and financial performance and position will be adversely affected.

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## RISK FACTORS

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During the Period Under Review and up to the Latest Practicable Date, we did not experience any contractual disputes which had a material adverse impact on our business, and financial performance and position.

### **We may be affected by accidents at our work sites or at our premises**

Due to the nature of our business, accidents and mishaps may occur at our work sites or at our premises even though we have put in place the required safety measures. Such accidents or mishaps may occur as a result of the actions or defaults of our employees or those of our sub-contractors or main contractors and may severely disrupt our operations. Furthermore, we may be subject to personal injury claims from our employees or other persons involved in accidents. In addition, any accidents or mishaps resulting in significant damage to our machinery, equipment or premises may require expenditure to make good the damage. Consequently, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we did not experience any work site accidents which had a material adverse impact on our business and financial performance and position.

### **We are subject to the risks of equipment and system failures**

Our operations are subject to the risk of equipment failure, caused by technical complications or failure by our employees to adhere to proper protocols and procedures. Such failure could result in loss of life and/or serious injury, damage to or loss of equipment or third-party liabilities. We are also dependent on our vehicle tracking system to ensure that our logistics movements are planned and executed effectively and efficiently. However, it is susceptible to system failures, network and power disruptions or other factors not within our control. In the event of any equipment or system failure and we are not able to rectify promptly, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we did not experience machinery or system failure which had a material adverse impact on our business and financial performance and position.

### **We are exposed to the risk of the downgrade or loss of our BCA registration grades or non-renewal, non-granting or suspension of our licences, permits and accreditations that are required to operate our business**

Companies who wish to participate in construction tenders in the public sector or as sub-contractors in public-sector projects must register with BCA. Details of our BCA registration grades, licences, permits and accreditations are described in the “Government Regulations” section of this Offer Document. There is no assurance that we can continue to fulfil the necessary criteria set out by BCA in respect of our BCA registration grades or attain BCA registration grades required of us to tender for certain projects in the future. Hence, any downgrade in or loss of our BCA registration grades would disqualify us from participating in public-sector projects and would adversely affect our business and financial performance and position.

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## RISK FACTORS

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In addition, licences, permits and accreditations granted to us are generally subject to conditions stipulated by the relevant issuing authorities or bodies and/or relevant laws or regulations under which such licences, permits and accreditations are issued. Failure to comply with such conditions, laws or regulations could result in the revocation, non-renewal or downgrade of the relevant licences, permits or accreditations and/or imposition of penalties. In such an event, our business and financial performance and position will be adversely affected.

During the Period Under Review and up to the Latest Practicable Date, we did not encounter any downgrade or loss of our BCA registration grades or non-renewal, non-granting or suspension of our licences, permits and accreditations which had a material adverse impact on our business and financial performance and position.

### **We are vulnerable to the availability and costs of employing foreign personnel**

We are dependent on foreign personnel, including skilled personnel, for our business operations. Our ability to meet the labour requirements for our operational needs is subject to various factors, including changes in the labour policies of the foreign personnel's countries of origin or the policies imposed by MOM in Singapore. We are thus vulnerable to any shortage in the supply of foreign personnel and any increase in the cost of foreign labour, the occurrence of which would adversely affect our business and financial performance and position.

During the Period Under Review and up to the Latest Practicable Date, the shortage in the supply of foreign personnel and the increase in the cost of foreign labour did not have a material adverse impact on our business and financial performance and position, as we had focused on enhancing our productivity and adapted to the changing foreign labour policies to reduce such impact.

### **We may be subject to fines imposed by LTA for overloading our tipper trucks beyond their maximum laden weight**

Our business operations involve the transportation of construction materials. The Road Traffic Act stipulates that the load carried by motor vehicles shall not be in excess of its maximum laden weight. Under Section 131 of the Road Traffic Act, any person who causes the load carried by the tipper trucks to be in excess of their maximum laden weight shall be guilty of an offence and shall be liable, upon conviction, in the case of a first offence, to a fine not exceeding S\$1,000 or to imprisonment for a term not exceeding three months or to both, and in the case of a second or subsequent offence, to a fine not exceeding S\$2,000 or to imprisonment for a term not exceeding six months or to both.

Section 131B(1) of the Road Traffic Act prescribes that where an offence committed by a body corporate is proved to have been committed with the consent or connivance of an officer or to be attributable to any act or default on his part, the officer, meaning any director, member of the committee of management, chief executive officer, manager, secretary or other similar officer, including any person purporting to act in any such capacity, shall be guilty of an offence and shall be liable to be proceeded against and punished accordingly.

LTA had in the past imposed fines on our tipper truck drivers and Reclaims Enterprise. During the Period Under Review, fines paid to LTA for loading tipper trucks with construction materials exceeding the maximum laden weight of 28 metric tonnes amounted to approximately S\$210,000 or less, which is 0.2% of our total revenue or 1.5% of our total net profit for the Period Under Review (please refer to the "Government Regulations" section of this Offer Document for further details). We did not experience any material adverse impact on our business and financial performance and position resulting from the fines. Although we have implemented procedures to

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## RISK FACTORS

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avoid further incidents of overloading, including trainings for new drivers on loading guidelines and safety procedures and for all drivers when there is an update of regulations, sending reminders to all drivers, and escalating overloading cases for management review and implementing preventive or corrective measures, these procedures may not be effective and instances of our tipper trucks being overloaded beyond their maximum laden weight may still occur.

### **We are subject to the safety regulations imposed by regulatory authorities**

The Workplace Safety and Health Act (Chapter 354A) requires us to take reasonably practicable measures to ensure the safety and health of workers at our workplace. In the event that our workplace contravenes the requisite safety and health standards imposed by regulatory authorities, penalties would be imposed or our work sites might be issued with partial or full stop-work orders. Such circumstances would disrupt our operations and have an adverse impact on our business and financial performance and position.

During the Period Under Review and up to the Latest Practicable Date, we did not receive any stop-work order and we had complied with the requisite workplace safety and health standards.

### **We may be liable for non-compliance with the relevant employment laws and regulations**

As our business and operations are based in Singapore, we are subject to the relevant employment laws and regulations in Singapore, including the Employment Act (Chapter 91) and Employment of Foreign Manpower Act (Chapter 91A). During the Period Under Review, we had inadvertently contravened certain employment laws and regulations, such as permitting some staff to exceed their overtime limits (please refer to the “Government Regulations” section of this Offer Document for details of the contraventions and the relevant potential penalties).

As at the Latest Practicable Date, we had improved our internal processes to ensure that such non-compliance will not recur. Please refer to the “Government Regulations” section of this Offer Document for more information on the internal processes undertaken to ensure that such non-compliance will not recur. To date, no enforcement action has been taken against us for the past contraventions. However, there is no assurance that we and/or our Directors will not be penalised for the past contraventions or that we will not inadvertently contravene any employment laws and regulations in future. Our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, have undertaken to indemnify us against any penalties imposed for the past contraventions pursuant to the Deed of Indemnity (please refer to the “Government Regulations” section of this Offer Document for details of the Deed of Indemnity).

In the event that fines are imposed for the past contraventions, such fines could potentially have a material and adverse impact on our business and financial performance and position.

### **We are exposed to fluctuations in the prices of diesel and construction materials**

Our operations rely on a continuous supply of diesel and construction materials. The prices of diesel and construction materials may fluctuate due to changes in supply and demand conditions or government regulations. For instance, in the Singapore Budget 2017, a volume-based duty on diesel of S\$0.10 per litre was introduced, and this resulted in an increase in our diesel cost. We do not have any long-term fixed price agreements with suppliers for diesel and construction materials required for our business operations. We may not be able to pass any increased costs due to increased prices to our customers. In the event of any significant increase in prices of diesel and construction materials, our business and financial performance and position will be adversely affected.



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## RISK FACTORS

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### **Our insurance coverage may not indemnify us against all potential losses and liabilities**

Although our Directors believe that our insurance coverage is sufficient in accordance with industry standards and business practices, certain risks may not be covered by our insurance policies because they are either uninsurable or not economically insurable, such as acts of terrorism and natural disasters. There is also no assurance that our insurers will pay on any particular claim. Under such circumstances, we may have to bear the costs of the uninsured risk or the uninsured loss, and our business and financial performance and position will be adversely affected. Please refer to the “Business – Insurance” section of the Offer Document for further details on the insurance policies maintained by us.

### **We may not be able to obtain additional funding to finance our business growth**

To undertake more and/or larger scale projects, additional working capital, for purposes such as acquisition of property, plant and equipment or engaging sub-contractors to support our business, may be required. During the course of our business, expansion opportunities which are favourable for our future growth and prospects may also be identified, and there may be opportunities for us to acquire strategic assets, such as properties, to improve operational effectiveness and efficiency.

To exploit such opportunities, we may need to secure additional financing from financial institutions. There is no assurance that we will be able to obtain additional financing on terms acceptable to us, or at all. Additional financing would also increase our interest expenses and gearing and there may be covenants that restrict our ability to pay dividends and/or restrict our flexibility in utilising working capital to react to changes in the business environment. In the event that we are unable to secure adequate financing at acceptable costs, our business and financial performance and position will be adversely affected.

### **We may not be able to successfully implement our future plans**

As part of our future plans, we intend to expand our operational capacity and our recycled product range, and expand through acquisitions, joint ventures and/or strategic alliances. Please refer to the “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” section of this Offer Document for further details.

Our management team may not have the relevant experience and expertise in the new businesses that we venture into. We face risks and difficulties associated with entry into any new business segments in which we have no prior track record. Such risks include failure to manage the operations and cost structure effectively, failure to establish networks of customers and suppliers, failure to identify, attract and retain qualified personnel, and failure to achieve the expected results, level of revenue and margins.

The success of our expansion plans is also dependent upon, *inter alia*, the prospects of the Singapore property market, construction demand in the public and private sectors, the prevailing laws and regulations, and the availability of additional financial and other resources to execute our plans. There is no assurance that our future plans will be implemented successfully. If we fail to achieve a sufficient level of revenue or manage our costs effectively or if these future plans are delayed or do not materialise eventually, our business and financial performance and position will be adversely affected.

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## RISK FACTORS

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### **We may be subject to risks associated with joint ventures or strategic alliances**

We may seek growth opportunities through joint ventures or strategic alliances, in particular for larger scale contracts or contracts which require expertise which we do not possess. These joint ventures and strategic alliances involve numerous business or execution risks, including (a) inability of our Group to exert control over the actions of our partners, including any non-performance, default or bankruptcy of the partners; (b) difficulty in integrating management, operations, services and personnel; (c) strain on resources in order to coordinate internal systems, controls, procedures and policies; and (d) exposure to unknown liabilities incurred by our partners.

In the event of any major disagreement with our business partners on the day-to-day operations and strategic direction of our joint ventures or strategic alliances, there is no assurance that we will be able to arrive at a fair resolution. Furthermore, our partners may take actions contrary to our instructions, requests or policies and/or be unable or unwilling to fulfil their obligations which may adversely affect the operations of the joint venture or strategic alliance. As a result of the foregoing, our business and financial performance and position will be adversely affected.

### **We are dependent on our key management personnel**

Our continued success is dependent to a large extent on our key management personnel, including our Executive Chairman, Chan Chew Leh, and our Executive Directors, Tan Kok Huat and Andrew Chew, who have been instrumental in driving the growth of our Group, providing strategic direction and spearheading business expansion for our Group. The loss of any key management personnel without suitable and timely replacement will have an adverse impact on our business and financial performance and position.

Each of Chan Chew Leh, Tan Kok Huat and Andrew Chew has entered into a Service Agreement with our Company for an initial term of three years. Notwithstanding this, there can be no assurance that we will be successful in retaining them or in hiring qualified management personnel to replace them should the need arise. Please refer to the “Directors, Executive Officers and Staff – Service Agreements” section of this Offer Document for further details.

## **GENERAL RISKS**

### **We may be affected by disruptions to our operations due to external factors**

Our Group may face disruptions to our operations due to unforeseen external factors such as natural disasters, acts of God, fire, flood, civil commotion, and other calamities or events beyond our control. Notwithstanding the measures and steps that we have taken, there is no assurance that emergency crises would not cause disruptions to our operations. As a result of such disruptions, we may fail to meet our customers’ expectations or complete our projects within the stipulated timeline. This may damage our reputation and/or expose us to legal claims and may lead to loss of business and affect our ability to attract new business. In such events, our business and financial performance and position may be adversely affected.

### **We may be adversely affected by changes in the social, economic and political conditions and legal and regulatory environment globally and in Singapore**

Our business may be materially and adversely affected by local and global developments in relation to inflation, prices of raw materials, bank interest rates, government policies and regulations, and other conditions which may have an impact on social, economic and political stability. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and adversely affect our business

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## RISK FACTORS

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operations. There is also no assurance that conditions which have previously contributed to the success of our Group will prevail in the future. If these conditions deteriorate in the future, our business and financial performance and position will be adversely affected.

### **We may be affected by disruption in the global financial markets and its associated impact**

Our financial performance may be adversely affected by disruption in the financial markets and economies in Singapore and overseas. Financial crises, such as the 2008 global financial crisis, and slowdown in the global economy would result in, *inter alia*, much economic volatility, less liquidity and tightening of credit. In addition, changes in the global political and social conditions may lead to greater uncertainty in the financial markets and impinged upon the health of the global economic and financial systems. It is difficult to predict the extent to which global markets are affected by such disruptions and the extent and nature of such effects on our markets and business. The continuation or intensification of such disruptions may lead to additional adverse effects, including lack of availability of credit to businesses and a further weakening of the global economies. Any prolonged downturn in general economic conditions would present risks for our business, such as a decrease in the number of contracts we are able to secure. Any adverse economic developments in the markets where we operate could adversely affect our business and financial performance and position.

### **We may be affected by terrorist attacks and other acts of violence, or outbreak of communicable diseases**

Any fresh occurrence of terrorist attacks such as those which occurred in Indonesia, France and the United States of America or acts of violence may lead to uncertainty in the general economic outlook. All these could have a negative impact on the demand for our business and services. An outbreak of infectious disease in Singapore or our nearby countries may have an adverse impact on our operations and our financial performance. Market sentiment and consumer confidence could be affected and may lead to deterioration of economic conditions. Further, in the event that our employees or those of our suppliers are infected or suspected of being infected with any communicable disease, our Group and/or our suppliers may be required by health authorities to temporarily shut down the affected premises or project sites and quarantine the relevant employees to prevent the spread of the disease. This will result in delays and an increase in cost and may have an adverse impact on our business and financial performance and position.

## **RISKS RELATING TO INVESTMENT IN OUR SHARES**

### **Our Controlling Shareholders will retain significant control over our Group after the Invitation, allowing them to influence the outcome of matters submitted to Shareholders for approval**

Upon the completion of the Invitation, our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, will collectively own approximately 76.2% of our Company's post-Invitation share capital. As a result, our Controlling Shareholders will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions, in a manner which may not be in line with the interests of our minority Shareholders. Our Controlling Shareholders will also have veto power with respect to any Shareholders' action or approval requiring a majority vote except where they are required by the SGX-ST or the Catalist Rules to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company which may benefit Shareholders.

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## RISK FACTORS

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### **Future sale of our Shares could adversely affect our Share price**

Any future issue of Shares by us or sale of our Shares by our existing Shareholders may have a downward pressure on our Share price. The issue or sale of a significant number of Shares in the public market after the Invitation, or the perception that such issues or sales may occur, could adversely affect the market price of our Shares. These factors may also affect our ability to raise funds through the issue of additional equity securities in the future, at a time and price we deem appropriate. Except as otherwise described in the “General Information on our Group – Moratorium” section of this Offer Document, there will be no restrictions imposed on our Substantial Shareholders to dispose of their shareholdings. Our Share price may be under downward pressure if certain Shareholders sell their Shares upon the expiry of their moratorium periods.

### **There has been no prior market for our Shares and the Invitation may not result in an active or liquid market for our Shares**

Prior to the Invitation, there has been no public market for our Shares. There can be no assurance that an active market for our Shares will develop or, if developed, will be sustained, or that the market price for our Shares will not decline below the Invitation Price. Accordingly, investors may be unable to sell their Shares at or above the Invitation Price. The Invitation Price may not be indicative of the market price for our Shares after the completion of the Invitation.

### **Our Share price may fluctuate following the Invitation**

The Invitation Price was determined through a book-building exercise by us and the Vendors after consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, and after taking into consideration, amongst others, the prevailing market conditions and estimated market demand for the Invitation Shares. The Invitation Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Invitation Price. Volatility in the market price of our Shares may be caused by factors beyond our control and may not correlate with or be proportionate to our financial results. The market price of our Shares may fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:

- (a) variations in our operating results;
- (b) changes in securities analysts’ recommendations, perceptions or estimates of our financial performance;
- (c) changes in market valuations and share prices of companies with businesses that are similar to those of our Group that may be listed in Singapore or elsewhere;
- (d) announcements by us of significant acquisitions, strategic alliances or joint ventures;
- (e) fluctuations in stock market prices and volume;
- (f) our involvement in material litigation or arbitration proceedings;
- (g) additions or departures of key personnel;
- (h) success or failure of our management in implementing business and growth strategies; and
- (i) changes in conditions affecting the industry, general economic conditions or stock market sentiments or other events or factors.

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## RISK FACTORS

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For these reasons, amongst others, our Shares may trade at prices that are higher or lower than the NAV per Share. To the extent that there is any retention of operating cash for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the price of our Shares. Any failure on our part to meet with market expectations with regard to future earnings and cash distributions may adversely affect the market price of our Shares. In case of liquidation, investors may lose all or part of their investment in our Shares.

### **New investors will incur immediate dilution and may experience further dilution**

Our Invitation Price of 23.00 cents per Share is substantially higher than our NAV per Share of 13.81 cents (based on the NAV as referred to in the “Dilution” section of this Offer Document and as adjusted for the net proceeds from the issue of the New Shares). If our Company is liquidated immediately following the Invitation, investors who subscribed for and/or purchased the Invitation Shares would receive less than the price paid for their Shares. Please refer to the “Dilution” section of this Offer Document for further details.

### **Investors may not be able to participate in future issues of Shares**

In the event that our Company issues new Shares, it will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where it elects to conduct a rights issue. However, in electing to conduct a rights issue or other equity issues, our Company will have discretion or may be subject to regulations as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, our Company may not offer such rights to our existing Shareholders having an address in jurisdictions outside Singapore. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their holdings as a result.

### **Singapore law contains provisions that could discourage a takeover of our Company**

Sections 138, 139 and 140 of the SFA and the Singapore Code on Take-overs and Mergers (collectively, the “**Singapore Take-over Laws and Regulations**”) contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of our Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30% and 50% (both inclusive) of our Shares, and he (or parties acting in concert with him) acquires additional Shares representing more than 1% of our voting Shares in any six-month period, must, except with the consent of the SIC, extend a takeover offer for the remaining Shares in accordance with the provisions of the Singapore Take-over Laws and Regulations. While the Singapore Take-over Laws and Regulations seek to ensure equality of treatment among Shareholders, their provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of our Company. Some of our Shareholders may therefore be disadvantaged as a transaction of that kind might have allowed the sale of shares at a price above the prevailing market price.

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## RISK FACTORS

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### **Negative publicity may adversely affect our Share price**

Negative publicity involving our Group or any of our Directors, Substantial Shareholders or Executive Officers may adversely affect the market perception of our Group or the price of our Shares, whether or not they are justified. Some examples are unsuccessful attempts at joint ventures or takeovers or involvement in insolvency or litigation proceedings.

### **Investments in securities quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST**

Our application is for our Shares to be admitted to the Catalist, a listing platform primarily designed for fast growing and emerging companies with higher investment risks, as compared to larger or more established companies. An investment in shares quoted on the Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, our Company will be required to retain a sponsor at all times after our admission to the Catalist. In particular, unless approved by the SGX-ST, the Sponsor and Issue Manager must act as our continuing sponsor for at least three years after our admission to the Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three continuous months. There is no guarantee that following the expiration of the three-year period, the Sponsor and Issue Manager will continue to act as our sponsor or that we will be able to find a replacement sponsor within the three-month period.

### **We do not have a fixed dividend policy and may not be able to pay dividends to our Shareholders**

There is no assurance that we will pay dividends in the future or, if we pay dividends in the future, when we will pay them. The declaration and payment of future dividends will depend upon our future operating results and cash flow, financial performance, other cash requirements including capital expenditures, financing arrangements (if any), future plans, general business conditions and other factors which our Directors may determine as appropriate, many of which are beyond our control. Please refer to the “Dividend Policy” section of this Offer Document for further details.

Our future loan agreements may include covenants which may also limit when and how much dividends we can declare and pay. Pursuant to the terms governing the credit facilities granted to our subsidiary, our subsidiary may not declare or make payment of any dividends or any income or capital distribution in the event of, amongst others, any outstanding monies (whether principal, interest or otherwise) payable to the financial institutions. Such restriction on the ability of our subsidiary to pay dividends to us may adversely limit our ability to grow, or make investments or acquisitions that could be beneficial to our business.

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## INVITATION STATISTICS

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<b>INVITATION PRICE</b>	23.00 cents
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### NAV per Share

NAV per Share based on the unaudited combined statement of financial position of our Group as at 31 July 2018:

- |  |             |
|--|-------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 112,000,000 Shares | 13.68 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 131,000,000 Shares | 13.81 cents |

Premium of Invitation Price over the NAV per Share as at 31 July 2018:

- |  |       |
|--|-------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 112,000,000 Shares | 68.1% |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 131,000,000 Shares | 66.6% |

### EPS<sup>(1)</sup>

Historical EPS based on the audited combined financial results of our Group for FY2018 and the pre-Invitation share capital of 112,000,000 Shares	2.85 cents
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Historical EPS based on the audited combined financial results of our Group for FY2018 and the pre-Invitation share capital of 112,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2018	2.07 cents
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### PER

Historical PER based on the Invitation Price and the historical EPS for FY2018	8.06 times
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Historical PER based on the Invitation Price and the historical EPS for FY2018, assuming that the Service Agreements had been in place from the beginning of FY2018	11.13 times
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## INVITATION STATISTICS

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### Net Cash Flow from Operating Activities per Share

Historical net cash flow from operating activities per Share of our Group for FY2018 based on the pre-Invitation share capital of 112,000,000 Shares	5.67 cents
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Historical net cash flow from operating activities per Share of our Group for FY2018 and the pre-Invitation share capital of 112,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2018	4.89 cents
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### Price to Net Cash Flow from Operating Activities per Share

Invitation Price to historical net cash flow from operating activities per Share for FY2018	4.05 times
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Invitation Price to historical net cash flow from operating activities per Share for FY2018, assuming that the Service Agreements had been in place from the beginning of FY2018	4.71 times
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### Market Capitalisation

Market capitalisation based on the Invitation Price and the post-Invitation share capital of 131,000,000 Shares	S\$30.1 million
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#### Note:

(1) EPS was computed based on the profit from continuing operations, net of tax and total comprehensive income.

## DILUTION

Dilution is the amount by which the Invitation Price to be paid by investors for our Invitation Shares in the Invitation (“**New Investors**”) exceeds our NAV per Share immediately after the Invitation. Our NAV per Share as at 31 July 2018, as adjusted for the Restructuring Exercise, but before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 112,000,000 Shares, was approximately 13.68 cents.

Pursuant to the issue of 19,000,000 New Shares at the Invitation Price, our NAV per Share as at 31 July 2018 after adjusting for the Restructuring Exercise and the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 131,000,000 Shares, would have been 13.81 cents. This represents an immediate increase in NAV per Share of 0.13 cents to our existing Shareholders and an immediate dilution in NAV per Share of 9.19 cents (or approximately 40.0%) to our New Investors.

The following table illustrates such dilution on a per Share basis:

	Cents
Invitation Price per Share	23.00
NAV per Share as at 31 July 2018, as adjusted for the Restructuring Exercise but before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 112,000,000 Shares	13.68
Increase in NAV per Share attributable to existing Shareholders	0.13
NAV per Share after the Invitation <sup>(1)</sup>	13.81
Dilution in NAV per Share to New Investors	9.19
Dilution in NAV per Share to New Investors as a percentage of the Invitation Price	40.0%

**Note:**

(1) The computed NAV does not take into account our actual financial performance after 31 July 2018. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed NAV.

The following table shows the total number of Shares acquired, the total consideration and the average effective cost per Share paid by our Directors and Substantial Shareholders for Shares acquired by them during the period of three years prior to the date of lodgement of this Offer Document (as adjusted for the Restructuring Exercise) and by our New Investors pursuant to the Invitation:

	Number of Shares acquired	Total consideration (S\$)	Average effective cost per Share (cents)
<b>Directors and Substantial Shareholders</b>			
Chan Chew Leh	50,399,998	6,897,188	13.68
Tan Kok Huat	50,400,005	6,897,188	13.68
Andrew Chew	11,199,997	1,532,708	13.68
<b>New Investors pursuant to the Invitation</b>	19,000,000	4,370,000	23.00

## CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group:

- (a) as at 31 July 2018, based on the unaudited combined statement of financial position of our Group as at 31 July 2018;
- (b) as at 31 December 2018, based on the unaudited combined management accounts of our Group as at 31 December 2018; and
- (c) as at 31 December 2018, based on the unaudited combined management accounts of our Group as at 31 December 2018 and as adjusted for the net proceeds from the issue of the New Shares.

You should read this in conjunction with the “Independent Auditor’s Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018” and the “Independent Auditor’s Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018” as set out in Appendices A and B respectively of this Offer Document, and the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document.

(S\$'000)	As at 31 July 2018	As at 31 December 2018	As adjusted for the net proceeds from the issue of the New Shares
<b>Cash and cash equivalents</b>	1,604	2,650	5,413
<b>Indebtedness</b>			
Current			
– secured and guaranteed	1,300	1,300	1,300
– secured and non-guaranteed	–	–	–
– unsecured and guaranteed	–	–	–
– unsecured and non-guaranteed	–	–	–
Non-current			
– secured and guaranteed	3,792	3,250	3,250
– secured and non-guaranteed	–	–	–
– unsecured and guaranteed	–	–	–
– unsecured and non-guaranteed	–	–	–
<b>Total indebtedness</b>	5,092	4,550	4,550
<b>Total shareholders’ equity</b>	15,327	17,146	19,355
<b>Total capitalisation and indebtedness</b>	20,419	21,696	23,905

## CAPITALISATION AND INDEBTEDNESS

### Cash and cash equivalents

As at the Latest Practicable Date, we had cash and cash equivalents of approximately S\$1.7 million.

### Indebtedness

As at the Latest Practicable Date, our current indebtedness amounted to S\$1.3 million while our non-current indebtedness amounted to S\$3.1 million, and they related to our bank borrowings.

### Credit Facilities

As at the Latest Practicable Date, we had the following credit facilities:

Financial institution	Nature of Facilities	Amount of facilities granted (S\$'000)	Amount drawn down (S\$'000)	Amount unutilised (S\$'000)	Interest rate	Maturity profile
OCBC	Term Loan <sup>(1)</sup>	4,767	4,767	–	1.85% per annum over the bank's prevailing cost of funds	June 2022
	Draft Loans (Purchase)	3,000	–	3,000	1.50% per annum over the bank's prevailing cost of funds	120 days
	Specific Advance Facility <sup>(1)</sup>	1,500	–	1,500	1.50% per annum over the bank's prevailing cost of funds	On demand
DBS Bank	Non-Revolver Hire Purchase Line	600	–	600	1.55% per annum	Up to 36 months
<b>Total</b>		<b>9,867</b>	<b>4,767</b>	<b>5,100</b>		

**Note:**

- (1) Under the terms of the facilities, the total amount outstanding under the Term Loan and the Specific Advance Facility shall not at any time exceed 70% of the market value of the Tuas Property, or additional collateral or a reduction of the outstanding amount may be requested by OCBC.

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## CAPITALISATION AND INDEBTEDNESS

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The above credit facilities granted by OCBC are secured by charges over the Tuas Property and rental income in respect of the Tuas Property, and personal guarantees provided by our Executive Directors, Chan Chew Leh and Tan Kok Huat. The above credit facility granted by DBS Bank is secured by personal guarantees provided by our Executive Directors, Chan Chew Leh and Tan Kok Huat, and the relevant equipment and vehicles which are the subject of the hire purchase. Please refer to the “Interested Person Transactions” section of this Offer Document for further details on guarantees provided by our Executive Directors.

To the best of our Directors’ knowledge, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders.

### **Contingent Liability**

As at the Latest Practicable Date, we are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

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## DIVIDEND POLICY

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Reclaims Enterprise declared final dividends amounting to S\$1,500,000, S\$3,830,000 and S\$2,000,000 in respect of FY2016, FY2017 and FY2018, respectively. As at the Latest Practicable Date, the final dividend of S\$2,000,000 for FY2018 remained unpaid (please refer to the “Interested Person Transactions – Amounts due from and owing to our Directors and their Associates” section of this Offer Document for information on when the unpaid dividend will be paid).

Save as disclosed above, no dividends have been paid or declared by our Company or our subsidiary during the Relevant Period.

We currently do not have a fixed formal dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our earnings, financial position, results of operations, cash flows, capital needs, general business conditions, the terms of the borrowing arrangements (if any), plans for expansion and other factors which our Directors may deem appropriate.

Subject to our Constitution and the Companies Act, we may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors subject to the approval of our Shareholders. Subject to our Constitution and the Companies Act, our Directors may also declare an interim dividend without the approval of our Shareholders. In making their recommendations or declaration of future dividends in respect of our Shares for any particular financial year, our Directors will consider, *inter alia*, our retained earnings and expected future earnings, operations, cash flow, working capital requirements, projected levels of capital expenditure and other investment plans, restrictions on payment of dividends imposed on us by our financing arrangements (if any) and general financing condition, as well as general business conditions and other factors which our Directors may determine as appropriate.

Information relating to taxes payable on dividends is set out under “Taxation” in Appendix F of this Offer Document.

## SELECTED COMBINED FINANCIAL INFORMATION

*The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018”, the “Independent Auditor’s Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018” and the “Independent Auditor’s Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year Ended 31 January 2018” as set out in Appendices A, B and C respectively, and the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document.*

### COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>

(S\$'000)	Audited			Unaudited	
	FY2016	FY2017	FY2018	6M2018	6M2019
Revenue	35,674	29,777	27,542	13,978	13,110
Interest income	–	–	3	–	2
Other gains	224	499	52	24	309
Purchase of materials, services and consumables used	(19,262)	(16,828)	(14,345)	(8,239)	(7,180)
Other losses	(35)	–	(393)	(397)	(380)
Finance costs	(146)	(235)	(234)	(142)	(82)
Depreciation and amortisation expense	(1,810)	(2,088)	(2,477)	(1,258)	(1,196)
Employee benefits expense	(3,530)	(4,060)	(3,904)	(1,868)	(2,065)
Other expenses	(3,228)	(2,977)	(2,603)	(1,414)	(2,472)
<b>Profit before tax from continuing operations</b>	<b>7,887</b>	<b>4,088</b>	<b>3,641</b>	<b>684</b>	<b>46<sup>(4)</sup></b>
Income tax expense	(963)	(412)	(445)	–	(138)
<b>Profit (Loss) from continuing operations, net of tax and total comprehensive income (loss)</b>	<b>6,924</b>	<b>3,676</b>	<b>3,196</b>	<b>684</b>	<b>(92)<sup>(4)</sup></b>
Pre-Invitation EPS/LPS (cents) <sup>(2)</sup>	6.18	3.28	2.85	0.61	(0.08) <sup>(4)</sup>
Post-Invitation EPS/LPS (cents) <sup>(3)</sup>	5.29	2.81	2.44	0.52	(0.07) <sup>(4)</sup>

#### Notes:

- (1) Our combined statements of profit or loss and other comprehensive income for the Period Under Review have been prepared on the basis that our Group had been in existence throughout the Period Under Review.
- (2) For comparative purposes, pre-Invitation EPS/LPS for the Period Under Review have been computed based on the profit for the years/periods and our pre-Invitation share capital of 112,000,000 Shares.
- (3) For comparative purposes, post-Invitation EPS/LPS for the Period Under Review have been computed based on the profit for the years/periods and our post-Invitation share capital of 131,000,000 Shares.
- (4) Had the Share-Based Payment been excluded, our Profit before tax from continuing operations and Profit from continuing operations, net of tax and total comprehensive income for 6M2019 will be S\$846,000 and S\$708,000 respectively. Correspondingly, the pre-Invitation EPS and post-Invitation EPS for 6M2019 excluding the Share-Based Payment will be 0.63 cents and 0.54 cents respectively. The Share-Based Payment is a non-recurring expense and does not have any impact on our cash flows. For more information on the Share-Based Payment, please refer to the “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans – Trend Information” sections of this Offer Document.



## SELECTED COMBINED FINANCIAL INFORMATION

### COMBINED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP<sup>(1)</sup>

(S\$'000)	Audited As at 31 January 2018	Unaudited As at 31 July 2018
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	11,024	10,997
Other asset, non-current	4,241	4,115
<b>Total non-current assets</b>	15,265	15,112
<b><u>Current assets</u></b>		
Income tax receivable	—	320
Trade and other receivables	6,794	6,150
Other assets, current	459	3,308
Cash and cash equivalents	4,946	1,604
<b>Total current assets</b>	12,199	11,382
<b>Total assets</b>	27,464	26,494
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	1,000	1,000
Retained earnings	15,619	13,527
Share-based payment reserve	—	800
<b>Total equity</b>	16,619	15,327
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	740	735
Other financial liabilities, non-current	4,441	3,792
<b>Total non-current liabilities</b>	5,181	4,527
<b><u>Current liabilities</u></b>		
Income tax payable	342	—
Trade and other payables	4,022	5,340
Other financial liabilities, current	1,300	1,300
<b>Total current liabilities</b>	5,664	6,640
<b>Total liabilities</b>	10,845	11,167
<b>Total equity and liabilities</b>	27,464	26,494
<b>NAV per Share (cents)<sup>(2)</sup></b>	14.84	13.68

**Notes:**

- (1) Our combined statement of financial position as at 31 January 2018 has been prepared on the basis that our Group had been in existence on that date.
- (2) For comparative purposes, our NAV per share as at 31 January 2018 and 31 July 2018 have been computed based on the total equity and the pre-Invitation share capital of 112,000,000 Shares.

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## SELECTED COMBINED FINANCIAL INFORMATION

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### **Basis of preparation of the unaudited pro forma combined financial information as included in Appendix C of this Offer Document**

You should read the following selected unaudited pro forma combined financial information of our Group at the date indicated, in conjunction with the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document and our unaudited pro forma combined financial information and the accompanying notes as set out in Appendix C of this Offer Document.

Because of the nature of the unaudited pro forma combined financial information, they may not give a true picture of the actual financial position or results of our Group.

The unaudited pro forma combined financial information has been prepared for illustrative purposes only, and is based on the assumption and after making certain adjustments to illustrate the impact of the approval of the final one-tier tax exempt dividend in respect of FY2018 on our Group’s combined statement of financial position as at 31 January 2018. On 23 July 2018, our subsidiary, Reclaims Enterprise, approved a final one-tier tax exempt dividend of S\$2.0 million in respect of FY2018 to its then shareholders.

The unaudited pro forma combined financial information has been compiled from the combined statement of financial position as at 31 January 2018 as extracted by management from the audited combined financial statements which have been included in Appendix A of this Offer Document.

No unaudited pro forma combined statement of profit or loss and other comprehensive income and combined statement of cash flows have been presented as the pro forma adjustments arising from the approval of the final one-tier tax-exempt dividend does not impact the combined statement of profit or loss and other comprehensive income and combined statement of cash flows.

No unaudited pro forma combined financial information for 6M2019 has been presented as the financial effect of the approval of the final one-tier tax-exempt dividend has been accounted for in the interim combined financial statements of our Group for 6M2019.

Please refer to the “Independent Auditor’s Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year Ended 31 January 2018” as set out in Appendix C of this Offer Document for the basis of preparation of the unaudited pro forma combined financial information of our Group.

## SELECTED COMBINED FINANCIAL INFORMATION

### UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

(S\$'000)	Unaudited As at 31 January 2018
<b>ASSETS</b>	
<b><u>Non-current assets</u></b>	
Property, plant and equipment	11,024
Other asset, non-current	4,241
<b>Total non-current assets</b>	15,265
<b><u>Current assets</u></b>	
Trade and other receivables	6,794
Other assets, current	459
Cash and cash equivalents	4,946
<b>Total current assets</b>	12,199
<b>Total assets</b>	27,464
<b>EQUITY AND LIABILITIES</b>	
<b><u>Equity</u></b>	
Share capital	1,000
Retained earnings	13,619
<b>Total equity</b>	14,619
<b><u>Non-current liabilities</u></b>	
Deferred tax liabilities	740
Other financial liabilities, non-current	4,441
<b>Total non-current liabilities</b>	5,181
<b><u>Current liabilities</u></b>	
Income tax payable	342
Trade and other payables	6,022
Other financial liabilities, current	1,300
<b>Total current liabilities</b>	7,664
<b>Total liabilities</b>	12,845
<b>Total equity and liabilities</b>	27,464
 Pro forma NAV per Share (cents) <sup>(2)</sup>	 13.05

**Notes:**

- (1) The unaudited pro forma combined statement of financial position as at 31 January 2018 has been prepared for illustration purposes only to show what the financial position of our Group as at 31 January 2018 would have been if the final one-tier tax-exempt dividend for FY2018 had been approved on 31 January 2018.
- (2) For comparative purposes, our pro forma NAV per Share as at 31 January 2018 has been computed based on the total equity and the pre-Invitation share capital of 112,000,000 Shares.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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*The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the full text of this Offer Document, including the "Independent Auditor's Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018", the "Independent Auditor's Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018", and the "Independent Auditor's Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year ended 31 January 2018" as set out in Appendices A, B and C, respectively.*

*This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause our future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the "Risk Factors" section of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date hereof. Please refer to the "Cautionary Note on Forward-Looking Statements" section of this Offer Document.*

### OVERVIEW

We pride ourselves as an eco-friendly integrated service provider in the construction industry. We specialise in the recycling of C&D waste, customisation of excavation solutions and operating fleet management. Through the years, we have built an established reputation and a proven track record for effective execution and timely delivery of our services of different scales and nature. Please refer to the "Business – Business Overview" section of this Offer Document for further details on our business. As at the Latest Practicable Date, our business operations are based solely in Singapore.

Our Company was incorporated in Singapore on 11 October 2018 under the Companies Act as a private company limited by shares under the name "Reclaims Global Pte. Ltd.". We were converted into a public limited company on 23 January 2019 and our name was changed to "Reclaims Global Limited". Our Company is the holding company of our subsidiary, Reclaims Enterprise. Please refer to the "General Information on our Group – Group Structure" section of this Offer Document for further details on our Group structure.

### Revenue

Our revenue is mainly derived from our three business segments as follows:

#### (a) Recycling

The primary focus of our recycling business segment is in the reclaiming of natural and urban resources and recycling them for sale as economic resources to our customers. Revenue from this segment is generated from the sale of RCA such as recycled graded stone, recycled quarry dust and 20-mm recycled aggregate. RCA is typically used in road works and the production of ready-mixed concrete. As part of our recycling activities, we may from time to

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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time provide reinstatement works, demolition works, backfilling, compaction and turfing, and disposal of C&D waste to fulfil the requirements of project or land owners.

The RCA is typically sold in per metric tonne or per truckload basis according to prevailing market rates. Revenue from the sale of RCA is recognised when significant risks and rewards of ownership are transferred to the customer. Based on the new revenue standard under SFRS(I) applicable for 6M2019, revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer, generally on delivery of the goods. The application of the new revenue standard does not require significant modification of the measurement method on the amount of revenue recognised from the sale of RCA. Revenue from this business segment accounted for approximately 52.2%, 41.1%, 41.8%, 31.0% and 25.0% of our revenue in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

### (b) Excavation services

Our excavation services mainly 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.

Revenue from the rendering of excavation services is recognised as the services are provided or when the significant acts have been completed. Where these services are rendered on project basis for more than one year, revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting year measured by our Group's progress towards complete satisfaction of a performance obligation satisfied over time using the output method such as surveys of work completed to date. Based on the new revenue standard under SFRS(I) applicable for 6M2019, revenue from rendering of excavation services 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. The application of the new revenue standard does not require significant modification of the measurement method on the amount of revenue recognised from the rendering of excavation services. Revenue from this business segment accounted for approximately 13.2%, 24.2%, 30.0%, 29.5% and 42.6% of our revenue in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

### (c) Logistics and leasing

We provide material transportation and disposal services using our fleet of tipper trucks. Logistics support services are typically charged on a per truckload or per day basis according to the prevailing market rates. From time to time and between projects, we provide leasing of our equipment such as excavators, tipper trucks, breakers, articulated dump trucks, mobile crushers and mobile screeners.

Revenue from the rendering of logistics and leasing services is recognised as the services are provided or when the significant acts have been completed, and there is no change to the revenue recognition method based on the new revenue standard under SFRS(I) applicable for 6M2019. Revenue from this business segment accounted for approximately 34.3%, 34.5%, 28.2%, 39.5% and 32.2% of our revenue in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our total revenue amounted to S\$35.7 million, S\$29.8 million, S\$27.5 million, S\$14.0 million and S\$13.1 million for FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

In general, our revenue may be affected by, *inter alia*, the following factors:

- (a) the level of construction activities in the public and private sectors in Singapore;
- (b) our ability to compete effectively with existing and new industry players;
- (c) our ability to secure new projects and orders from our customers; and
- (d) changes in the political, economic, social, technological and legal environment in Singapore.

Please refer to the "Risk Factors" and "Prospects, Business Strategies and Future Plans" sections of this Offer Document for other factors which may affect our revenue.

### Interest income

Our interest income amounted to S\$3,000 and S\$2,000 in FY2018 and 6M2019, respectively. Our interest income was derived from our interest-bearing bank account.

### Other gains

Our other gains amounted to S\$0.2 million, S\$0.5 million, S\$0.1 million, S\$24,000 and S\$0.3 million in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

The major components of our other gains in absolute terms and expressed as a percentage of the total amount are set out below:

	← Audited →						← Unaudited →			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Government grants <sup>(1)</sup>	83	37.1	171	34.3	24	46.2	24	100.0	153	49.5
Gain on disposal of property, plant and equipment	65	29.0	103	20.6	18	34.6	—	—	136	44.0
Reversal for impairment on trade receivables	76	33.9	—	—	—	—	—	—	20	6.5
Waiver of amount due to a related party	—	—	219	43.9	—	—	—	—	—	—
Other income	—	—	6	1.2	10	19.2	—	—	—	—
<b>Total</b>	<b>224</b>	<b>100.0</b>	<b>499</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>309</b>	<b>100.0</b>

#### Note:

- (1) Government grants include subsidies and rebates including Mechanisation Credit Scheme from BCA, Special Employment Credit from MOM and Wage Credit Scheme from Inland Revenue Authority of Singapore.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### Purchase of materials, services and consumables used

Our purchase of materials, services and consumables used include transportation services, disposal costs, purchase of materials and diesel, and rental of equipment and machinery. Our purchase of materials, services and consumables used amounted to S\$19.3 million, S\$16.8 million, S\$14.3 million, S\$8.2 million and S\$7.2 million, representing 54.0%, 56.5%, 52.1%, 58.9% and 54.8% of our total revenue in FY2016, FY2017, FY2018, 6M2018 and 6M2019 respectively.

The major components of our purchase of materials, services and consumables used in absolute terms and expressed as a percentage of the total amount are set out below:

	← Audited →						← Unaudited →			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Purchase of transportation services	7,945	41.2	8,039	47.7	8,203	57.2	4,944	60.0	4,665	65.0
Purchase of materials and disposal costs	6,256	32.5	6,690	39.8	4,156	29.0	2,328	28.3	1,521	21.2
Purchase of consumables	1,533	8.0	1,563	9.3	1,904	13.2	914	11.1	988	13.7
Others	3,528	18.3	536	3.2	82	0.6	53	0.6	6	0.1
<b>Total</b>	<b>19,262</b>	<b>100.0</b>	<b>16,828</b>	<b>100.0</b>	<b>14,345</b>	<b>100.0</b>	<b>8,239</b>	<b>100.0</b>	<b>7,180</b>	<b>100.0</b>

Our purchase of materials, services and consumables used may be affected by, *inter alia*, the following factors:

- (a) fluctuations in the prices of diesel and construction materials;
- (b) disposal costs associated with earth disposal sites;
- (c) our ability to engage suitable transport companies for tipper trucks and sub-contractors at competitive prices; and
- (d) changes in government regulations and requirements.

Please refer to the "Risk Factors" section of this Offer Document for other factors which may affect expenses relating to our purchase of materials, services and consumables used.

### Other losses

Our other losses amounted to S\$35,000, S\$0.4 million, S\$0.4 million and S\$0.4 million in FY2016, FY2018, 6M2018 and 6M2019 respectively. The S\$35,000 of other losses incurred in FY2016 was due to trade receivables written-off as bad debt as recovery was remote, whereas the S\$0.4 million of other losses incurred in FY2018, 6M2018 and 6M2019 were due to allowances set aside for impairment on trade receivables where the chance of recovery was very low. No other losses were incurred in FY2017.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

We assess the collectability of trade receivables regularly, considering various factors such as financial status of the customers and ageing of trade receivables. Impairment allowance on the specific trade receivables would be made if the chance of recovery is very low. Where recovery is remote, the specific trade receivables would be written-off.

### Finance costs

Our finance costs amounted to S\$0.1 million, S\$0.2 million, S\$0.2 million, S\$0.1 million and S\$0.1 million in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

Finance costs comprised interest expenses from bank loans to fund the land acquisition and construction of the Tuas Property and the purchase of a freehold property at 27 Mandai Estate #07-01, Innovation Place (Tower 2), Singapore 729931 (the "**Mandai Property**"). The Mandai Property was disposed of and the corresponding bank loan was redeemed during FY2017 (please refer to the "Interested Person Transactions – Sale of property to our Directors" section of this Offer Document for further details).

### Depreciation and amortisation expense

Our depreciation and amortisation expense amounted to S\$1.8 million, S\$2.1 million, S\$2.5 million, S\$1.3 million and S\$1.2 million in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

The components of our depreciation and amortisation expense in absolute amounts and expressed as a percentage of the total amount are set out below:

	← Audited →						← Unaudited →			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Depreciation of leasehold land and building	–	–	170	8.1	255	10.3	128	10.2	127	10.6
Depreciation of plant and equipment	1,549	85.6	1,661	79.6	1,969	79.5	1,004	79.8	943	78.9
Depreciation of freehold property	14	0.8	4	0.2	–	–	–	–	–	–
Amortisation of prepaid lease payment	247	13.6	253	12.1	253	10.2	126	10.0	126	10.5
<b>Total</b>	<b>1,810</b>	<b>100.0</b>	<b>2,088</b>	<b>100.0</b>	<b>2,477</b>	<b>100.0</b>	<b>1,258</b>	<b>100.0</b>	<b>1,196</b>	<b>100.0</b>

Depreciation of leasehold land and building comprises land acquisition costs and construction costs relating to the Tuas Property, which is depreciated over 20 years. The associated prepaid land lease from JTC for the Tuas Property has a tenure of 21 years and 9 months, commencing from 7 February 2014. This prepaid lease has been capitalised and will be amortised over the lease period.

Our plant and equipment comprise tipper trucks, excavators, mobile jaw crushers, mobile screeners and site and office equipment, which are generally depreciated over three to 10 years.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Depreciation of freehold property relates to the depreciation expenses associated with the Mandai Property. This property was sold to our Executive Chairman, Chan Chew Leh, and our Executive Director, Tan Kok Huat, in FY2017 (please refer to the "Interested Person Transactions – Sale of property to our Directors" section of this Offer Document for further details).

### Employee benefits expense

Our employee benefits expense amounted to S\$3.5 million, S\$4.1 million, S\$3.9 million, S\$1.9 million and S\$2.1 million in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

The major components of our employee benefits expense in absolute terms and expressed as a percentage of the total amount are set out below:

	Audited						Unaudited			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Short-term employee benefits expense	3,064	86.8	3,487	85.9	3,250	83.2	1,553	83.1	1,724	83.5
Contributions to defined contribution plan	141	4.0	152	3.7	151	3.9	70	3.8	88	4.3
Others	325	9.2	421	10.4	503	12.9	245	13.1	253	12.2
Total	3,530	100.0	4,060	100.0	3,904	100.0	1,868	100.0	2,065	100.0

Other employee benefits expense comprises foreign worker levy and payment to Skills Development Fund.

### Other expenses

Our other expenses amounted to S\$3.2 million, S\$3.0 million, S\$2.6 million, S\$1.4 million and S\$2.5 million in FY2016, FY2017, FY2018, 6M2018 and 6M2019, respectively.

The major components of our other expenses in absolute terms and expressed as a percentage of the total amount are set out below:

	Audited						Unaudited			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Upkeep of motor vehicles	1,132	35.1	954	32.0	785	30.2	404	28.6	463	18.7
Repair and maintenance expense	472	14.6	661	22.2	579	22.2	278	19.7	315	12.7
Rental expenses	705	21.8	583	19.6	486	18.7	252	17.8	208	8.4
Initial public offering related expenses:										
– Professional fees	–	–	–	–	–	–	–	–	300	12.2
– Share-Based Payment	–	–	–	–	–	–	–	–	800	32.4
Others	919	28.5	779	26.2	753	28.9	480	33.9	386	15.6
Total	3,228	100.0	2,977	100.0	2,603	100.0	1,414	100.0	2,472	100.0

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The other items of other expenses comprise labour secondment fees, legal and professional fees, insurance, property tax, telecommunication charges, utilities and fine payments.

### Income tax expense

As our revenue was derived only from Singapore during the Period Under Review, we were subject to Singapore corporate tax. For the Period Under Review, the statutory corporate tax rate in Singapore was 17.0%.

The profit before tax from continuing operations, income tax expense and effective tax rate of our Group for FY2016, FY2017, FY2018, 6M2018 and 6M2019 are set out below:

	FY2016	FY2017	FY2018	6M2018	6M2019
Profit before tax from continuing operations (S\$'000)	7,887	4,088	3,641	684	46
Income tax expense (S\$'000)	963	412	445	—	138
Effective tax rate of our Group (%)	12.2	10.1	12.2	—	n.m.

Our effective tax rate for each of FY2016, FY2017 and FY2018 was lower than the Singapore statutory corporate tax rate of 17.0% mainly as a result of enhanced productivity and innovation credit tax benefits for automated equipment and machinery. The income tax expense was high in proportion to profit before tax from continuing operations for 6M2019 as listing related expenses and the Share-Based Payment are not tax deductible.

### Adjusted profit after tax

For illustrative purposes only, this adjustment shows what the profit from continuing operations, net of tax and total comprehensive income of our Company would have been in the absence of the Share-Based Payment, being a non-recurring and non-cash expense. The retrospective effect on the following items of the unaudited 6M2019 statement of comprehensive income would have been:

(S\$'000)	Unaudited 6M2019
Other expenses <sup>(1)</sup>	1,672
Profit before tax from continuing operations	846
Income tax expense <sup>(2)</sup>	(138)
Profit from continuing operations, net of tax and total comprehensive income	708

#### Notes:

(1) Adjustment to reverse the effect of the Share-Based Payment, amounting to a decrease in other expenses by S\$0.8 million.

(2) As the Share-Based Payment is not tax deductible, no adjustment was made to income tax expense.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### SEASONALITY

Our business activities are generally subject to the seasonal nature of construction activities, which are typically slower in the first quarter of the year due to the Lunar New Year festive period.

### INFLATION

Inflation in Singapore did not have a material impact on our operating performance during the Period Under Review.

### REVIEW OF RESULTS OF OPERATIONS

A breakdown of our Group's revenue by business segments for the Period Under Review is set out below:

Revenue	Audited						Unaudited			
	FY2016		FY2017		FY2018		6M2018		6M2019	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Recycling	18,612	52.2	12,241	41.1	11,505	41.8	4,330	31.0	3,284	25.0
Excavation services	4,695	13.2	7,205	24.2	8,264	30.0	4,117	29.5	5,588	42.6
Logistics and leasing	12,245	34.3	10,280	34.5	7,769	28.2	5,531	39.5	4,214	32.2
Unallocated	122	0.3	51	0.2	4	n.m.	—	—	24	0.2
Total	35,674	100.0	29,777	100.0	27,542	100.0	13,978	100.0	13,110	100.0

### Overall

Our revenue during the Period Under Review was generated in Singapore. Hence, we do not have any other reportable geographical segments.

While it is possible to segment our revenue by business segments, the allocation of costs cannot be done in a similar manner with reasonable accuracy as our costs are general in nature and pooled to serve all our customers. These costs comprise purchase of materials, services and consumables used, depreciation and amortisation expenses, employee benefits expense and other expenses. Unallocated revenue mainly arose from the rental of the office premises and certain expenses charged to customers.

### *FY2016 vs FY2017*

#### Revenue

Our revenue decreased by S\$5.9 million or 16.5% from S\$35.7 million in FY2016 to S\$29.8 million in FY2017 due to decreases in revenue by S\$6.4 million from the recycling segment and S\$2.0 million from the logistics and leasing segment, partially offset by an increase in revenue by S\$2.5 million from the excavation services segment.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our revenue from the recycling segment decreased by S\$6.4 million or 34.2% from S\$18.6 million in FY2016 to S\$12.2 million in FY2017 mainly due to the overall weakening of the construction industry, resulting in fewer reinstatement and demolition activities and hence a lower supply of C&D waste for recycling.

Our revenue from the excavation services segment increased by S\$2.5 million or 53.5% from S\$4.7 million in FY2016 to S\$7.2 million in FY2017 mainly due to an increase in the number of excavation contracts secured.

Our revenue from the logistics and leasing segment decreased by S\$2.0 million or 16.0% from S\$12.2 million in FY2016 to S\$10.2 million in FY2017 mainly due to more competition in the market.

### **Other gains**

Our other gains increased by S\$0.3 million or 122.8% from S\$0.2 million in FY2016 to S\$0.5 million in FY2017 mainly due to (a) a waiver of amount due to a related party amounting to S\$0.2 million (please refer to the "Interested Person Transactions – Waiver of payables due to NDC" section of this Offer Document for further details); (b) an increase in government grants received relating to BCA's Mechanisation Credit Scheme by S\$0.1 million; and (c) an increase in gain on disposal of property, plant and equipment by S\$38,000, partially offset by an absence of a reversal of impairment on trade receivables amounting to S\$76,000 in FY2016.

### **Purchase of materials, services and consumables used**

Our purchase of materials, services and consumables used decreased by S\$2.5 million or 12.6% from S\$19.3 million in FY2016 to S\$16.8 million in FY2017 mainly due to a decrease in purchase of other items by S\$3.0 million, partially offset by (a) an increase in purchase of materials and disposal costs by S\$0.4 million; and (b) an increase in transport services received by S\$0.1 million.

### **Other losses**

Our other losses in FY2016 amounting to S\$35,000 pertained to trade receivables which were written-off as recovery was remote. No impairment allowance and other losses were recognised in FY2017.

### **Finance costs**

Our finance costs increased by S\$89,000 or 61.0% from S\$146,000 in FY2016 to S\$235,000 in FY2017 mainly due to the increase in the interest rate of our bank loan and the increased drawdown of bank loan for construction of the Tuas Property.

### **Depreciation and amortisation expense**

Our depreciation and amortisation expense increased by S\$0.3 million or 15.4% from S\$1.8 million in FY2016 to S\$2.1 million in FY2017 mainly due to the commencement of depreciation of the Tuas Property in FY2017 after its construction was completed. Higher depreciation of plant and equipment was also recognised in FY2017 due to additions of plant and equipment during FY2016 and FY2017.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Employee benefits expense

Our employee benefits expense increased by S\$0.5 million or 15.1% from S\$3.5 million in FY2016 to S\$4.0 million in FY2017 mainly due to an increase in headcount, salary increment during the year and an increase in foreign worker levy. As at 31 January 2017, our Group had 90 employees as compared to 81 employees as at 31 January 2016.

### Other expenses

Our other expenses decreased by S\$0.2 million or 7.8% from S\$3.2 million in FY2016 to S\$3.0 million in FY2017 mainly due to (a) a decrease in expenses relating to the upkeep of motor vehicles by S\$0.2 million; (b) a decrease in rental expense by S\$0.1 million; and (c) a net decrease in other expense items by S\$0.1 million, partially offset by an increase in repair and maintenance expense on machinery by S\$0.2 million.

### Profit from continuing operations, net of tax and total comprehensive income for the year

As a result of the above, our profit from continuing operations, net of tax and total comprehensive income for the year decreased by S\$3.2 million or 46.9%, from S\$6.9 million in FY2016 to S\$3.7 million in FY2017.

### *FY2017 vs FY2018*

#### Revenue

Our revenue decreased by S\$2.3 million or 7.5% from S\$29.8 million in FY2017 to S\$27.5 million in FY2018 due to (a) a decrease in revenue by S\$0.7 million from the recycling segment; (b) a decrease in revenue by S\$2.5 million from the logistics and leasing segment; and (c) a decrease in revenue by S\$0.1 million from the unallocated segment, partially offset by an increase in revenue by S\$1.0 million from the excavation services segment.

Our revenue from the recycling segment decreased by S\$0.7 million or 6.0% from S\$12.2 million in FY2017 to S\$11.5 million in FY2018 mainly due to the overall weakening of the construction industry, resulting in fewer reinstatement and demolition activities and hence a lower supply of C&D waste for recycling.

Our revenue from the excavation services segment increased by S\$1.0 million or 14.7% from S\$7.2 million in FY2017 to S\$8.2 million in FY2018 mainly due to an increase in the number of public sector excavation contracts secured.

Our revenue from the logistics and leasing segment decreased by S\$2.5 million or 24.4% from S\$10.3 million in FY2017 to S\$7.8 million in FY2018 mainly due to more competition in the market.

Our revenue from the unallocated segment decreased from S\$51,000 in FY2017 to S\$4,000 in FY2018 mainly due to reclassification of accounts.

#### Interest income

Our interest income amounting to S\$3,000 in FY2018 related to interest received from our interest-bearing bank account. We did not maintain any interest-bearing bank account in FY2017.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Other gains

Our other gains decreased by S\$0.4 million or 89.6% from S\$0.5 million in FY2017 to S\$0.1 million in FY2018 due to (a) an absence of a waiver of amount due to a related party (FY2017: S\$0.2 million); (b) a decrease in government grant received by S\$0.1 million; and (c) a decrease in gain on disposal of property, plant and equipment by S\$0.1 million.

### Purchase of materials, services and consumables used

Our purchase of materials, services and consumables used decreased by S\$2.5 million or 14.8% from S\$16.8 million in FY2017 to S\$14.3 million in FY2018 mainly due to: (a) a decrease in purchase of materials and disposal costs by S\$2.5 million; and (b) a decrease in purchase of other items by S\$0.5 million, partially offset by (i) an increase in purchase of transportation services by S\$0.2 million; and (ii) an increase in purchase of consumables used by S\$0.3 million.

### Other losses

Our other losses in FY2018 amounting to S\$0.4 million pertained to allowances made for impairment on trade receivables where the chance of recovery was low. No such allowances were made in FY2017.

### Finance costs

Our finance costs for FY2018 were comparable to the finance costs for FY2017. The decrease in interest expense as a result of a reduction in our banks borrowings was offset by the increase in interest expense as a result of an increase in the interest rates.

### Depreciation and amortisation expense

Our depreciation and amortisation expense increased by S\$0.4 million or 18.6% from S\$2.1 million in FY2017 to S\$2.5 million in FY2018 mainly due to (a) higher depreciation of plant and equipment recognised in FY2018 due to additions of plant and equipment during FY2017 and FY2018; and (b) recognition of full year depreciation expense for the Tuas Property in FY2018 compared to a partial year of depreciation in FY2017.

### Employee benefits expense

Our employee benefits expense decreased by S\$0.2 million or 3.8% from S\$4.1 million in FY2017 to S\$3.9 million in FY2018 mainly due to a reduction of directors' remuneration by S\$0.3 million. The decrease was partially offset by an increase in foreign worker levy by S\$0.1 million.

### Other expenses

Our other expenses decreased by S\$0.4 million or 12.6% from S\$3.0 million in FY2017 to S\$2.6 million in FY2018 mainly due to (a) a decrease in the upkeep of motor vehicles by S\$0.2 million; (b) a decrease in repair and maintenance expense by S\$0.1 million; and (c) a decrease in rental expenses by S\$0.1 million.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### **Profit from continuing operations, net of tax and total comprehensive income for the year**

As a result of the above, our profit from continuing operations, net of tax and total comprehensive income for the year decreased by S\$0.5 million or 13.1%, from S\$3.7 million in FY2017 to S\$3.2 million in FY2018.

### **6M2018 vs 6M2019**

#### **Revenue**

Our revenue decreased by S\$0.9 million or 6.2% from S\$14.0 million in 6M2018 to S\$13.1 million in 6M2019 due to decreases in revenue by S\$1.1 million from the recycling segment and S\$1.3 million from the logistics and leasing segment, partially offset by an increase in revenue by S\$1.5 million from the excavation services segment.

Our revenue from the recycling segment decreased by S\$1.1 million or 24.2% from S\$4.3 million in 6M2018 to S\$3.2 million in 6M2019 mainly due to a decrease in demand for recycled materials and more competition in the market.

Our revenue from the excavation services segment increased by S\$1.5 million or 35.7% from S\$4.1 million in 6M2018 to S\$5.6 million in 6M2019 mainly due to an increase in the number of excavation contracts secured via referrals from our existing customers.

Our revenue from the logistics and leasing segment decreased by S\$1.3 million or 23.8% from S\$5.5 million in 6M2018 to S\$4.2 million in 6M2019 mainly due to more competition in the market and redirection of our resources to the excavation services segment.

#### **Interest income**

Our interest income amounting to S\$2,000 in 6M2019 related to interest received from our interest-bearing bank account, whereas the interest income from our interest-bearing bank account was less than S\$1,000 in 6M2018.

#### **Other gains**

Our other gains increased by S\$0.3 million or 1,187.5% from S\$24,000 in 6M2018 to S\$0.3 million in 6M2019 mainly due to (a) an increase in government grants by S\$0.1 million; (b) a gain on disposal of property, plant and equipment amounting to S\$0.1 million (6M2018: Nil); and (c) a reversal of impairment on trade receivables amounting to S\$20,000 (6M2018: Nil).

#### **Purchase of materials, services and consumables used**

Our purchase of materials, services and consumables used decreased by S\$1.0 million or 12.9% from S\$8.2 million in 6M2018 to S\$7.2 million in 6M2019 mainly due to (a) a decrease in purchase of materials and disposal costs by S\$0.8 million; and (b) a decrease in purchase of transportation services by S\$0.3 million, partially offset by an increase in purchase of consumables by S\$0.1 million.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **Other losses**

Our other losses in 6M2018 and 6M2019 amounting to S\$0.4 million for both periods pertained to allowances made for impairment on trade receivables where the chance of recovery was low.

### **Finance costs**

Our finance costs decreased by S\$60,000 or 42.3% from S\$142,000 in 6M2018 to S\$82,000 in 6M2019 mainly due to lower interest paid on our bank loan after the loan was re-financed in June 2017.

### **Depreciation and amortisation expense**

Our depreciation and amortisation expense decreased by S\$0.1 million or 4.9% from S\$1.3 million in 6M2018 to S\$1.2 million in 6M2019 mainly due to more plant and equipment that were fully depreciated at the beginning of 6M2019 as compared to 6M2018.

### **Employee benefits expense**

Our employee benefits expense increased by S\$0.2 million or 10.5% from S\$1.9 million in 6M2018 to S\$2.1 million in 6M2019 mainly due to an increase in headcount and salary increments during the year. As at 31 July 2018, our Group had 112 employees as compared to 92 employees as at 31 July 2017.

### **Other expenses**

Our other expenses increased by S\$1.1 million or 74.8% from S\$1.4 million in 6M2018 to S\$2.5 million in 6M2019. The increase was mainly due to the non-recurring listing expenses amounting to S\$1.1 million incurred in 6M2019.

### **Profit (Loss) from continuing operations, net of tax and total comprehensive income (loss) for the period**

As a result of the above, our loss from continuing operations, net of tax and total comprehensive loss for 6M2019 amounted to S\$0.1 million compared to a profit from continuing operations, net of tax and total comprehensive income of S\$0.7 million for 6M2018.

## **REVIEW OF FINANCIAL POSITION**

### **As at 31 January 2018**

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

Our non-current assets amounted to S\$15.3 million, representing 55.6% of our total assets. Our non-current assets comprised the following:

- (a) property, plant and equipment amounting to S\$11.0 million, representing 72.2% of our total non-current assets, comprising our Tuas Property amounting to S\$4.7 million and plant and equipment amounting to S\$6.3 million; and

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (b) other asset amounting to S\$4.3 million, representing 27.8% of our total non-current assets, comprising the non-current portion of our prepaid lease payment. This pertains to land lease paid to JTC for the lease of land parcel occupied by the Tuas Property. The lease is for a period of 21 years and 9 months, commencing from 7 February 2014.

### Current assets

Our current assets amounted to S\$12.2 million, representing 44.4% of our total assets. Our current assets comprised the following:

- (a) trade and other receivables amounting to S\$6.8 million, representing 55.7% of our total current assets. Trade and other receivables comprised (i) trade receivables from external parties net of impairment allowance amounting to S\$4.9 million, (ii) trade receivables due from a related party amounting to S\$0.2 million, (iii) unbilled revenue amounting to S\$0.7 million, (iv) retention receivables amounting to S\$0.5 million, and (v) other receivable from a related party amounting to S\$0.5 million;
- (b) other assets amounting to S\$0.5 million, representing 3.8% of our total current assets. Other assets comprised (i) the current portion of prepaid lease payment pertaining to the Tuas Property amounting to S\$0.3 million, (ii) advance payment to suppliers amounting to S\$0.1 million, and (iii) deposits paid amounting to S\$0.1 million; and
- (c) cash and cash equivalents amounting to S\$4.9 million, representing 40.5% of our total current assets. Cash and cash equivalents comprised cash and bank balances.

### Non-current liabilities

Our non-current liabilities amounted to S\$5.2 million, representing 47.8% of our total liabilities. Our non-current liabilities comprised the following:

- (a) deferred tax liabilities amounting to S\$0.7 million, representing 14.3% of total non-current liabilities; and
- (b) other financial liabilities amounting to S\$4.5 million, representing 85.7% of our total non-current liabilities. Our other financial liabilities comprised the non-current portion of long-term bank loan that was obtained to finance the land acquisition and construction of the Tuas Property.

### Current liabilities

Our current liabilities amounted to S\$5.7 million, representing 52.2% of our total liabilities. Our current liabilities comprised the following:

- (a) income tax payable amounting to S\$0.4 million, representing 6.0% of total current liabilities;
- (b) trade and other payables amounting to S\$4.0 million, representing 71.0% of total current liabilities. Trade and other payables comprised (i) trade payables to outside parties and accrued liabilities amounting to S\$1.9 million, (ii) trade payables to related parties amounting to S\$0.1 million, and (iii) dividend payable amounting to S\$2.0 million; and

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (c) other financial liabilities amounting to S\$1.3 million, representing 23.0% of our total current liabilities. Our other financial liabilities comprised the current portion of our long-term bank loan.

### **Total equity**

As at 31 January 2018, total equity amounted to S\$16.6 million, comprising share capital and retained earnings of S\$1.0 million and S\$15.6 million respectively.

### **As at 31 July 2018**

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

Our non-current assets amounted to S\$15.1 million, representing 57.0% of our total assets. Our non-current assets comprised the following:

- (a) property, plant and equipment amounting to S\$11.0 million, representing 72.8% of our total non-current assets, comprising the Tuas Property amounting to S\$4.6 million and plant and equipment amounting to S\$6.4 million; and
- (b) other asset amounting to S\$4.1 million, representing 27.2% of our total non-current assets, comprising the non-current portion of our prepaid lease payment. This pertains to land lease paid to JTC for the lease of land parcel occupied by the Tuas Property. The lease is for a period of 21 years and 9 months, commencing from 7 February 2014.

#### **Current assets**

Our current assets amounted to S\$11.3 million, representing 43.0% of our total assets. Our current assets comprised the following:

- (a) income tax receivable amounting to S\$0.3 million, representing 2.8% of our total current assets;
- (b) trade and other receivables amounting to S\$6.1 million, representing 54.0% of our total current assets. Trade and other receivables comprised (i) trade receivables from external parties net of impairment allowance amounting to S\$5.2 million; (ii) trade receivables due from a related party amounting to S\$0.1 million (which had been fully received as at the Latest Practicable Date); and (iii) retention receivables amounting to S\$0.8 million;
- (c) other assets amounting to S\$3.3 million, representing 29.1% of our total current assets. Other assets comprised (i) contract assets pertaining to work performed but unbilled for projects amounting to S\$2.6 million; (ii) the current portion of prepaid lease payment pertaining to the Tuas Property amounting to S\$0.3 million; (iii) advance payment to suppliers amounting to S\$0.3 million; and (iv) deposits paid amounting to S\$0.1 million; and
- (d) cash and cash equivalents amounting to S\$1.6 million, representing 14.1% of our total current assets. Cash and cash equivalents comprised cash and bank balances.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **Non-current liabilities**

Our non-current liabilities amounted to S\$4.5 million, representing 40.5% of our total liabilities. Our non-current liabilities comprised the following:

- (a) deferred tax liabilities amounting to S\$0.7 million, representing 16.2% of total non-current liabilities; and
- (b) other financial liabilities amounting to S\$3.8 million, representing 83.8% of our total non-current liabilities. Our other financial liabilities comprised the non-current portion of long-term bank loan that was obtained to finance the land acquisition and construction of the Tuas Property.

### **Current liabilities**

Our current liabilities amounted to S\$6.6 million, representing 59.5% of our total liabilities. Our current liabilities comprised the following:

- (a) trade and other payables amounting to S\$5.3 million, representing 80.4% of total current liabilities. Trade and other payables comprised (i) trade payables to outside parties and accrued liabilities amounting to S\$2.5 million, (ii) trade payables to related parties amounting to S\$0.8 million, and (iii) dividend payable amounting to S\$2.0 million; and
- (b) other financial liabilities amounting to S\$1.3 million, representing 19.6% of our total current liabilities. Our other financial liabilities comprised the current portion of long-term bank loan.

### **Total equity**

As at 31 July 2018, total equity amounted to S\$15.3 million, comprising share capital, retained earnings and share-based payment reserve of S\$1.0 million, S\$13.5 million and S\$0.8 million respectively. The share-based payment reserve pertains to the Share-Based Payment, of which S\$0.8 million was recognised as an expense in 6M2019.

### **Reconciliation of Audited and Unaudited Pro Forma Combined Statement of Financial Position as at 31 January 2018**

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

Based on the unaudited pro forma combined statement of financial position as at 31 January 2018, no adjustments were made to our non-current assets.

#### **Current assets**

Based on the unaudited pro forma combined statement of financial position as at 31 January 2018, no adjustments were made to our current assets.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Current liabilities

Based on the unaudited pro forma combined statement of financial position, our Group's current liabilities amounted to S\$7.7 million as at 31 January 2018, representing an increase of S\$2.0 million. The net increase of S\$2.0 million comprised an amount due to shareholders, as a result of the approval of the final one-tier tax-exempt dividend by our subsidiary.

### Non-current liabilities

Based on the unaudited pro forma combined statement of financial position as at 31 January 2018, no adjustments were made to our non-current liabilities.

### Total equity

Based on the unaudited pro forma combined statement of financial position, our Group's total equity amounted to S\$14.6 million as at 31 January 2018, representing a net decrease of S\$2.0 million. The net decrease of S\$2.0 million was due to a decrease in retained earnings as a result of the approval of the final one-tier tax-exempt dividend by our subsidiary.

## LIQUIDITY AND CAPITAL RESOURCES

For the Period Under Review, our operations have been financed through a combination of shareholders' equity, bank loans and net cash generated from operating activities. Our principal uses of cash have been for (a) financing of working capital; (b) capital expenditures; (c) project-related costs; and (d) repayment of bank loans and interest expense.

Based on the unaudited combined statement of financial position as at 31 July 2018, our shareholders' equity amounted to S\$15.3 million and our indebtedness amounted to S\$5.1 million. The indebtedness comprised bank loan for the land acquisition and construction of the Tuas Property. The interest rate ranged from 2.79% to 3.19% per annum. Our working capital ratio (defined as current assets divided by current liabilities) was 1.7 times and our gearing ratio (defined as the sum of indebtedness divided by equity) was 0.3 times.

As at the Latest Practicable Date, we had cash and cash equivalents amounting to S\$1.7 million and unutilised credit facilities of S\$5.1 million. Please refer to the "Capitalisation and Indebtedness" section of this Offer Document for further details on our credit facilities.

Our Directors are of the reasonable opinion that, after taking into account the cash flow generated from our operations, our existing cash and cash equivalents, the dividends of S\$2.0 million due to the Executive Directors which are expected to be paid by 31 July 2019, and our available credit facilities, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor and Issue Manager is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flow generated from our Group's operations, our Group's existing cash and cash equivalents, the dividends of S\$2.0 million due to the Executive Directors which are expected to be paid by 31 July 2019, and our Group's available credit facilities, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following table sets out the summary of our Group's cash flows for FY2016, FY2017, FY2018, 6M2018 and 6M2019:

### Summary of Combined Statements of Cash Flows:

(S\$'000)	← Audited →			← Unaudited →	
	FY2016	FY2017	FY2018	6M2018	6M2019
Net cash flows from/(used in) operating activities	5,853	5,551	6,355	1,699	(194)
Net cash flows used in investing activities	(7,559)	(3,296)	(1,057)	(365)	(905)
Net cash flows from/(used in) financing activities	591	(2,264)	(2,941)	(540)	(2,243)
Net (decrease)/increase in cash and cash equivalents	(1,115)	(9)	2,357	794	(3,342)
Cash and cash equivalents, beginning balance	3,713	2,598	2,589	2,589	4,946
Cash and cash equivalents, ending balance	2,598	2,589	4,946	3,383	1,604

### **FY2016**

In FY2016, net cash flows from operating activities amounted to S\$5.9 million due to operating cash flows before movements in working capital amounting to S\$9.8 million, which was partially offset by working capital outflows amounting to S\$3.6 million and income tax payment amounting to S\$0.3 million. Net cash outflow from working capital changes amounting to S\$3.6 million was a result of (a) an increase in trade and other receivables by S\$3.5 million due to an increase in business operations; (b) a decrease in other current assets by S\$0.3 million; and (c) a decrease in trade and other payables by S\$0.4 million. Please refer to the "Business – Credit Management" section of this Offer Document for further details on the fluctuations in trade and other receivables and trade and other payables.

Net cash used in investing activities amounted to S\$7.6 million due to the purchase of property, plant and equipment amounting to S\$7.9 million which mainly related to the land acquisition and construction cost of our Tuas Property. This was partially offset by proceeds from disposal of plant and equipment amounting to S\$0.3 million.

Net cash flows from financing activities amounted to S\$0.6 million due to the drawdown of bank loan amounting to S\$3.1 million to finance the land acquisition and construction of the Tuas Property, which was partially offset by (a) dividend payment to shareholders amounting to S\$2.0 million; (b) repayment of bank borrowings amounting to S\$0.4 million; and (c) payment of interest expense amounting to S\$0.1 million.

As a result of the above, there was a net decrease by S\$1.1 million in cash and cash equivalents. As at 31 January 2016, our cash and cash equivalents amounted to S\$2.6 million.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### ***FY2017***

In FY2017, net cash flows from operating activities amounted to S\$5.6 million due to operating cash flows before movements in working capital amounting to S\$6.3 million, which was partially offset by working capital outflows amounting to S\$0.3 million and income tax payment amounting to S\$0.4 million. Net cash outflow from working capital changes amounting to S\$0.3 million was a result of (a) an increase in trade and other receivables by S\$2.0 million; and (b) an increase in other current assets by S\$0.2 million, partially offset by an increase in trade and other payables by S\$1.9 million. Please refer to the "Business – Credit Management" section of this Offer Document for further details on the fluctuations in trade and other receivables and trade and other payables.

Net cash used in investing activities amounted to S\$3.3 million due to the purchase of plant and equipment, such as tipper trucks and excavators, amounting to S\$3.4 million. This was partially offset by proceeds from disposal of plant and equipment amounting to S\$0.1 million.

Net cash used in financing activities amounted to S\$2.3 million due to (a) repayment of bank borrowings amounting to S\$0.9 million; (b) repayment of advances from directors amounting to S\$0.2 million; (c) an advance to Reclaims Transport of S\$0.5 million (please refer to the "Interested Person Transactions – Amounts due from and owing to our Directors and their Associates" section of this Offer Document for further details); (d) dividend payment amounting to S\$0.6 million; and (e) payment of interest expense amounting to S\$0.2 million. These outflows were partially offset by the drawdown of bank loan amounting to S\$0.1 million to finance the land acquisition and construction of the Tuas Property.

The net movement in cash and cash equivalents during FY2017 was not significant. As at 31 January 2017, our cash and cash equivalents amounted to S\$2.6 million.

### ***FY2018***

In FY2018, net cash flows from operating activities amounted to S\$6.4 million due to operating cash flows before movements in working capital amounting to S\$6.3 million and working capital inflows amounting to S\$1.2 million, which were partially offset by income tax payment amounting to S\$1.1 million. Net cash inflow from working capital changes amounting to S\$1.2 million was a result of (a) a decrease in trade and other receivables by S\$3.8 million; and (b) a decrease in other current assets by S\$0.2 million, partially offset by a decrease in trade and other payables by S\$2.8 million. Please refer to the "Business – Credit Management" section of this Offer Document for further details on the fluctuations in trade and other receivables and trade and other payables.

Net cash used in investing activities amounted to S\$1.1 million due to purchase of plant and equipment, such as tipper trucks and excavators, amounting to S\$1.2 million. This was partially offset by proceeds from disposal of plant and equipment amounting to S\$0.1 million.

Net cash used in financing activities amounted to S\$2.9 million due to (a) net repayment of bank borrowings amounting to S\$1.1 million; (b) dividend payment amounting to S\$1.8 million; and (c) payment of interest expense amounting to S\$0.2 million. These outflows were partially offset by payments made by directors on behalf of our Group amounting to S\$0.2 million.

As a result of the above, there was a net increase by S\$2.4 million in cash and cash equivalents. As at 31 January 2018, our cash and cash equivalents amounted to S\$4.9 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### **6M2018**

In 6M2018, net cash flows from operating activities amounted to S\$1.7 million due to operating cash flows before movements in working capital amounting to S\$2.1 million and working capital inflows amounting to S\$0.3 million, which were partially offset by income tax payment amounting to S\$0.7 million. Net cash inflow from working capital changes amounting to S\$0.3 million was a result of (a) a decrease in trade and other receivables by S\$1.7 million; and (b) a decrease in other current assets by S\$0.1 million, partially offset by a decrease in trade and other payables by S\$1.5 million.

Net cash used in investing activities amounting to S\$0.4 million pertained mainly to purchase of plant and equipment, such as tipper trucks and excavators.

Net cash used in financing activities amounting to S\$0.5 million pertained mainly to (a) net repayment of bank borrowings amounting to S\$0.4 million; and (b) payment of interest expense amounting to S\$0.1 million.

As a result of the above, there was a net increase by S\$0.8 million in cash and cash equivalents. As at 31 July 2017, our cash and cash equivalents amounted to S\$3.4 million.

### **6M2019**

In 6M2019, net cash used in operating activities amounted to S\$0.2 million due to operating cash flows before movements in working capital amounting to S\$2.0 million, which was offset by (a) working capital outflows amounting to S\$1.4 million; and (b) income tax payment amounting to S\$0.8 million. Net cash outflow from working capital changes amounting to S\$1.4 million was a result of an increase in other current assets by S\$2.8 million, partially offset by (a) a decrease in trade and other receivables by S\$0.1 million; and (b) an increase in trade and other payables by S\$1.3 million.

Net cash used in investing activities amounting to S\$0.9 million pertained mainly to purchase of plant and equipment, such as tipper trucks, amounting to S\$1.1 million. This was partially offset by proceeds from disposal of plant and equipment amounting to S\$0.2 million.

Net cash used in financing activities amounting to S\$2.2 million pertained mainly to (a) repayment of bank loan amounting to S\$0.6 million; (b) dividend payment amounting to S\$2.0 million; and (c) payment of interest expense amounting to S\$0.1 million, which were partially offset by receipt of S\$0.5 million due from Reclaims Transport (please refer to the "Interested Person Transactions – Amounts due from and owing to our Directors and their Associates" section of this Offer Document for further details).

As a result of the above, there was a net decrease by S\$3.3 million in cash and cash equivalents. As at 31 July 2018, our cash and cash equivalents amounted to S\$1.6 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

#### Capital Expenditures and Divestments

Our capital expenditures and divestments during the Period Under Review and for the period from 1 August 2018 to the Latest Practicable Date are as follows:

(S\$'000)	FY2016	FY2017	FY2018	6M2019	1 August 2018 to Latest Practicable Date
<b>Capital Expenditures</b>					
Leasehold land and building	4,943	51	–	–	–
Plant and equipment					
Motor vehicles and tipper trucks	836	2,053	707	997	412
Machineries and site equipment <sup>(1)</sup>	2,434	1,263	424	40	328
Office equipment and furniture	31	58	15	7	100
Office renovation	6	19	–	16	–
<b>Total</b>	<b>8,250</b>	<b>3,444</b>	<b>1,146</b>	<b>1,060</b>	<b>840</b>

**Note:**

(1) Machineries and site equipment consist of screeners, crushers, excavators, dump trucks, site equipment and other machineries.

The capital expenditure relating to leasehold land and building was financed by bank loan while the capital expenditures for plant and equipment were financed by cash generated from our business.

(S\$'000)	FY2016	FY2017	FY2018	6M2019	1 August 2018 to Latest Practicable Date
<b>Divestments</b>					
Freehold property	–	675	–	–	–
Plant and equipment					
Motor vehicles and tipper trucks	–	119	50	153	–
Machineries and site equipment <sup>(1)</sup>	336	29	36	–	–
<b>Total</b>	<b>336</b>	<b>823</b>	<b>86</b>	<b>153</b>	<b>–</b>

**Note:**

(1) Machineries and site equipment consist of screeners, crushers, excavators, dump trucks, site equipment and other machineries.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Capital Commitments

As at the Latest Practicable Date, we had capital commitments of approximately S\$0.5 million relating to the purchase of excavators. We intend to finance these capital commitments from internal resources and our credit facilities.

### Operating Lease Commitments

#### *As Lessee*

As at the Latest Practicable Date, we had operating lease commitments as follows:

	S\$'000
Not later than one year	22
Later than one year but not later than 5 years	—

Our operating lease commitments comprise the fees payable by us for the use of dormitories for our foreign employees (please refer to the "Business – Properties and Fixed Assets" section of this Offer Document for further details). We intend to finance the above operating lease commitments from internal resources.

#### *As Lessor*

As at the Latest Practicable Date, the operating lease payment receivables in respect of the portion of the Tuas Property leased out are as follows:

	S\$'000
Not later than one year	24
Later than one year but not later than 5 years	—

### Contingent Liabilities

As at the Latest Practicable Date, we did not have any material contingent liabilities.

### FOREIGN EXCHANGE RISKS MANAGEMENT

The functional currency of our Group is Singapore dollar. We operate solely in Singapore and have minimal exposure to foreign exchange risk.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### TRANSITION FROM SINGAPORE FINANCIAL REPORTING STANDARDS TO SFRS(I)

We adopted SFRS(I)s on 1 February 2017 in advance of its effective date. Our combined financial statements for the year ended 31 January 2018 were our first set of combined financial statements prepared in accordance with SFRS(I)s. Our previously issued statutory financial statements for reporting years up to and including the reporting year ended 31 January 2017 were prepared in accordance with Singapore Financial Reporting Standards.

Our combined statements of financial position, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows were reported in accordance with SFRS(I)s. There were no material adjustments to these combined financial statements arising from the transition from Singapore Financial Reporting Standards to SFRS(I)s.

### NEW ACCOUNTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

A number of new or revised SFRS(I)s and the related interpretations to SFRS(I)s ("**SFRS(I) INT**") have been issued and are effective for annual periods beginning on or after 1 January 2019, and as such, have not been applied in preparing these combined financial statements. None of these are expected to have a significant effect on our financial performance or position. Those applicable to the reporting entity for future reporting years are listed below:

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS(I) 16	Leases and Leases – Illustrative Examples & Amendments to Guidance on Other Standards	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019

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## GENERAL INFORMATION ON OUR GROUP

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### SHARE CAPITAL

Our Company was incorporated in Singapore on 11 October 2018 under the Act as a private company limited by shares, under the name “Reclaims Global Pte. Ltd.”. On 23 January 2019, our Company changed its name to “Reclaims Global Limited” in connection with its conversion to a public company limited by shares.

As at the date of incorporation of our Company and the Latest Practicable Date, the issued and paid-up share capital of our Company was S\$1 comprising one Share held by Tan Kok Huat.

Pursuant to the acquisition of Reclaims Enterprise under the Restructuring Exercise, the issued and paid-up share capital of our Company was increased to S\$15,327,085 comprising 15,327,085 Shares.

Pursuant to written resolutions dated 23 January 2019, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public company limited by shares and the consequential change of name to “Reclaims Global Limited”; and
- (b) the adoption of a new Constitution.

Pursuant to written resolutions dated 26 February 2019, our Shareholders approved, *inter alia*, the following:

- (a) the sub-division of 15,327,085 Shares in the issued and paid-up share capital of our Company into 112,000,000 Shares;
- (b) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the then existing issued Shares;
- (c) the grant of authority to our Directors to:
  - (A) (i) allot and issue shares in the capital of our Company 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 our 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 our Directors while this authority was in force,

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

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## GENERAL INFORMATION ON OUR GROUP

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authority) does not exceed 100.0% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (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 our existing Shareholders (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50.0% 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) in the capital of our Company immediately following the close of the Invitation, 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 which are outstanding or subsisting at the time this authority is given; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred, our Directors 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 our Company; and
- (4) (unless revoked or varied by our Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the date of this Offer Document, our Company had only one class of shares, being ordinary shares. The rights and privileges of our Shares are stated in our Constitution. A summary of the Constitution of our Company relating to, among others, the voting rights and privileges of our Shareholders is set out in Appendix D of this Offer Document.

There are no founder, management or deferred shares. The New Shares shall have the same interest and voting rights as our existing issued Shares that were issued prior to the Invitation and there are no restrictions on the free transferability of our Shares.

No person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company or our subsidiary. No option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or employees.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$15,327,085 comprising 112,000,000 Shares. Upon the allotment and issue of the New Shares, the resultant issued and paid-up share capital of our Company will be S\$19,355,316 comprising 131,000,000 Shares.



## GENERAL INFORMATION ON OUR GROUP

Details of the changes in the issued and paid-up share capital of our Company since incorporation and immediately after the Invitation are as follows:

	Number of Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital as at the incorporation of our Company	1	1
Issue of Shares pursuant to the acquisition of Reclaims Enterprise	15,327,084	15,327,085
Issued and paid-up share capital immediately after the acquisition of Reclaims Enterprise	15,327,085	15,327,085
Sub-Division	112,000,000	15,327,085
Issue of New Shares pursuant to the Invitation	19,000,000	19,355,316 <sup>(1)</sup>
Post-Invitation issued and paid-up share capital	131,000,000	19,355,316

**Note:**

- (1) After deducting our share of expenses incurred in relation to the Invitation of approximately S\$0.34 million which is capitalised against share capital as described in the “Use of Proceeds from the Invitation and Listing Expenses Incurred” section of this Offer Document. The remaining expenses of approximately S\$1.27 million will be charged to profit or loss.

Save as disclosed above, there were no changes in the issued and paid-up share capital of our Company since incorporation.

### RESTRUCTURING EXERCISE

The Restructuring Exercise, comprising the following steps, was undertaken by our Group in connection with the Invitation:

(a) Incorporation of our Company

On 11 October 2018, our Company was incorporated in Singapore as an investment holding company with an issued and paid-up share capital of S\$1 comprising one Share.

(b) Acquisition of Reclaims Enterprise

Prior to the share swap described below, Reclaims Enterprise had an issued and paid-up capital of S\$1,000,000 comprising 1,000,000 ordinary shares. Each of Chan Chew Leh and Tan Kok Huat held 475,000 ordinary shares while Andrew Chew held the remaining 50,000 ordinary shares.

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## GENERAL INFORMATION ON OUR GROUP

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Pursuant to the Restructuring Agreement entered into by our Company, Chan Chew Leh, Tan Kok Huat and Andrew Chew:

- (i) our Company acquired 1,000,000 ordinary shares, representing the entire issued and paid-up share capital, of Reclaims Enterprise from Chan Chew Leh, Tan Kok Huat and Andrew Chew for a consideration of S\$15.3 million, which was based on the unaudited NAV of Reclaims Enterprise as at 31 July 2018; and
- (ii) the consideration was satisfied by our Company issuing 7,280,365 Shares, 7,280,365 Shares and 766,354 Shares, credited as fully paid at S\$1 per Share, to Chan Chew Leh, Tan Kok Huat and Andrew Chew, respectively.

Each of Chan Chew Leh and Tan Kok Huat had directed that 383,177 Shares, to which he was entitled, be issued to Andrew Chew instead, in recognition of his contribution to our Group for the listing.

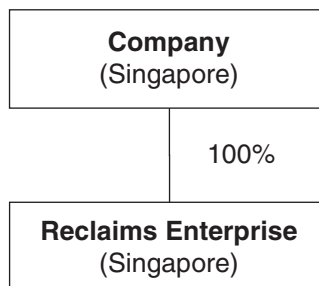
Following the completion of the above share swap on 23 January 2019, the issued and paid-up capital of our Company was S\$15,327,085 comprising 15,327,085 Shares.

(c) Sub-division of Shares

On 26 February 2019, our Shareholders approved the sub-division of 15,327,085 Shares in the issued and paid-up share capital of our Company into 112,000,000 Shares. Following this sub-division, the issued and paid-up capital of our Company was S\$15,327,085 comprising 112,000,000 Shares.

## GROUP STRUCTURE

Our Group structure after the Restructuring Exercise and as at the date of this Offer Document is as follows:



## GENERAL INFORMATION ON OUR GROUP

### Our subsidiary

The details of our subsidiary as at the date of this Offer Document are as follows:

Name	Date and place of incorporation	Principal place of business	Principal business activities	Paid-up capital	Effective equity interest held by our Group
Reclaims Enterprise	20 February 2009, Singapore	Singapore	Recycling of C&D waste and excavation services	S\$1,000,000	100%

Our subsidiary is not listed on any stock exchange.

None of our Independent Directors sits on the board of our subsidiary.

### SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%
<b>Directors</b>								
Chan Chew Leh	50,399,998	45.0	—	—	49,899,998	38.1	—	—
Tan Kok Huat	50,400,005	45.0	—	—	49,900,005	38.1	—	—
Andrew Chew	11,199,997	10.0	—	—	11,199,997	8.5	—	—
Jong Voon Hoo	—	—	—	—	—	—	—	—
Chang Chi Hsung	—	—	—	—	—	—	—	—
Joshua Tan	—	—	—	—	—	—	—	—
Lim Hui Chee	—	—	—	—	—	—	—	—
<b>Public</b>	—	—	—	—	20,000,000	15.3	—	—
<b>TOTAL</b>	<u>112,000,000</u>	<u>100.0</u>			<u>131,000,000</u>	<u>100.0</u>		

None of our Directors and Substantial Shareholders are related.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in the control of our Company.

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## GENERAL INFORMATION ON OUR GROUP

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There are no shares in our Company that are held by or on behalf of our Company or by our subsidiary.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between 1 February 2017 and the Latest Practicable Date.

### Significant Changes in Percentage of Ownership

Save as disclosed under the “General Information on our Group – Restructuring Exercise” and “General Information on our Group – Share Capital” sections of this Offer Document, there were no significant changes in the percentage of ownership of Shares in our Company during the Period Under Review and up to the Latest Practicable Date.

### VENDORS

The number of Vendor Shares which the Vendors will offer pursuant to the Invitation are set out below:

	Before the Invitation		Vendor Shares offered pursuant to the Invitation			After the Invitation	
	Number of Shares	% of pre-Invitation share capital	Number of Shares	% of pre-Invitation share capital	% of post-Invitation share capital	Number of Shares	% of post-Invitation share capital
Chan Chew Leh	50,399,998	45.0	500,000	0.4	0.4	49,899,998	38.1
Tan Kok Huat	50,400,005	45.0	500,000	0.4	0.4	49,900,005	38.1

Chan Chew Leh is the Executive Chairman and Tan Kok Huat is an Executive Director of our Company.

Save as disclosed above, none of our Directors or Substantial Shareholders has any direct or indirect interest in the Vendor Shares.

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## GENERAL INFORMATION ON OUR GROUP

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### MORATORIUM

In demonstration of their commitment to our Group, each of our Executive Chairman, Chan Chew Leh, and our Executive Directors, Tan Kok Huat and Andrew Chew, who hold an aggregate of 111,000,000 Shares representing 84.7% of our Company's issued share capital immediately after the Invitation, has irrevocably and unconditionally undertaken not to, directly or indirectly:

- (a) offer, sell, contract to sell, realise, transfer, assign, grant any option, right or warrant to purchase, lend, pledge, grant any security over, encumber or otherwise dispose of all or any part of his interest in the issued share capital of our Company immediately after the Invitation (adjusted for any bonus issue or sub-division of shares) ("**Lock-up Shares**");
- (b) enter into any transaction or other arrangement, in whole or in part, (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the Lock-up Shares, in cash or otherwise;
- (c) deposit all of his effective interest, in any Lock-Up Shares in any depository receipt facility;
- (d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) publicly announce any intention to do any of the above,

for a period of six months commencing from the date of listing of our Company on Catalist (the "**First Lock-up Period**"), and each of them further undertakes that the aforesaid restrictions shall apply to his effective interest in 50.0% of the Lock-up Shares (adjusted for any bonus issue or sub-division of shares) for a period of six months immediately following the First Lock-up Period.

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## HISTORY

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### OUR HISTORY

Prior to establishing Reclaims Enterprise, our Executive Chairman, Chan Chew Leh, specialised in drainage and road works while our Executive Director, Tan Kok Huat, specialised in plumbing and piping works. Chan Chew Leh and Tan Kok Huat have collectively amassed more than 50 years of experience in the construction industry.

While working together on a waste treatment project in the Tuas industrial area of Singapore, Chan Chew Leh and Tan Kok Huat noticed an increasing demand for recycled construction materials for road works in the vicinity. To capitalise on the business opportunity, Chan Chew Leh and Tan Kok Huat decided to venture into the C&D waste recycling business and set up Reclaims Enterprise in February 2009, with Tan Keh Chong (brother of Tan Kok Huat). To better manage his interest in Reclaims Enterprise in the event of unforeseen circumstances, Chan Chew Leh nominated his wife, Tan Lay Khim, to hold half of his shares on trust for him. Tan Lay Khim was a passive shareholder and non-executive director of Reclaims Enterprise. Together with a small team of 10 workers, an old crusher, a makeshift screener and leased tipper trucks, Reclaims Enterprise started to supply recycled construction materials, such as graded stone and recycled asphalt premix, for road works and construction sites in Tuas.

In October 2009, Reclaims Enterprise acquired a second-hand mobile jaw crusher and four excavators, and became one of the first few companies in Singapore to conduct onsite recycling of construction materials. The mobile jaw crusher was capable of processing 85 metric tonnes of C&D waste per hour and was sufficient for small scale onsite recycling. During the first year of our business, we generated a revenue of S\$2.6 million and net profit of S\$0.5 million.

In 2010, we were engaged to supply RCA for road works at Tuas South. To fulfil the logistics aspect of this project, we acquired our first fleet of four tipper trucks and added two excavators. Over the three years of the project, we supplied approximately 55,000 metric tonnes of RCA. As Tan Keh Chong did not wish to participate in the growth and management of Reclaims Enterprise due to his other business commitments, on 8 July 2010, he transferred his shares (which constituted 25% of the issued capital of Reclaims Enterprise) to Tan Kok Huat for a consideration of S\$0.5 million, which was agreed on a “willing buyer-willing seller” basis.

In May 2011, we applied to and were granted by the Singapore Environment Council the right to use the Singapore Green Label for our 20-mm recycled aggregate for concrete mixture. This further enhanced our corporate image and enabled us to better market our recycled products. Around the same time, we observed an increased level of construction activities in Singapore and an increase in demand for heavy transportation services. To capitalise on this market opportunity, we began to offer logistics support services for the construction industry and expanded our fleet of tipper trucks with the acquisition of more than 30 tipper trucks between 2011 and 2016.

We made a foray into the public sector construction segment in October 2011 when we secured a project with S\$0.5 million in value for the provision of excavation services for the development of HDB flats in Sengkang. In March 2013, we secured another landmark public sector project when we were awarded contracts amounting to approximately S\$2.0 million to clear and reinstate more than 10 hectares of land surrounding the Marina-Coastal Expressway at Marina South over three years.

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## HISTORY

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In May 2014, we were awarded our first cut and fill earth-moving project with a contract sum of S\$1.0 million. The project involved the trimming of an earth formation to facilitate the development of JTC Space @ Tampines North. In April 2015, we undertook another cut and fill earth-moving project with a contract sum of S\$1.6 million, which involved the transportation of approximately 120,000 cubic metres of earth from a construction site at Loyang Drive.

To further enhance our recycling capacity, between 2013 and 2016, we acquired two new mobile jaw crushers, each with an RCA output of up to 240 metric tonnes per hour, and four mobile screeners, comprising two mobile track heavy duty screeners and two scalpers. With these acquisitions, Reclaims Enterprise was able to conduct more extensive onsite recycling activities, eliminating the need for large storage facilities for C&D waste and RCA, and substantially reducing transportation costs.

Prior to 2016, we had rented various premises for the storage of our equipment and materials. To support our growing operations in the long-run, Reclaims Enterprise acquired a leasehold land at 10 Tuas South Street 7 Singapore in February 2014 and completed the construction of our four-storey corporate headquarters in June 2016. The new premises allowed us to consolidate our office, storage facility and ancillary dormitory at one location to achieve cost effectiveness and operational efficiency. The additional space in the new premises also enabled us to set up our in-house repair and maintenance division to service our fleet of tipper trucks and machinery in a more cost-efficient and timely manner.

In March 2018, our CEO, Andrew Chew, joined our Group and together with our Executive Chairman, Chan Chew Leh, and our Executive Director, Tan Kok Huat, spearheaded new initiatives for the expansion of our Group (for more information, please refer to the “Prospects, Business Strategies and Future Plans” section of this Offer Document).

In July 2018, to consolidate the shareholding of Chan Chew Leh in preparation for the listing on Catalist, his wife, Tan Lay Khim, transferred the shares in Reclaims Enterprise which were held on trust to him for a nominal consideration of S\$1.

As at Latest Practicable Date, our fleet comprised 46 tipper trucks and 47 units of other construction and recycling equipment, including articulated dump trucks, excavators and mobile jaw crushers, and we had a staff strength of 124.

For the purpose of our listing, our Company was incorporated on 11 October 2018 in Singapore under the Act as a private company limited by shares under the name “Reclaims Global Pte. Ltd.”. On 23 January 2019, pursuant to the Restructuring Exercise undertaken to rationalise the corporate structure of our Group in preparation for the Invitation, our Company became the holding company of our Group.

On 23 January 2019, our Company was converted to a public company limited by shares and our name was changed to “Reclaims Global Limited”.



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## BUSINESS

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### BUSINESS OVERVIEW

We pride ourselves as an eco-friendly integrated service provider in the construction industry. We specialise in the recycling of C&D waste, customisation of excavation solutions and operating fleet management. Through the years, we have built an established reputation and a proven track record for effective execution and timely delivery of our services of different scales and nature.

Our business is divided into three main business segments as follows:

- recycling
- excavation services
- logistics and leasing

### 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. Natural resources include earth, hardcore and sand while urban resources include rebar, metal and aluminium. As part of our recycling activities, we may from time to time provide reinstatement works, demolition works, backfilling, compaction and turfing, and disposal of C&D waste to fulfil the requirements of project or land owners.

The typical work process for our recycling business segment is set out below.

#### *Recycling work administration*

Our project coordinators will liaise with the worksite for the mobilisation or de-mobilisation of the recycling equipment before and after a project. Where required, safety orientations for our employees are carried out and safety documentation such as risk assessment will be submitted for approval by the main contractor. Manpower and machinery allocation planning are carried out at this stage by our project coordinators and project engineers.

#### *Recycling process*

Our recycling process generally starts from either the collection of C&D waste from various construction sites or earth from our excavation sites. The C&D waste is processed, crushed, recycled and used in the construction and building industries. The earth is usually sent to customers for use in backfilling or otherwise sent to earth disposal sites.

The various activities in the recycling process consist of, *inter alia*, hacking, sorting, crushing and screening. Our recycling equipment includes excavators, excavator breakers, mobile screeners, mobile jaw crushers and weighbridge systems. The excavator breakers are hammers attached to excavators and used for breaking and demolishing concrete structures or rocks. A mobile jaw crusher breaks down C&D waste into smaller aggregates and a mobile screener sorts material into required sizes. A weighbridge comprises a platform over which tipper trucks are driven and weighed to determine the load carried by the tipper truck.

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## BUSINESS

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The derivatives from our recycling activities are generally classified into two categories.

(a) Recycled products

The key recycled products produced are recycled graded stone, recycled quarry dust and 20-mm recycled aggregates. Recycled aggregate is environmentally friendly and may be used for many purposes, including use as base materials for foundations and roads. Due to its relatively lower price, recycled aggregate is favoured by contractors in the construction industry. Our 20-mm recycled aggregate for concrete mixture has been awarded with the “Singapore Green Label” which recognises that the product is an eco-friendly building material.

(b) Separated by-products

Other separated by-products which have economic value are sold to scrapyards.

*Sale of recycled products and separated by-products*

Our recycled products and separated by-products are either self-collected by our customers or, when needed, transported by our tipper trucks to the worksites or scrapyards.

From time to time, we may purchase materials, such as concrete sand, to supply to our customers as part of our value-added services.

### **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.

The typical work process for our excavation services segment is set out below.

*Project tender*

Our contracts are mostly secured through referrals or open tenders organised by main contractors engaged by government agencies, private developers or site owners. Whilst our project portfolio comprises residential, industrial and commercial projects as well as civil infrastructure including transport networks and MRT stations, we focus on public sector projects and works in view of the consistent pipeline of public sector projects and the creditworthiness of government agencies.

Our tendering team will (a) review the tender documents which will typically contain the project drawings and specifications, (b) derive the volume of the earth disposal for excavation works, and (c) work out a quotation, taking into consideration the various cost factors which may be associated with the project, prior to submission to our main contractor.

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## BUSINESS

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### *Project administration*

In the event that our quoted price is among the most competitive, we may then be invited to attend a tender interview to clarify the work scope, excavation sequence or any other queries associated with the project. Prior to the issuance of the letter of award, negotiations may be carried out to finalise the terms and conditions.

Upon receiving the letter of award, our tendering team will review and ensure that the document details are in line with the submitted quotation as well as the terms and conditions agreed upon. Where needed, performance bonds will be purchased. Prior to the commencement of works, safety orientations are carried out and safety documentation, such as risk assessment, have to be submitted for approval by the main contractor. Manpower and machinery allocation planning is carried out at this stage by our project coordinators and project engineers.

### *Project execution and completion*

During project execution, our project coordinators will liaise with the worksite for the mobilisation of our machinery and other related matters. It is then the responsibility of our project engineers to ensure that the works progress according to the project schedule. Activities carried out onsite will include the daily toolbox meetings with our workers and weekly meetings with the main contractors.

Payment for work done is made on a progressive basis. Claims are assessed by our project engineers and submitted by our project coordinators generally on the 25th of each month. The main contractor shall then respond with a payment certificate, and subsequently an invoice will be submitted for their payment. Depending on the contract, a typical retention sum of 5.0% of the contract amount will be retained and released in two tranches: (a) 2.5% upon issue of the temporary occupation permit; and (b) 2.5% upon issue of the certificate of statutory completion.

Upon completion of our work, the project coordinators will de-mobilise the equipment and carry out reviews for future reference.

### **Logistics and 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 our fleet of more than 40 tipper trucks, we are able to provide logistics services to transport materials for our customers on an ad-hoc basis.

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 excavators, articulated dump trucks, mobile jaw crushers and mobile screeners.

To support our logistics team, we have an in-house repair and maintenance division to service and repair our fleet of tipper trucks, machinery and equipment.

The typical work process for our logistics and leasing business segment is set out below.

Our project engineers would liaise in advance with our logistics team for the estimated number of tipper trucks required for the transportation of materials offsite. If necessary, our project coordinators will liaise with our outsource transport companies for worksite allocation. For the supply of recycled products, the cycle is initiated when an order is placed by the customers to the operations team.

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## BUSINESS

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With our vehicle tracking system installed on our tipper trucks, logistics routes are optimised to enable effective deployment of our tipper trucks to fulfil all logistic orders within shorter turnaround times. Our logistic team locates and deploys our tipper trucks island-wide to match the requirements and locations of each logistic order. The logistics cycle is completed when the driver delivers the required materials and the site makes an acknowledgement.

### OUR PAST AND EXISTING PROJECTS

The following are some of our key past and existing projects:

Project Period	Description of Works	Customer	Project Owner
October 2011 to August 2012	Provision of excavation services in connection with the development of HDB flats in Sengkang	Tengah Transportation & Construction Pte Ltd	HDB
March 2013 to May 2015	Reinstatement of land, including hacking and disposal of existing pavements offsite and completing with turfing to the required level, in connection with the project for the construction of station and associated tunnels at Marina South	Kim Tiong Huat Contractor Pte Ltd, Alliance Concrete Singapore Pte Ltd, Kee Poon Trading Co, Samsung C&T Corporation and Ssangyong Engineering & Construction Co. Ltd	LTA and other government agencies
August 2013 to September 2017	Provision of excavation services in connection with the development of residential flats at Bukit Batok Neighbourhood	Chew Aik Lye Trading & Services	HDB
May 2014 to October 2014	Provision of excavation services in connection with land preparation works for development of JTC Space @ Tampines North	Shuan Huat Tractor Services Pte Ltd	JTC
August 2014 to November 2014	Provision of excavation services in connection with building works at Yishun N5C8	Logistics Construction Pte Ltd	HDB
December 2014 to February 2015	Provision of excavation services in connection with erection of new primary school at Punggol Drive	BHCC Construction Pte Ltd	Ministry of Education
April 2015 to October 2015	Provision of excavation services in connection with site preparation at Loyang Drive	Shuan Huat Tractor Services Pte Ltd	JTC

## BUSINESS

Project Period	Description of Works	Customer	Project Owner
September 2015 to April 2017	Provision of excavation services in connection with an industrial development at 39 Tuas West Drive	Tiong Seng Contractors (Pte) Ltd	JTC
December 2015 to March 2016	Demolition and reinstatement of Punggol West Contract 22 TOL Land	Robin Village Development Pte Ltd	HDB
January 2016 to January 2017	Provision of excavation services in connection with land preparatory works at Woodlands Avenue 9	Shuan Huat Tractor Services Pte Ltd	JTC
November 2016 to December 2016	Demolition and reinstatement of Jurong Island Batching Plant	Wee Leong Trading & Transport Pte. Ltd.	JTC
December 2016 to December 2018	Provision of excavation services in connection with residential flat development at Clementi Avenue 1	Dragages Singapore Pte Ltd	Private sector project
February 2017 to March 2017	Reinstatement of Pan-United Tuas South 2 Plant	Pan-United Concrete Pte Ltd	Private sector project
February 2017 to September 2017	Provision of excavation services in connection with the proposed erection of business park development at Media Circle at One-North	Lide Builders Pte Ltd	JTC
March 2017 to May 2017	Demolition and reinstatement of Tampines Batching Plant	Wee Leong Trading & Transport Pte. Ltd.	Private sector project
August 2017 (ongoing)	Provision of excavation services in connection with building works at Punggol East and common green	Lian Ho Lee Construction (Private) Ltd	HDB
October 2017 (ongoing)	Provision of excavation services in connection with erection of waste treatment facility at Tuas View Circuit	BHCC Construction Pte Ltd	Private sector project
December 2017 (ongoing)	Provision of excavation services in connection with erection of water treatment plant at 7 Tuas Avenue 10	Boustead Projects E&C Pte Ltd	Private sector project
April 2018 (ongoing)	Provision of excavation services in connection with condominium development at Serangoon North Avenue 1	Dragages Singapore Pte Ltd	Private sector project

## BUSINESS

Project Period	Description of Works	Customer	Project Owner
May 2018 (ongoing)	Provision of excavation services and disposal of surplus earth off site at Sengkang N1C30	LC&T Builder (1971) Pte Ltd	HDB
May 2018 (ongoing)	Provision of excavation services in connection with primary school development at Punggol Central	Tiong Seng Contractors (Pte) Ltd	Ministry of Education
August 2018 (ongoing)	Provision of excavation services in connection with erection of polyclinic at Chin Cheng Avenue	Jin Feng Transport Pte Ltd	Ministry of Health
October 2018 (ongoing)	Provision of excavation services in connection with erection of civic and community development at Punggol Drive/Sentul Crescent	Chip Seng Contractor Pte Ltd	People's Association
November 2018 (ongoing)	Provision of reinstatement services in connection with Mandai ventilation building at Sembawang Road	Kim Tiong Huat Contractor Pte Ltd	LTA
November 2018 (ongoing)	Provision of reinstatement services at Refinery Road – Extension of Sengkang N1C30 project	LC&T Builder Pte Ltd	HDB
November 2018 (ongoing)	Provision of reinstatement services in connection with TOL land at Tuas South Avenue 1	Robin Village Development Pte Ltd	Singapore Land Authority
November 2018 (ongoing)	Provision of excavation services in connection with proposed development at various parcels	Ohin Construction Co. Pte. Ltd. – Shuan Huat Tractor Services Pte. Ltd. (JV)	National Parks Board

## QUALITY AND SAFETY ASSURANCE

### Quality Assurance

In order to ensure that we maintain high standards of quality and as part of our efforts to monitor quality and service levels, we have established the following quality objectives:

- (a) minimisation of wastage and pollution;
- (b) exceeding our customers' expectations by providing quality services and timely project completion; and
- (c) preventing injury and ill health of our employees.

## BUSINESS

These quality objectives cover all areas of our operations. The respective project engineers and site supervisors would ensure that our quality control policies and procedures are adhered to and implemented. We conduct weekly meetings with the main contractors to ensure that worksite issues are properly attended to and project timelines are met. We constantly assess and improve on our quality performance based on the feedback received from our customers and ensure that prompt rectifications are carried out. We also ensure that the sub-contractors engaged have the relevant experience, so that the works carried out by them meet our quality requirements.

We possess the following quality certifications:

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 2021
ISO 14001:2015	Environmental management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	4 November 2021
Singapore Green Label	20-mm Recycled Aggregate For Concrete Mixture 022-053-1364 as "Eco-Friendly Building Materials"	Singapore Environment Council	4 May 2019 <sup>(1)</sup>

**Note:**

(1) We do not foresee difficulty in renewing the Singapore Green Label certification upon expiry. The expiry of the certification will not have any material impact on our operations or financial performance and position.

### Safety Assurance

We have put in place comprehensive safety measures to provide a safe and healthy working environment for all our staff. Such measures include:

- (a) conducting periodic and necessary risk assessments for all our projects 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 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; and
- (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.



## BUSINESS

We possess the following safety certifications:

Certificate	Scope	Certifying party	Date of expiry
bizSAFE Level Star	Workplace safety and health management system	Workplace Safety and Health Council	7 October 2021
OHSAS 18001:2007	Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	11 March 2021
ISO 45001:2018	Occupational health and safety management systems for provision of civil engineering services including demolition and earthworks	Guardian Independent Certification Pte Ltd	7 October 2021

During the Period Under Review and up to the Latest Practicable Date, we did not experience any major worksite accidents which have resulted in serious injury or death of our workers or censuring by the relevant authorities.

### MARKETING AND BUSINESS DEVELOPMENT

Our marketing and business development activities are spearheaded by our Executive Chairman, Chan Chew Leh, and our Executive Director, Tan Kok Huat, who are supported by our tender team.

Our Executive Chairman, Chan Chew Leh, and our Executive Director, Tan Kok Huat, collectively have more than 50 years of industry experience in Singapore and our Group has established and maintained long-term business relationships with developers, project owners, main contractors and consultants from whom we could directly source for new projects or who would refer projects to us. As we rely on our business networks, we conduct informal business development sessions with our customers and consultants from existing and past projects in order to enhance our existing relationships and source for business opportunities.

### MAJOR CUSTOMERS

Our customers comprise mainly building contractors, road works contractors, transport companies, concrete companies and traders.

The customers accounting for 5.0% or more of our revenue during the Period Under Review are as follows:

Name of customer	As a percentage of revenue (%)			
	FY2016	FY2017	FY2018	6M2019
Ann Boon Tat Civil Pte Ltd	12.9	5.0	1.6	—
Dragages Singapore Pte Ltd	—	0.9	2.1	9.4
Golden Sand Pte Ltd	22.3	3.0	—	—

## BUSINESS

Name of customer	As a percentage of revenue (%)			
	FY2016	FY2017	FY2018	6M2019
Kim Tiong Huat Contractor Pte Ltd	3.6	2.6	5.1	3.1
Kok Tong Transport & Engineering Works Pte Ltd/Kok Tong Construction Pte Ltd <sup>(1)</sup>	0.5	0.8	7.0	2.0
LC&T Builder (1971) Pte Ltd	–	–	–	12.7
Lian Ho Lee Construction (Private) Limited	–	–	5.6	5.6
Lide Builders Pte Ltd/Lide Resources Pte Ltd <sup>(2)</sup>	–	n.m.	7.5	1.3
New Development Construction <sup>(3)</sup>	5.8	4.6	6.9	4.3
Pan-United Concrete Pte Ltd	–	9.0	0.7	0.3
Sea & Land (S) Resources Pte Ltd	5.2	5.3	7.2	5.2
Shuan Huat Tractor Services Pte Ltd	5.3	11.3	8.8	n.m.
Tan Ah Hui Trading and Transport Pte Ltd	8.0	1.7	1.4	n.m.

**Notes:**

- (1) Sales to Kok Tong Transport & Engineering Works Pte Ltd and Kok Tong Construction Pte Ltd were aggregated as they are part of the KTC Group.
- (2) Sales to Lide Builders Pte Ltd and Lide Resources Pte Ltd were aggregated as they have common shareholders.
- (3) New Development Contractors Pte. Ltd., whose sole shareholder is Tan Lay Khim, the wife of Chan Chew Leh (our Executive Chairman), is the sole proprietor of New Development Construction. Please refer to the “Interested Person Transactions” section of this Offer Document for further details on our transactions with New Development Construction.

A significant volume of our business is on a sub-contract basis and is thus dependent on our customers’ volume of secured projects and the project work scope, which vary from year to year. As a result, the customers that contribute to more than 5.0% of our revenue in each year may vary. The revenue contribution from the major customers in the table above during the Period Under Review fluctuated in line with the number, scope and value of contracts completed in each of the financial years.

Our Directors are of the opinion that our business and profitability is currently not dependent on any particular industrial, commercial or financial contract with any customer. To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to the cessation or termination of our current relationship with any of our major customers.

As at the date of this Offer Document, none of our Directors, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the above major customers, save that New Development Contractors Pte. Ltd., whose sole shareholder is Tan Lay Khim, the wife of Chan Chew Leh (our Executive Chairman), is the sole proprietor of New Development Construction (please refer to the “Potential Conflicts of Interests” section of this Offer Document for further details). To the best of our knowledge and belief, there are no arrangements or understanding with any customers pursuant to which any of our Directors and Executive Officers was appointed.

## BUSINESS

### MAJOR SUPPLIERS

Our suppliers comprise mainly transport companies, materials suppliers, diesel suppliers and sub-contractors.

The suppliers (including sub-contractors) accounting for 5.0% or more of our purchases (including sub-contracting costs) during the Period Under Review are as follows:

Name of supplier	Products/Services	As a percentage of purchases (%)			
		FY2016	FY2017	FY2018	6M2019
Gee Leng Construction Pte. Ltd. <sup>(1)</sup>	Construction services	20.0	0.4	–	–
Goldbell Engineering Pte Ltd	Purchase of vehicles	–	7.6	2.4	3.7
Hyundai Engineering & Construction Co Ltd	Provision of disposal site	–	0.5	3.4	9.5
Kok Tong Construction Pte Ltd/Kok Tong Transportation & Engineering Works Pte Ltd <sup>(2)</sup>	Transportation services	3.8	3.8	17.2	3.3
Lian Hoe Guan Marine Pte Ltd	Supply of concrete sand	–	–	n.m.	5.2
New Development Construction/ New Development Contractors Pte. Ltd. <sup>(3)</sup>	Sub-contracting and rental of excavators	6.6	3.8	4.6	3.2
Peng Chuan Engineering Construction Pte Ltd	Provision of disposal site	–	–	–	5.8
Tong Heng Motor Work	Transportation services	4.9	8.4	6.5	3.6
Victor Enterprises Pte Ltd	Supply of diesel	3.4	4.4	6.7	7.4
Yew San Construction Pte Ltd	Provision of disposal site	n.m.	–	–	5.8

**Notes:**

- (1) Our Executive Director, Tan Kok Huat, and his brother, Tan Keh Chong, are the shareholders of Gee Leng Construction Pte. Ltd. Please refer to the “Interested Person Transactions” section of this Offer Document for further details on our transactions with Gee Leng Construction Pte. Ltd.
- (2) Purchases from to Kok Tong Transport & Engineering Works Pte Ltd and Kok Tong Construction Pte Ltd were aggregated as they are part of the KTC Group.
- (3) New Development Contractors Pte. Ltd., whose sole shareholder is Tan Lay Khim, the wife of Chan Chew Leh (our Executive Chairman), is the sole proprietor of New Development Construction. Please refer to the “Interested Person Transactions” section of this Offer Document for further details on our transactions with New Development Construction and New Development Contractors Pte. Ltd.

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## BUSINESS

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Our purchases from our suppliers fluctuate from year to year as a significant volume of our business is on a sub-contract basis. Accordingly, our requirements for materials and equipment vary according to the requirements of the contracts secured from our customers.

We generally do not enter into long-term exclusive agreements with any of our suppliers as this would provide us with the flexibility to evaluate and select suppliers who are able to provide us with the most suitable materials and equipment on the most favourable terms. Our Directors believe that our business and profitability will not be materially affected by the loss of any single supplier and is not dependent on any particular industrial, commercial or financial contract with any supplier.

To the best of their knowledge, our Directors are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers.

As at the date of this Offer Document, none of our Directors, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the above suppliers, save that Tan Lay Khim, the wife of Chan Chew Leh (our Executive Chairman), is the sole shareholder of New Development Contractors Pte. Ltd., which is the sole proprietor of New Development Construction (please refer to the “Potential Conflicts of Interests” section of this Offer Document for further details), and Tan Kok Huat and his brother, Tan Keh Chong, are shareholders of Gee Leng Construction Pte. Ltd.. To the best of our knowledge and belief, there are no arrangements or understanding with any suppliers pursuant to which any of our Directors and Executive Officers was appointed.

### CREDIT MANAGEMENT

#### Credit terms to our customers

We issue invoices to our customers when goods are delivered to the customer or when the service is completed. For the supply of goods and services on a project basis, we usually issue invoices to our customers on a progressive basis in accordance with the percentage of completion as certified by the customers.

For some projects, our customers may withhold up to 5% of the contract sum as retention monies, which are usually released after the completion of their property development and upon the reaching of milestones such as the issue of temporary occupation permit and certificate of statutory completion.

We typically grant to our customers credit terms of up to 60 days. The credit terms and limits are granted based on factors such as transaction volume, credit ratings assigned by a credit agency and the financial status of the customers. We generally do not extend the credit terms granted to our customers. However, our trade receivables' turnover days typically exceed 60 days as some of our customers may take a longer time to process payment due to their payment certification procedures.

We have in place credit control policies and procedures to manage our credit exposure. The management monitors the account receivables ageing report closely and follow-up on any overdue amounts. We may suspend the delivery of goods and services to customers who fail to make payments despite numerous reminders. We may commence legal action should all other measures taken to recover the overdue debts fail.

## BUSINESS

Our management regularly assesses the collectability of trade receivables, considering factors such as financial status of the customers and age of their debts. Impairment allowance on the specific trade receivables would be made if the chance of recovery is very low. Where recovery is remote, the specific trade receivables would be written-off. Our Group typically does not trade with customers whose trade receivables had been previously impaired or written-off by us. The allowance for impairment of trade receivables and bad debts written-off for the Period Under Review were as follows:

(S\$'000s)	FY2016	FY2017	FY2018	6M2019
Allowance for impairment of trade receivables	–	–	393	380
Bad debts written-off trade receivables	35	–	–	–

The bad debts written-off in FY2016 related to amounts owed by two customers who had ceased business. The allowance for impairment of trade receivables in FY2018 related to long-outstanding debts. We do not intend to continue transacting with the customers whose trade receivables have been written-off or impaired as disclosed above. None of the aforementioned trade receivables relate to our major customers as disclosed in the “Business – Major Customers” section of this Offer Document.

Our trade receivables’ turnover days for the Period Under Review were as follows:

	FY2016	FY2017	FY2018	6M2019
Trade receivables’ turnover days <sup>(1)</sup>	82	124	84	85

**Note:**

- (1) For FY2016, FY2017 and FY2018, the trade receivables’ turnover days are computed based on the closing total trade receivables balances (including allowance for impairment of trade receivables, unbilled revenue and retention) of the relevant financial year divided by revenue for the relevant financial year and multiplied by 365 days. For 6M2019, the trade receivables’ turnover days is computed based on the closing total trade receivables balances (including allowance for impairment of trade receivables and retention) of the relevant financial period divided by revenue for the relevant financial period and multiplied by 181 days.

For our revenue recognition policy, please refer to “Independent Auditor’s Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018” and the “Independent Auditor’s Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018” set out in Appendices A and B respectively of this Offer Document.

The high trade receivables’ turnover days for FY2017 was due to the higher sales volume recognised during the last quarter of FY2017 and the high amount of trade receivables which remained outstanding as at the end of FY2017 as a result of the early closure of most of our customers’ businesses for the Lunar New Year festive period. We undertook more project-based contracts during 6M2019 where customers typically take a longer time to process payment due to their payment certification procedures. However, the trade receivables’ turnover days was comparable to that of FY2018 as unbilled revenue was reclassified to “Other assets – contract asset” during 6M2019.

## BUSINESS

Our trade receivables (excluding allowance for impairment of trade receivables, unbilled revenue and retention) as at 31 July 2018 amounted to approximately S\$5.4 million. The ageing profile as at 31 July 2018 was as follows:

Age of trade receivables	Percentage of total trade receivables (%)
Not past due	43.2
Up to 30 days overdue	29.7
More than 30 days overdue	27.1
	100.0

As at the Latest Practicable Date, approximately S\$4.8 million of these trade receivables had been collected.

### Credit terms from our suppliers

Generally, the credit terms granted by our suppliers range from 30 to 60 days. Our average trade payables' turnover days for the Period Under Review were as follows:

	FY2016	FY2017	FY2018	6M2019
Trade payables' turnover days <sup>(1)</sup>	35	82	51	84

#### Note:

- (1) For FY2016, FY2017 and FY2018, the trade payables' turnover days are computed based on the closing trade payables balances of the relevant financial year divided by purchase of materials, services and consumables used for the relevant financial year and multiplied by 365 days. For 6M2019, the trade payables' turnover days is computed based on the closing trade payables balances of the relevant financial period divided by purchase of materials, services and consumables used for the relevant financial period and multiplied by 181 days.

The high trade payables' turnover days for FY2017 was due to the high amount of trade payables which remained outstanding as at the end of FY2017 as a result of the early closure of our business and most of our suppliers' businesses for the Lunar New Year festive period. Payments were only made after our Group and our suppliers resumed business after the festive period, which was after the end of FY2017. The higher sale volume recognised during the last quarter of FY2017 resulted in a higher amount of GST payable as at the end of FY2017, which further increased the turnover days. Trade payables' turnover days for 6M2019 increased as we undertook more project-based contracts where payments were made to certain suppliers and sub-contractors only after the relevant services rendered by them were certified by our customers.

## RESEARCH AND DEVELOPMENT

Research and development activities have not been material and there was no amount spent on research and development activities during the Period Under Review.

Going forward, our Group is embarking on a plan to digitalise our business processes through an integrated enterprise resource planning solution that will link our front end, middle office and back office. We have commissioned an information technology company to develop this total solution for us.

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## BUSINESS

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The integrated enterprise resource planning solution will comprise an accounting software customised for the specific needs of our Group as well as two proprietary software, a project management module and a logistics management module, both driven by algorithms. The accounting software will allow us to gather data and conduct data analytics such that we can optimise our cashflow and proactively monitor our customers' payments and payment cycle. The project management module will allow us to gather data and conduct data analytics such that future project budgeting and project costing can be done more accurately and turnaround time can be shorter. The logistics management module will allow us to effectively allocate drivers to different work sites and assign jobs to each driver. The software will create and despatch the next job assignment for each driver including informing the drivers of the optimal route.

### INTELLECTUAL PROPERTY

Our business and profitability are not materially dependent on any trade marks, patents, licences or other intellectual property rights.

As at the Latest Practicable Date, we had the following registered trade mark in Singapore:

#### Trade Mark



Trade Mark No. 40201811464W

#### Class Specification of goods or services

- |    |  |
|----|--|
| 19 | Concrete building materials; Aggregates; Compounds of aggregates for use in construction; Aggregates for use in the preparation of concrete; Sand; Stone; Non-metallic building materials.   |
| 37 | Excavation services; Land clearing; Land drainage; Land excavating; Rental of excavating machines; Rental of earthmoving machines; Soil foundation work; Civil engineering demolition; Civil engineering construction; Site clearance; Building construction; Demolition services. |
| 39 | Transport; Transport of building materials; Truck transport; Rental of trucks; Transportation logistics.   |
| 40 | Treatment of wood; Treatment of waste; Recycling services; Recycling of waste; Recycling of materials.   |
| 42 | Civil engineering.   |

The above registration is for a period of 10 years from 13 June 2018 and may be renewed at the expiration of this period and upon the expiration of each succeeding period of 10 years.

### MATERIALS MANAGEMENT

Due to the nature of our business, we do not in the ordinary course maintain an ongoing inventory. We generally purchase equipment parts to support our in-house repair and maintenance division to service our fleet of machinery and equipment.



## BUSINESS

### PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, we owned the following property:

Location	Tenure	Lessor	Land area (sqm)	Use of property
10 Tuas South Street 7, Singapore 637114	Leasehold of 21 years 9 months from 7 February 2014	Jurong Town Corporation	5,047.4	Office, workshop and storage; partly leased to a third party <sup>(1)</sup>

**Note:**

(1) The second level of the property, with an area of approximately 400 sqm, is let to Mitsubishi Heavy Industries Asia Pacific Pte Ltd, an unrelated party, for a fixed term from 1 February 2018 to 30 June 2019, at a monthly rent of S\$4,000.

As at the Latest Practicable Date, we leased or licensed the following properties:

Landlord/ Licensor	Location	Approximate land/built-in area (sqm)	Use	Term	Monthly rent/ fee and charges (exclusive of GST)
Empire Equipment Pte Ltd	HSJV Dormitory at Lot 04962N MK31 Tanah Merah Coast Road	Occupation by two persons	Workers' dormitory	1 December 2018 to 30 November 2019 <sup>(1)</sup>	S\$620
Sunlink Engineering Pte Ltd	No. 6, Kian Teck Crescent, Singapore 628873	Occupation by one person	Workers' dormitory	1 September 2018 to 31 August 2019 <sup>(2)</sup>	S\$280
Lian Ho Lee Construction (Private) Ltd	Punggol East Contract 48 Dormitory	Occupation by four persons	Workers' dormitory	On-going basis <sup>(3)</sup>	S\$1,000
S11 Granuity Management Pte Ltd	PPT Lodge 1B at No. 2 Seletar North Link, Singapore 797601	Occupation by one person	Workers' dormitory	15 August 2018 to 14 February 2019 <sup>(1)</sup>	Licence fee: S\$286 Service charge: S\$99
S11 Granuity Management Pte Ltd	PPT Lodge 1B at No. 2 Seletar North Link, Singapore 797601	Occupation by ten persons	Workers' dormitory	14 March 2018 to 13 March 2019 <sup>(1)</sup>	Licence fee: S\$2,310 Service charge: S\$1,180

## BUSINESS

Landlord/ Licensor	Location	Approximate land/built-in area (sqm)	Use	Term	Monthly rent/ fee and charges (exclusive of GST)
S11 Granuity Management Pte Ltd	PPT Lodge 1B at No. 2 Seletar North Link, Singapore 797601	Occupation by one person	Workers' dormitory	14 May 2018 to 13 May 2019 <sup>(1)</sup>	Licence fee: S\$286 Service charge: S\$99
CTM Pte Ltd	MOT PKJV Package 0. Dormitory at 31A Tanah Merah Coast Road	Occupation by two persons	Workers' dormitory	15 January 2019 to 15 July 2019 <sup>(4)</sup>	S\$610

**Notes:**

- (1) The licence agreement may be unilaterally terminated by the licensor by giving no less than 21 days' written notice under certain conditions as set out therein. Such termination will not have any material impact on our operations as the relevant property is used to house our workers and we will be able to rehouse the workers in such event.
- (2) The tenancy agreement may be unilaterally terminated by the landlord by serving 30 days' notice in advance at any time prior to the expiry of the lease term. Such termination will not have any material impact on our operations as the relevant property is used to house our workers and we will be able to rehouse the workers in such event.
- (3) The agreement does not state the term of the lease. The lease of the workers' dormitory from our Group's customer, Lian Ho Lee Construction (Private) Limited, is expected to continue until the expected completion date of the relevant project in July 2021.
- (4) The tenancy agreement may be unilaterally terminated by the landlord with one month's notice if the dormitory ceases to exist within the duration of the tenancy agreement. Such termination will not have any material impact on our operations as the relevant property is used to house our workers and we will be able to rehouse the workers in such event.

We do not use any of the above properties as a production facility.

As at 31 July 2018, the fixed assets of our Group, comprising construction cost of our leasehold building, commercial vehicles, machinery and equipment, had a net book value of S\$11.0 million. We do not have any production facility.

As at the Latest Practicable Date, save for the Tuas Property which was subject to a mortgage, none of our fixed assets was subject to any mortgage, pledge or other encumbrances or otherwise used as security for any bank borrowings.

As at the Latest Practicable Date, our Directors were not aware of any breach by us of any obligations under the abovementioned lease or licence agreements that would result in their termination by the lessors or licensors, or non-renewal, if required, when they expire.

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## **BUSINESS**

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To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of any of our material tangible fixed assets.

### **STAFF TRAINING**

We believe that the technical knowledge, experience and development of our employees are instrumental in maintaining our competitive position and in the continued success of our Group. The objective of our staff training is to ensure that our employees are equipped with the necessary skills and knowledge and to enhance their work performance. Our training can be classified into the following three main categories:

(a) Orientation training

All new employees are required to undergo orientation programmes and in-house training conducted by our human resource, and environmental, health and safety departments and the employees' relevant departments to familiarise themselves with our Group's business, corporate policies and practices. These programmes are conducted in-house with emphasis on matters relating to employees' conduct and discipline, housekeeping, as well as quality and safety awareness. All our site workers are required to complete the safety training course required by the relevant authorities.

(b) On-the-job training

On-the-job training that our staff undergo is managed by their immediate supervisors. Immediate supervisors will closely monitor individual staff and impart practical skills and working knowledge necessary for them to perform their tasks according to the required performance standards. Such on-the-job training covers technical knowledge, equipment operation and quality assurance.

(c) Continuous learning

In order to stay competitive at all times and to ensure that our employees keep abreast of new developments in our industry, we send our employees for courses as and when appropriate. Our excavator operators are required to attend refresher courses in order to have their licences renewed, whereas our mobile jaw crusher and mobile screener operators attend training courses provided by vendors, manufacturers or internal supervisors.

During the Period Under Review, our staff training costs were not material.

### **INSURANCE**

As at the Latest Practicable Date, the insurance policies maintained by us included:

(a) public liability insurance;

(b) workman injury compensation and foreign workers medical insurance; and

(c) machinery all risks, consequential loss and fire insurance in relation to our premises.

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## BUSINESS

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Our Directors are of the view that the above insurance policies are adequate for our existing operations. However, significant damage to our operations, whether as a result of fire or other causes, may still have a material adverse effect on our results of operations or financial condition. No material insurance claims were made by us during the Period Under Review.

### COMPETITION

The construction industry is competitive, with various small and medium-sized contractors. We believe we are able to compete effectively against our competitors because of our established reputation, the consistent quality and prompt delivery of our professional services, our competitive pricing as well as our good relationships with our customers.

We are of the view that the following are our main competitors in the Singapore market:

Competitors	Core businesses
Chuan Holdings Limited	Earthworks, logistics management and general construction work
Chye Joo Construction Pte Ltd	Engineering and construction services, including earthworks and transportation of earth and construction materials
Huatong Contractor Pte Ltd	Civil engineering services, including earthworks, and demolition and excavation works
Samwoh Corporation Pte Ltd	Infrastructure construction and production of aggregate and pre-cast concrete

To the best of our knowledge, there are no published statistics or official sources of information relating to industry statistics and the market share of our Group and our competitors.

To the best of our Directors' knowledge, none of our Directors, Substantial Shareholders or their Associates is related to or has any interest, direct or indirect, in any of our competitors.

### COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

#### **We have integrated business operations**

Over the years, we have seamlessly integrated our business operations to meet the needs of customers efficiently and cost-effectively, building this as our core competency. C&D waste collected from our excavation services segment contributes as input for our recycling operations. Using state-of-the-art mobile jaw crushers and mobile screeners, we produce recycled quarry dust, recycled graded stone and recycled aggregates that are widely used by our customers in the construction industry for their eco-friendliness and cost-effectiveness. Our logistics and leasing team fulfils our Group's heavy transportation needs and integrates our operations seamlessly. Our vehicle tracking system helps with route optimisation and enables effective deployment of our tipper trucks to fulfil all logistic orders within shorter turnaround times. Besides our own fleet of tipper trucks, we also have an established network of transport companies who partner with us on an ongoing basis, allowing us to operate with even greater flexibility.

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## BUSINESS

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### **We have an established reputation and strong customer relationships**

We pride ourselves as an eco-friendly integrated service provider in the construction industry. We specialise in the recycling of C&D waste, customisation of excavation solutions and operating fleet management. Since the commencement of our business, we have earned the confidence of our customers by completing projects on time. We strive to be responsive to our customers' requirements and meet or exceed their expectations through a customer-oriented approach. As at 31 July 2018, we had completed more than 100 projects, including notable projects such as reinstatement of land surrounding the Marina-Coastal Expressway at Marina South, earthworks at Woodlands Avenue 9 and Media Circle at One-North, and cut and fill earth-moving project at Loyang Drive.

### **We have an experienced and committed management team**

Our management team possesses extensive experience, technical expertise and valuable business relationships within the construction industry. Our Executive Chairman, Chan Chew Leh and our Executive Director, Tan Kok Huat, who possess collectively more than 50 years of experience in our industry, have been instrumental to our success. Our Executive Director and CEO, Andrew Chew, armed with a wealth of business knowledge and experience, will spearhead our Group's development plans and growth strategies. Our Executive Directors, together with our Executive Officers and other management personnel, are responsible for various aspects of our Group's operations. Please refer to the "Directors, Executive Officers and Staff" section of this Offer Document for details of our Directors and Executive Officers.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### PROSPECTS

Our Directors believe that the business and financial prospects of our Group for the 12 months from the Latest Practicable Date are largely positive, based on the factors set out below.

#### (a) Sustained construction demand

##### General outlook

Civil engineering construction demand is driven by public infrastructure works, which in turn are affected by population trends. As of June 2018, the total population of Singapore stands at 5.64 million<sup>(1)</sup>. The total population is expected to continue growing gradually. The total population is projected to reach between 5.8 million and 6.0 million in 2020 and between 6.5 million and 6.9 million in 2030, depending on fertility trends, life expectancy and other factors<sup>(2)</sup>. At the same time, with the low birth rate and increasing life expectancy, the citizen population is expected to age rapidly.

Our Directors believe that the Singapore government will, in both the short and long terms, continue to maintain strong public sector construction demand for infrastructural projects, in view of the growing and ageing population and to support economic growth. This is corroborated by the projections provided by BCA. For 2018, BCA estimated that the total construction demand (preliminary estimate) in Singapore was S\$30.5 billion<sup>(3)</sup>. For 2019, total construction demand is expected to reach between S\$27.0 billion and S\$32.0 billion and may increase to between S\$27.0 billion and S\$34.0 billion per year for 2020 and 2021 and between S\$28.0 billion and S\$35.0 billion per year for 2022 and 2023<sup>(3)</sup>.

##### Strong public sector construction demand

The projected construction demand for 2019 is due to sustained public sector construction demand, which is expected to reach between S\$16.5 billion and S\$19.5 billion, contributing to about 60% of the year's projected demand. This is driven by major infrastructure projects and a pipeline of major industrial building projects<sup>(3)</sup>.

For 2020 to 2023, BCA expects that public sector construction demand will continue to propel overall demand. Other than public housing developments, public sector construction demand over the medium term is expected to be supported by major infrastructure projects such as Changi Airport Terminal 5, the Cross Island MRT Line and developments at Jurong Lake District<sup>(3)</sup>.

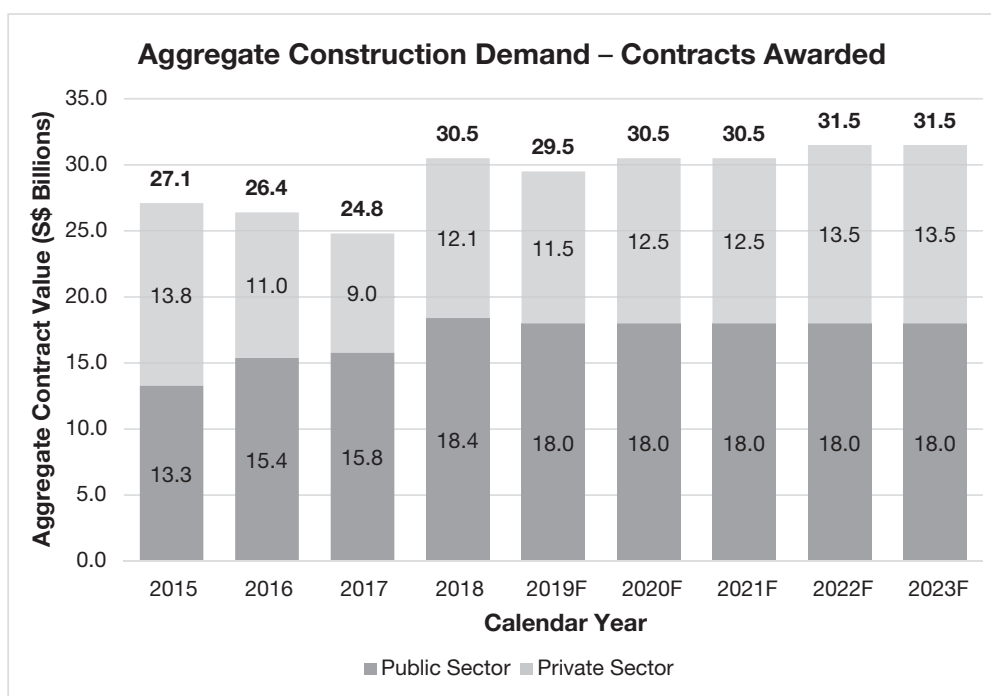
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<sup>(1)</sup> Information and statistics were extracted from a joint publication by Strategy Group, Prime Minister's Office, Singapore Department of Statistics, Ministry of Home Affairs, Immigration & Checkpoints Authority and Ministry of Manpower titled "Population in Brief 2018" published in September 2018 at <https://www.strategygroup.gov.sg/docs/default-source/default-document-library/population-in-brief-2018.pdf>. The Strategy Group, Prime Minister's Office, Singapore Department of Statistics, Ministry of Home Affairs, Immigration & Checkpoints Authority and Ministry of Manpower have not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>(2)</sup> Information and statistics were extracted from a publication by National Population and Talent Division, Prime Minister's Office titled "A Sustainable Population for a Dynamic Singapore – Population White Paper" published in January 2013 at <https://www.strategygroup.gov.sg/docs/default-source/Population/population-white-paper.pdf>. The National Population and Talent Division, Prime Minister's Office has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>(3)</sup> Information and statistics were extracted from BCA's media release titled "Singapore's total construction demand remain strong this year" published on 14 January 2019 at [https://www.bca.gov.sg/newsroom/MR\\_Prospects2019.html](https://www.bca.gov.sg/newsroom/MR_Prospects2019.html). BCA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS



**Note:** Based on information from Department of Statistics and BCA. Forecast values shown are median values of the forecast range.

Based on BCA's projection, the public sector construction demand will continue to constitute the majority of the industry's demand and lead overall construction demand in Singapore.

In addition to accommodating a larger and ageing population, infrastructure is one of the basic factors determining an economy's competitiveness and a country's quality of living. Hence, it is envisaged that the Singapore government will continue to invest significantly to widen our transport network and improve our public infrastructure. We expect these improvements to translate into a sustained level of construction activities, supporting civil engineering construction demand.

### (b) Wider use of recycled materials

Considering the NEA's call for industry players to use more recycled and waste materials as building materials<sup>(4)</sup>, our Directors believe that more needs to be done to encourage property developers and users to accept recycled building materials as mainstream building products. Our Directors believe that as Singaporeans become more connected globally, with advancements in how C&D waste is repurposed and the Government's initiatives to incentivise the building and using of green buildings, more will start to embrace the use of recycled and waste materials as mainstream building products.

<sup>(4)</sup> Information was extracted from Eco-Business' article titled "NEA Calls For More Recycling In Construction Sector" published on 16 September 2011 at <https://www.eco-business.com/news/nea-calls-for-more-recycling-in-construction-sector/>. Eco-Business has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.



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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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Furthermore, we note that more companies are striving to make their operations more environmentally sustainable, driven by the environmental concerns of their end-customers. This led many companies to design products around sustainability principles as well as recycle more of their waste. In their latest commitment to reduce environmental impact, IKEA, the world's largest furniture retailer, plans to use only renewable and recycled materials in its products by 2030<sup>(5)</sup>. Currently, 60% of IKEA's product range is made using renewable materials, while nearly 10% contain recycled materials<sup>(5)</sup>.

To further capitalise on these trends, we intend to expand our operational capacity and our recycled product range. Please refer to the "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" section of this Offer Document for further details.

### (c) Underground works

#### Government's push to optimise land use

The MND's land use plan titled "A High Quality Living Environment for All Singaporeans" published in January 2013 outlines MND's land use plan to support a larger population while maintaining a high-quality living environment for all Singaporeans<sup>(6)</sup>. To dedicate land for uses such as housing, parks and community spaces, supporting infrastructure could be moved underground.

#### Major underground projects

The use of underground space is set to intensify with the Government's push to optimise land use and free up valuable surface land for more people-centric uses. As underground space has become cluttered with a growing number of gas and water pipes and telecommunication cables, there is a need to build future underground infrastructure deeper into the ground. This development augurs well for the construction industry and could help to sustain the civil engineering construction demand. The use of innovative ideas, specialised expertise and technologies in underground projects would also enhance the capabilities of Singapore's construction industry.

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<sup>(5)</sup> Information and statistics were extracted from an article published by World Economic Forum in collaboration with Reuters titled "IKEA Pledges To Use Only Renewable And Recycled Materials By 2030" on 11 June 2018 at <https://www.weforum.org/agenda/2018/06/ikea-to-use-only-renewable-and-recycled-materials-by-2030>. The World Economic Forum and Reuters have not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>(6)</sup> Information and statistics were extracted from a paper issued by MND titled "A High Quality Living Environment For All Singaporeans – Land Use Plan To Support Singapore's Future Population" in January 2013 at <https://www.mnd.gov.sg/docs/default-source/mnd-documents/publications-documents/land-use-plan.pdf>. MND has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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In recent years, Singapore has increasingly explored the use of underground space. Such underground projects include:

- (i) the Jurong Rock Caverns located 150 metres beneath Jurong Island, which is a commercial underground liquid hydrocarbon storage facility;
- (ii) the SP Group Electricity Cable Tunnels, a 40-kilometre network of three electricity cable tunnels, which is one of the deepest underground cable tunnel systems in the world; and
- (iii) the Deep Tunnel Sewerage System, which when completed will be the conduit for all used water island-wide.

Upcoming underground projects include:

- (i) a 230kV underground substation on the site of the former Pasir Panjang Power District, which when completed by 2025 would be Singapore's largest underground substation; and
- (ii) a major initiative by PUB to lay new water pipes across Singapore. To meet the growing demand for water, PUB will lay 200 kilometres of new water pipes from 2017 to 2030, of which about 60 kilometres of new pipelines will be laid over 2018 and 2019<sup>(7)</sup>.

Increasingly, pipe jacking is being used to lay water pipes to preserve the expanding built-up space and to bypass existing infrastructure underground<sup>(8)</sup>. 90% of PUB's projects as at May 2017 require the use of pipe jacking for sections of the pipelines<sup>(8)</sup>. Of these, 10% to 85% of each pipeline project requires the use of pipe jacking<sup>(8)</sup>. Pipe jacking can also be adopted for installation of other underground pipes and tunnels.

To further capitalise on these trends, we intend to expand into the pipe jacking business and other civil engineering activities. Please refer to the "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" section of this Offer Document for further details.

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<sup>(7)</sup> Information and statistics were extracted from TODAY Online's article titled "200km of new water pipes to be laid in next 13 years" published on 18 May 2017 at <https://www.gov.sg/news/content/today-online---200-km-of-new-water-pipes-to-be-laid-in-next-13-years>. TODAY Online has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information..

<sup>(8)</sup> Information and statistics were extracted from The Business Times' article titled "Pipe jacking increasingly tapped to install segments of PUB's underground network" published on 18 May 2017 at <https://www.businesstimes.com.sg/government-economy/pipe-jacking-increasingly-tapped-to-install-segments-of-pubs-underground-network>. The Business Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### TREND INFORMATION

For the financial year ended 31 January 2019, barring unforeseen circumstances, our Directors note the following trends based on the operations of our Group since 31 July 2018:

(a) Selling prices

We have been maintaining and expect to maintain the pricing of our products and services until the end of FY2019, subject to the competitive conditions in our industry. Barring unforeseen circumstances and as disclosed in the “Prospects, Business Strategies and Future Plans – Prospects” section of this Offer Document, we expect demand for our products and services to maintain or increase in view of the sustained construction demand in Singapore.

(b) Employee expenses

We expect our employee expenses to increase significantly in FY2019 due mainly to an increase in staff costs as a result of higher headcount, salary increments during the year and incremental payroll expenses relating to our listing exercise.

(c) Other listing-related expenses

- (i) We expect our other expenses to increase significantly in FY2019 due to the recognition of a Share-Based Payment amounting to S\$1.8 million pursuant to the transfers of shares in Reclaims Enterprise from Chan Chew Leh (our Executive Chairman) and Tan Kok Huat (our Executive Director) to Andrew Chew (our Executive Director and CEO) in recognition of his contribution towards the listing of our Company and leading our future growth. Of the S\$1.8 million, S\$0.8 million has been recognised in our interim combined statement of profit or loss and other comprehensive income for 6M2019.
- (ii) We also expect our other expenses to increase significantly in FY2019 due mainly to professional and legal fees in relation to the Invitation. We have recognised professional fees of S\$0.3 million in connection with the Invitation, in our interim combined statement of profit or loss and other comprehensive income for 6M2019. For further details on the listing expenses, please refer to the “Use of Proceeds from the Invitation and Expenses Incurred” section of this Offer Document.

Save as discussed above and under the “Risk Factors” section of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends since 31 July 2018 or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources for the financial year ended 31 January 2019, or that may cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the “Cautionary Note Regarding Forward-Looking Statements” section of this Offer Document.

### ORDER BOOK

As at the Latest Practicable Date, our order book for our excavation services segment amounted to approximately S\$8.1 million, which will be recognised as revenue for our Group up to the financial year ending 31 January 2021, barring unforeseen circumstances.

As orders for our recycling and logistics and leasing business segments are placed by our customers on an ad-hoc basis, an order book for these business segments will not be meaningful.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### BUSINESS STRATEGIES AND FUTURE PLANS

Our future plans for the growth and expansion of our business are set out below.

#### **Continuing our focus on public sector projects**

We have a proven track record for public sector construction services. For a list of our notable past and ongoing projects, please refer to the “Business – Our Past and Existing Projects” section of this Offer Document.

Our Directors believe that the demand for public sector construction will continue to be strong and propel the overall demand in the construction industry. In view of the consistent pipeline of public sector projects and the creditworthiness of government agencies, we will continue to focus on public sector projects as they tend to be larger in scale and longer in duration.

#### **Expanding our operational capacity**

We intend to expand the operational capacity of our core activities, namely the provision of excavation and logistics services and supply of recycled construction materials, by acquiring more plant and equipment to support the anticipated increase in business. The expansion of our operational capacity would enable us to be ready and prepared to tap on more and larger projects in the market. Our Directors believe that business success in today’s world is driven by technology and we are taking steps to digitalise, automate and integrate our entire value chain, including sales, operations and accounting functions, by investing in a customised enterprise resource planning system, including a proprietary project management module and an optimised job assignment and route mapping module. This allows us to serve our customers more effectively and raise the productivity of our operations.

We intend to utilise S\$0.6 million of the net proceeds from the issue of the New Shares for the purchase of plant and equipment and the development of our enterprise resource planning system.

#### **Expanding our recycled product range**

We supply recycled construction materials, such as recycled quarry dust, recycled graded stone and 20-mm recycled aggregates, to our customers in Singapore. We intend to further harness our expertise and experience in the recycling arena and expand our existing recycled product range. This would enable us to acquire more business from our existing customers and widen our customer base in the industry.

We are exploring recycling processes that convert organic waste into recycled hard board. We believe that such recycled hard board may be an attractive sustainable replacement for plywood, to be used in furniture manufacturing, interior decoration and building construction in both residential and commercial sectors.

We intend to utilise S\$0.5 million of the net proceeds from the issue of the New Shares for the purpose of expanding our recycled product range.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### **Expanding through acquisitions, joint ventures and/or strategic alliances**

Our Company will be able to strengthen our financial position through the issue of the New Shares. Besides deploying the additional capital resources to grow organically, we may consider expanding our business through acquisitions, joint ventures or strategic alliances with parties who provide synergistic values to our existing business or to the culture and philosophy of our Company.

We are exploring the collaboration with overseas civil engineering companies with proprietary technologies to undertake projects which require pipe jacking and soil and ground improvement works. As at the Latest Practicable Date, we have not confirmed any specific overseas market for expansion through acquisitions, joint ventures and/or strategic alliances.

We intend to utilise S\$0.3 million of the net proceeds from the issue of the New Shares for our expansion through acquisitions, joint ventures and/or strategic alliances. Our Directors believe that our status as a listed company will allow us to be better placed for expansion. Should such opportunities arise, we will seek approval, where necessary, from our Shareholders, Sponsor and/or relevant authorities according to the requirements of the applicable laws and regulations.

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## GOVERNMENT REGULATIONS

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Our Directors believe that we have obtained all requisite approvals, and are in compliance with all laws and regulations that would materially affect our business operations.

Save as disclosed below, as at the Latest Practicable Date, our business operations were not subject to any special legislations or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore. We have thus far not experienced any adverse effect on our business in complying with these regulations.

### Contractors Registry of BCA

The Contractors Registry is administered by BCA and was established to register contractors who are able to provide construction-related goods and services to the public sector which include government departments, statutory bodies and other public sector organisations.

As at the Latest Practicable Date, Reclaims Enterprise was registered with BCA as follows:

Workhead	Workhead description	Grade	Tender capacity for each project
CW02	Civil engineering	C1	S\$4.0 million
CR01	Minor construction work	Single Grade	Unlimited
CR03	Demolition	Single Grade	Unlimited

The grading given by BCA is subject to renewal every three years. In granting renewal, BCA will consider factors such as our paid-up capital, net worth and track record. Our current gradings are due for renewal on 1 February 2021.

We may lose or may not be able to renew our registration if we are not able to meet the conditions for maintaining or renewing such registration, or if we have not actively tendered for contracts. If we lose our registration, we will not be able to tender directly for public sector projects that require the relevant BCA gradings. Please also refer to the risk factor entitled “We are exposed to the risk of the downgrade or loss of our BCA registration grades or non-renewal, non-granting or suspension of our licences, permits and accreditations that are required to operate our business” under the “Risk Factors” section of this Offer Document.

### Licensing of Builders

The Building Control Act (Chapter 29) and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for the licensing of builders. Builders who undertake building works where plans are required to be approved by the Commissioner of Building Control and those who work in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution have to be licensed by BCA. The aim of licensing of builders is to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency and to ensure that building works are carried out only by builders with experienced key personnel to manage the business and properly qualified technical personnel to supervise the execution of the works.

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## GOVERNMENT REGULATIONS

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There are two types of licences and the licences will be renewable every three years. The two types are the General Builder Licence and the Specialist Builder Licence. Under the General Builder Licence, there are two classes. General Builder Class 1 allows the builder to undertake general building works of unlimited value and General Builder Class 2 allows the builder to undertake general building works of contract value of S\$6.0 million or less.

As at the Latest Practicable Date, Reclaims Enterprise was licensed under General Builder Class 1 and the licence will expire on 17 December 2020.

Contractors licensed under General Builder Class 1 will need to have a minimum paid-up capital of S\$300,000, as well as an approved person and a technical controller who hold the required qualifications and possess the required number of years of practical experience in the execution of construction projects. The approved person is the appointed key personnel in-charge of the management of the business and shall be a director or member of the board of management of the company or an employee with similar duties and responsibilities as a director or member of the board of management. The technical controller is the appointed key personnel who carries out personal supervision of the execution and performance of any general building works undertaken by the builder. The technical controller could be the director or member of board of management of the company or an employee with similar duties and responsibilities as such director or member of board of management.

### **Workplace Safety and Health Act (Chapter 354A) (“WSHA”)**

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

More specific duties imposed by MOM on employers and occupiers of work sites are laid out in the Workplace Safety and Health (General Provisions) Regulations (“**WSHR**”) and Workplace Safety and Health (Construction) Regulations 2007 (“**WSHCR**”). The duties under the WSHR include taking all reasonably practicable steps in a workplace to keep sources of heat or ignition separate from flammable materials in the workplace or any process carried on at the workplace that gives rise to any flammable gas or vapour. The duties under the WSHCR include convening site coordination meetings to ensure the safety, health and welfare of persons at work in the work site.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“**CWSH**”) may, *inter alia*, enter, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is required for the purpose of an investigation or inquiry under the WSHA.



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## GOVERNMENT REGULATIONS

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Under the WSHA, the CWSH may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, *inter alia*, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

MOM has also introduced a demerit points system for the construction sector. Contractors in the construction sector may be given demerit points for breaching the WSHA and the number of demerit points given will depend on the severity of the breach. A contractor who accumulates a minimum of 25 demerit points within an 18-month period will be debarred from applying for all types of work passes for new foreign employees for a period of three months. The accumulation of more demerit points will result in longer periods of debarment. Each demerit point is valid for 18 months.

During the Period Under Review and up to the Latest Practicable Date, we had not been issued with any remedial orders or stop-work orders nor given any demerit points under the WSHA.

### **Building and Construction Industry Security of Payment Act (Chapter 30B) (“BCISPA”)**

The BCISPA, which is under the purview of the BCA, facilitates payments for construction work done or for related goods or services supplied in the building and construction industry. It confers a statutory entitlement to progress payments on any person who has carried out any construction work or supplied any goods or services under a contract. The BCISPA also provides for, *inter alia*, the amount of progress payments to which such person is entitled under a contract, the valuation of the construction work carried out or goods or services supplied, and the date on which a progress payment becomes due and payable (even where the contract does not provide for such date). Under the BCISPA, a “pay when paid” provision in a contract is unenforceable and has no effect in relation to any payment for construction work carried out or for goods or services supplied under the contract.

In addition, the BCISPA provides for the following rights:

- (a) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to the claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;
- (b) the right of a claimant to have a lien on goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, to suspend the carrying out of construction work or the supply of goods or services if the adjudicated amount has not been paid, and to enforce an adjudication determination, with leave of the court, in the same manner as a judgment or an order of court to the same effect; and

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## GOVERNMENT REGULATIONS

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- (c) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the construction work or goods or services that is the subject of the contract between the respondent and the claimant) to make direct payment of the amount outstanding to the claimant, together with the right for such principal to recover such payment as a debt due from the respondent.

### **Employment Act (Chapter 91) (“Employment Act”)**

The Employment Act is the main legislation governing employment in Singapore. The Employment Act covers every employee who is under a contract of service with an employer but does not include, *inter alia*, any person employed in a managerial or an executive position who receives a monthly basic salary exceeding S\$4,500.

Part IV of the Employment Act contains provisions relating to, *inter alia*, working hours, overtime, rest days, annual leave and other conditions of service. It applies to (a) a workman (generally someone whose work involves mainly manual labour) earning a monthly basic salary of not more than S\$4,500 and (b) an employee, who is not a workman, earning a monthly basic salary of not more than S\$2,500.

In general, Part IV of the Employment Act provides as follows:

- (a) Every employee shall be allowed in each week as rest day without pay of one whole day which shall be Sunday or such other day as may be determined from time to time by the employer.
- (b) An employee who at his own request works for an employer on a rest day shall be paid at his basic rate of pay for half a day's work if the period of work does not exceed half his normal hours of work or for one day's work if the period of work is more than half but does not exceed his normal hours of work. If the period of work exceeds his normal hours of work for one day, he shall be paid for one day's work at his basic rate of pay and at not less than one and a half times his hourly basic rate of pay for each hour or part thereof that the period of work exceeds his normal hours of work for one day.
- (c) An employee who at the request of his employer works on a rest day shall be paid at his basic rate of pay for one day's work if the period of work does not exceed half his normal hours of work or for two days' work if the period of work is more than half but does not exceed his normal hours of work. If the period of work exceeds his normal hours of work for one day, he shall be paid for two days' work at his basic rate of pay and at not less than one and a half times his hourly basic rate of pay for each hour or part thereof that the period of work exceeds his normal hours of work for one day.
- (d) Subject to certain exceptions, an employee shall not be required to work more than six consecutive hours without a period of leisure, or more than eight hours in one day or more than 44 hours in one week. If an employee at the request of the employer works overtime, he shall be paid for such extra work at the rate of not less than one and a half times his hourly basic rate of pay.
- (e) An employee shall not be permitted to work overtime for more than 72 hours a month.
- (f) An employee who has served an employer for a period of not less than three months shall be entitled to paid annual leave of seven days in respect of the first 12 months of continuous service with the same employer and an additional one day's paid annual leave for every subsequent 12 months of continuous service with the same employer subject to a maximum of 14 days of such leave which shall be in addition to the rest days, holidays and sick leave to which the employee is entitled.

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## GOVERNMENT REGULATIONS

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Although we had monitored the work hours of our employees to ensure that we comply with the regulatory thresholds, the internal audit of our human resource policies and processes had uncovered the following instances of inadvertent administrative lapses:

- (a) the terms of the letters of appointment of some employees did not provide for one rest day per week, although, in practice, they were entitled to a rest day on Sunday. Some employees had worked on their rest days in certain weeks but were paid for such work according to the Employment Act;
- (b) some employees had accumulated more than 72 overtime hours per month; and
- (c) some employees were paid overtime and public holiday rates that were not commensurate with what was prescribed by law.

Due to the above lapses which resulted in breaches of the Employment Act, Reclaims Enterprise may be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both. Under the Employment Act, where an offence is proved to have been committed with the consent or connivance of an officer of Reclaims Enterprise (being any director, partner, management committee member, chief executive, manager, secretary or other similar officer and includes any person purporting to act in any such capacity) or to be attributable to any neglect on his part, the officer shall be guilty of the offence as well and shall be liable to be proceeded against and punished accordingly.

Pursuant to the Deed of Indemnity, our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, have unconditionally and irrevocably covenanted and undertaken, jointly and severally, as a continuing obligation, to keep each company in our Group fully indemnified against, and held harmless from, all actions, suits, proceedings, demands, costs, losses, penalties, charges, damages (including any damages or compensation paid by any company in our Group to compromise or settle any claim) and liabilities whatsoever which any company in our Group may howsoever suffer or incur pursuant to, in connection with or arising out of any of the aforesaid instances of non-compliance with the Employment Act which occurred prior to the date of admission of the Company to Catalist. The Deed of Indemnity does not provide for any termination or discharge events, or limit on the indemnity amount.

As at the Latest Practicable Date, we had improved our internal processes to ensure that such inadvertent administrative lapses would not recur (please refer to the “Directors, Executive Officers and Staff – Corporate Governance” section of this Offer Document). The measures implemented include:

- (a) formalising the rest day for each week for the relevant employees by stating in their employment contracts that Sunday is the designated rest day. Employees who have requested to work on their rest day are required to sign an undertaking letter to confirm that they requested to work and are fit for work. The work performed on a rest day will be recorded in the timesheet acknowledged by the employee and our human resource executive;
- (b) adopting MOM’s website tools for computing overtime rate for office employees;
- (c) implementing guidelines for site supervisors to monitor working hours, rest hours, standby hours and overtime hours, so as to facilitate the reallocation of work to employees who have not exceeded the limit; and
- (d) revising the human resource policies such that employees working on public holidays are paid in line with the relevant regulations.

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## GOVERNMENT REGULATIONS

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Our Group is of the view that the above inadvertent administrative lapses which resulted in breaches of the Employment Act do not materially affect the business operations of our Group, taking into consideration the following:

- (a) while some employees have worked without a rest day in a week and our Group did not previously have a formalised rest day, the relevant employees were paid according to the Employment Act;
- (b) the working hours recorded for the employees who had accumulated more than 72 overtime hours per month may not be reflective of the actual working hours as they may include rest time and waiting time for loading of soil at work sites;
- (c) we have improved our internal processes as set out above and our internal auditor, TRS Forensics Pte Ltd, has not noted any exceptions in their follow-up review;
- (d) we have not received or been notified of any complaints from the affected employees; and
- (e) no enforcement action has been taken against us to date.

### Employment of Foreign Workers

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A) ("**EFMA**"), and regulated by MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign worker unless the foreign worker has obtained a valid work pass from MOM. An employer of foreign workers is also subject to, amongst others, the Employment Act and the Immigration Act (Chapter 133) ("**Immigration Act**").

The availability of foreign workers to the construction industry is regulated by MOM through the following requirements:

- (a) Approved source countries

The approved source countries for construction workers are Malaysia, the People's Republic of China (the "**PRC**"), Non-traditional sources ("**NTS**") and North Asian sources ("**NAS**"). NTS countries comprise India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries comprise Hong Kong Special Administrative Region, Macau Special Administrative Region, South Korea and Taiwan.

- (b) Dependency ceiling based on the ratio of local to foreign workers

The dependency ratio ceiling or quota for the construction industry is currently set at a ratio of one full-time local worker for every seven foreign workers. This means that for every full-time Singapore Citizen or Singapore Permanent Resident employed by our Company, our Company can employ up to seven foreign workers holding work permits. If the quota is exceeded, new applications for and renewals of work passes may be rejected.

- (c) Security bonds and foreign worker levies

All employers are required to deposit, for each non-Malaysian work permit holder, a S\$5,000 security bond with MOM. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed. The security bond will be returned only if (i) the work permit has been cancelled, (ii) the foreign worker has returned to his home country, and (iii) there were no breaches of the conditions of the work permit, conditions of the security bond and any relevant law.

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## GOVERNMENT REGULATIONS

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The employment of foreign workers is also subject to the payment of levies. For the construction sector, employers pay the levy according to the qualifications of the workers and the countries where they are from. The monthly levy for work permit holders ranges from S\$300 to S\$950.

(d) Man-year entitlement

The man-year entitlement (“**MYE**”) allocation system applies to construction workers from NTS countries and the PRC. One man-year is equivalent to one year of employment under a work permit. The MYE reflects the total number of such work permit holders a main contractor is entitled to employ for a project based on the value of the project or contract awarded. Only main contractors may apply for MYE and they may allocate their MYE to other contractors involved in the same project. All sub-contractors must obtain their MYE allocation from the main contractor.

The internal audit of our human resource policies and processes had uncovered instances where two foreign workers had commenced work before their work permits were issued due to inadvertence.

Due to the aforesaid breach of the EFMA, Reclaims Enterprise may be liable on conviction to a fine of not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both, and on a second or subsequent conviction, to a fine of not less than S\$20,000 and not more than S\$60,000. Under the EFMA, where an offence is proved to have been committed with the consent or connivance of an officer of Reclaims Enterprise (being any director, partner, management committee member, chief executive, manager, secretary or other similar officer and includes any person purporting to act in any such capacity) or to be attributable to any neglect on his part, the officer shall be guilty of the offence as well and shall be liable to be proceeded against and punished accordingly.

Pursuant to the Deed of Indemnity, our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, have unconditionally and irrevocably covenanted and undertaken, jointly and severally, as a continuing obligation, to keep each company in our Group fully indemnified against, and held harmless from, all actions, suits, proceedings, demands, costs, losses, penalties, charges, damages (including any damages or compensation paid by any company in our Group to compromise or settle any claim) and liabilities whatsoever which any company in our Group may howsoever suffer or incur pursuant to, in connection with or arising out of any of the aforesaid instances of non-compliance with the EFMA which occurred prior to the date of admission of the Company to Catalist. The Deed of Indemnity does not provide for any termination or discharge events, or limit on the indemnity amount.

As at the Latest Practicable Date, we had improved our internal processes to ensure that such inadvertent non-compliance would not recur. The measures include implementing a monitoring system by the human resource department to ensure site engineers can only deploy foreign workers who have been issued work permits prior to commencement of work.

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## GOVERNMENT REGULATIONS

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Our Group is of the view that the above inadvertent breach of the EFMA does not materially affect the business operations of our Group, taking into consideration the following:

- (a) the two foreign workers had their work permits issued one day and 14 days after their respective dates of commencement of employment with our Group;
- (b) we have improved our internal processes as set out above and our internal auditor, TRS Forensics Pte Ltd, did not note any exceptions in their follow-up review; and
- (c) no enforcement action has been taken against us to date.

### **Work Injury Compensation**

Work injury compensation is governed by the Work Injury Compensation Act (Chapter 354) (“WICA”), and is regulated by MOM. The WICA applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the Third Schedule of the WICA, subject to a maximum and minimum limit.

Further, the WICA provides that where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Every employer is required to maintain work injury compensation insurance for all employees doing manual work and all employees earning S\$1,600 or less per month. Failure to do so is an offence carrying a fine of up to S\$10,000 and/or imprisonment of up to 12 months.

As at the Latest Practicable Date, we had maintained work injury compensation insurance in compliance with the WICA.

### **Environmental Public Health Act (Chapter 95) (“EPHA”) and Environmental Protection and Management Act (Chapter 94A) (“EPMA”)**

The EPHA requires a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. Further, any person who causes or permits any noxious liquid, dirt, sand, earth, gravel, clay, loan, manure, refuse, sawdust, shavings, stone, straw or any other similar matter or thing to be dropped, scattered, spilled or thrown, in any public place (whether from a moving or stationary vehicle or in any other manner) shall be guilty of an offence. In addition, the EPHA regulates the disposal, storage and treatment of industrial waste.



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## GOVERNMENT REGULATIONS

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Under the EPHA, the Director-General of Public Health may serve a nuisance order on the owner or occupier of the premises on which the nuisance arises if he is satisfied of the existence of a nuisance liable to be dealt with summarily under the EPHA. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety, and any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance.

The EPHA also requires the occupier of any construction site to employ a competent person to act as an environmental control officer in the construction site for the purpose of exercising general supervision within the construction site of the observance of the provisions of, *inter alia*, the EPHA and any regulations made thereunder.

The EPMA seeks to control environmental pollution by regulating the activities of various industries and regulates air pollution, water pollution, land pollution and noise control. Under the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels set out in the Regulations.

During the Period Under Review and up to the Latest Practicable Date, we had not received any nuisance orders under the EPHA nor been liable for any penalties under the EPHA or the EPMA.

### **Road Traffic (Motor Vehicles, Registration and Licensing) Rules**

Pursuant to Rule 46 of the Road Traffic (Motor Vehicles, Registration and Licensing) Rules, no person shall cause or permit a motor vehicle or trailer constructed or adapted for use for the carriage of goods to carry a load in excess of the maximum laden weight as determined by the Registrar of Vehicles (the “**Registrar**”). Pursuant to Rules 43 and 44, the owner of a motor vehicle which is constructed or adapted for use for the carriage of goods or a trailer shall inform the Registrar of the maximum laden weight of the vehicle or trailer in accordance with the manufacturer’s specification, or shall otherwise provide the Registrar with such information as the Registrar may require in order to enable him to ascertain the maximum laden weight, and the Registrar shall upon receiving such information, determine the maximum laden weight of the motor vehicle or trailer. Owners of the motor vehicles and trailers are required to paint or otherwise clearly mark upon a conspicuous place on the vehicle or trailer, among others, the maximum laden weight of the vehicle or trailer and the weight of the vehicle or trailer unladen.

Contravention of Rule 46 of the Road Traffic (Motor Vehicles, Registration and Licensing) Rules constitutes an offence under Section 131(1) of the Road Traffic Act, punishable under Section 131(2) of the Road Traffic Act. Under Section 131(2), the offender may be liable, in the case of a first offence, to a fine not exceeding S\$1,000 or imprisonment for a term not exceeding three months or to both, and in the case of a second or subsequent offence, to a fine not exceeding S\$2,000 or imprisonment for a term not exceeding six months or to both. Section 131B(1) of the Road Traffic Act prescribes that where an offence committed by a body corporate is proved to have been committed with the consent or connivance of an officer or to be attributable to any act or default on his part, the officer (meaning any director, member of the committee of management, chief executive officer, manager, secretary or other similar officer, including any person purporting to act in any such capacity) shall be guilty of an offence and shall be liable to be proceeded against and punished accordingly.



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## **GOVERNMENT REGULATIONS**

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LTA had in the past imposed fines on our tipper truck drivers and Reclaims Enterprise. During the Period Under Review, fines paid to LTA for loading tipper trucks with construction materials exceeding the maximum laden weight of 28 metric tonnes in contravention of Rule 46 of the Road Traffic (Motor Vehicles, Registration and Licensing) Rules, amounted to less than S\$210,000.

In view of the foregoing, we have implemented further procedures to avoid such incidents of overloading, including conducting trainings for drivers on loading guidelines and safety procedures, sending regular reminders on penalties of overloading to our drivers, and escalating overloading cases for management review. Where the work sites are not controlled by us, our attempts to raise awareness amongst our customers by highlighting relevant penalties which may be imposed and guidelines may help to reduce incidents of overloading of our tipper trucks at such work sites.

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## **EXCHANGE CONTROLS**

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There are no Singapore laws, governmental decrees, regulatory requirements or other requirements that may affect the following:

- (a) the repatriation of capital or the remittance of profits by or to our Company, including the availability of cash and cash equivalents for use by our Company; or
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

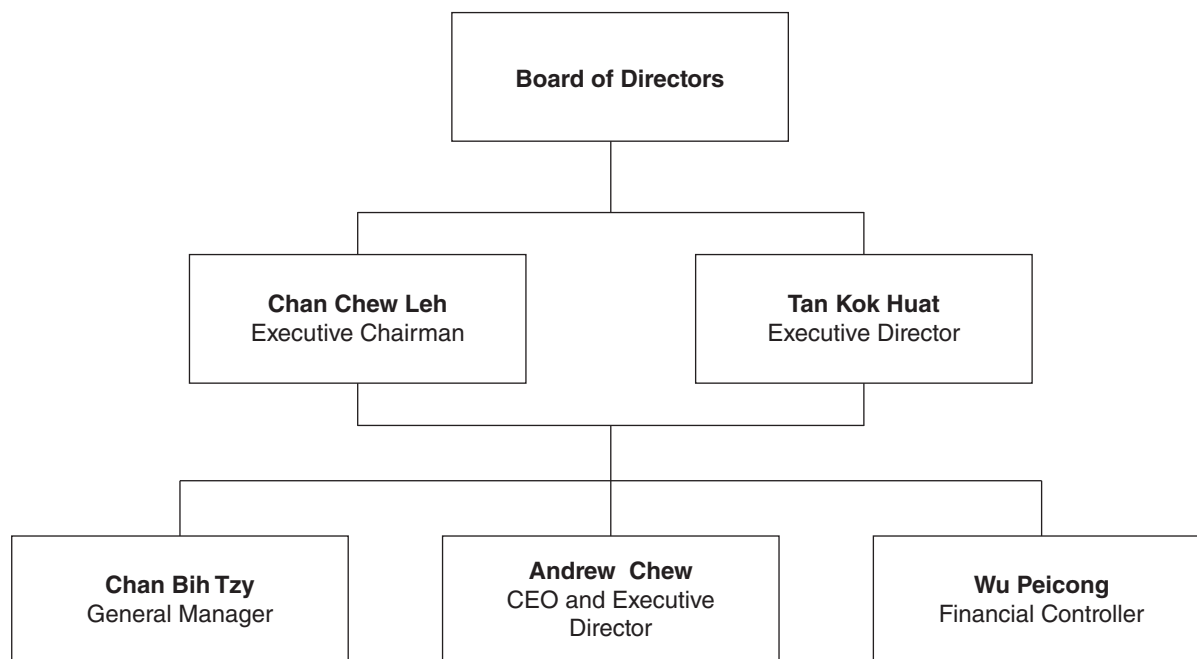
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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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### MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



### DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Designation
Chan Chew Leh	57	10 Tuas South Street 7 Singapore 637114	Executive Chairman
Tan Kok Huat	46	10 Tuas South Street 7 Singapore 637114	Executive Director
Andrew Chew	56	10 Tuas South Street 7 Singapore 637114	CEO and Executive Director
Jong Voon Hoo	46	10 Tuas South Street 7 Singapore 637114	Lead Independent Director
Chang Chi Hsung	40	10 Tuas South Street 7 Singapore 637114	Independent Director
Joshua Tan	47	10 Tuas South Street 7 Singapore 637114	Independent Director
Lim Hui Chee	47	10 Tuas South Street 7 Singapore 637114	Independent Director

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

**Chan Chew Leh** was appointed to our Board on 11 October 2018 and is our Executive Chairman. Chan Chew Leh has worked in the construction industry since 1970s and has been instrumental in leading our Group to be an established player in our industry. He is responsible for spearheading our corporate direction. He started his career as an independent sub-contractor in 1977 to undertake drainage works and external works for residential properties. Between 1985 and 2000, Mr Chan worked closely with Chew Hock Seng Construction Pte Ltd as a sub-contractor to undertake drainage works, road works and excavation works. In September 2001, he set up New Development Construction, which specialises in road works and drainage works. In November 2007, he established New Development Contractors Pte. Ltd. to provide construction services. In February 2009, Chan Chew Leh founded Reclaims Enterprise with our Executive Director, Tan Kok Huat, to supply recycled aggregates and has since expanded our business to include excavation and logistics management services. Chan Chew Leh passed the Skills Evaluation Test in formwork conducted by the Construction Industry Development Board (now known as BCA) in March 1988. He also obtained the Skills Evaluation Certificate for hydraulic excavator operation issued by Construction Industry Development Board (now known as BCA) in November 1998.

**Tan Kok Huat** was appointed to our Board on 11 October 2018 and is our Executive Director. Tan Kok Huat co-founded Reclaims Enterprise with our Executive Chairman, Chan Chew Leh, and is responsible for overseeing the execution of our projects. Tan Kok Huat started his career as a plumber in December 1990 when he worked in Tan Keaw Chong Plumbing & Sanitary Trading Enterprise. Between February 2001 and March 2006, he worked as a plumber in Gee Leng Sanitary Electrical & Renovation. Prior to founding our Group, Tan Kok Huat set up Gee Leng Construction Pte. Ltd. to provide construction and plumbing services. Tan Kok Huat completed Sijil Rendah Pelajaran in Malaysia. He obtained the Skills Evaluation Certificate for plumbing and pipelifting issued by the Construction Industry Development Board (now known as BCA) in August 1994.

**Andrew Chew** was appointed to our Board on 11 October 2018 and is our CEO and Executive Director. He joined our Group in March 2018 and is responsible for charting strategies for the future growth of our Group. Andrew Chew started his career in the banking sector, working in various financial institutions, including Bank One Corporation, Standard Chartered Bank and United Overseas Bank between September 1988 and January 1993. In March 1993, Andrew Chew joined Citigroup N.A. where he managed a portfolio of private banking clients as its vice president. Between March 2002 and February 2004, Andrew Chew joined UBS AG and subsequently Coutts Bank AG. From March 2005 to 2018, Andrew Chew held directorships in several financial advisory and health science companies, including HWH Inc. Pte. Ltd., Singapore 360 Pte. Ltd. and The Pantheon Pte. Ltd.. Andrew Chew graduated with a Bachelor of Business Administration degree from Ohio University in November 1987.

**Jong Voon Hoo** was appointed to our Board on 24 January 2019 and is our Lead Independent Director. Jong Voon Hoo is currently 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 with Arthur Andersen in July 1996 where he was responsible for performing financial and operational audits. He left Arthur Andersen in June 2002 as a manager, and joined Ernst & Young in July 2002 as a manager and Deloitte & Touche in November 2002 as a senior manager. In October 2004, Jong Voon Hoo 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. Jong Voon Hoo graduated with a Bachelor of Accountancy degree from Nanyang Technological University in June 1996. He is a Chartered Accountant of Singapore.

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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**Chang Chi Hsung** was appointed to our Board on 24 January 2019 and is our Independent Director. He is currently the managing director of OA International Holdings Pte. Ltd. and the managing director of OA Assurance PAC, providing corporate secretarial, valuation, audit and tax advisory services. Chang Chi Hsung started his career as an audit senior in KPMG Malaysia in February 2001, before joining KPMG Singapore as an assistant manager in November 2004. He then joined Mazars Singapore as an associate director between September 2008 and November 2015 where he managed a portfolio of audit clients. Chang Chi Hsung graduated with a Bachelor of Commerce degree in Accounting and Finance from The University of New South Wales in April 2001. He is a Chartered Accountant of Singapore and a member of the Malaysian Institute of Accountants. He is a fellow of CPA Australia and is also qualified as an ASEAN Chartered Professional Accountant.

**Joshua Tan** was appointed to our Board on 24 January 2019 and is our Independent Director. Joshua Tan is currently a managing director of JT Legal LLC in Singapore, a law firm specialising in capital markets, mergers and acquisitions, corporate and commercial practices. He started his career in April 1999 as an associate in William Lai & Alan Wong where he assisted with conveyancing work. He then joined Chang See Hiang & Partners as an associate in November 1999. In June 2000, Joshua Tan joined Allen & Gledhill as an associate in its financial services department where he was involved in the listing of various government linked corporations, medium-term note and debt issues, and rights and warrants issues of listed corporations. He subsequently joined Lee & Lee and Loo & Partners as an associate in January 2002 and April 2003 respectively, where he was involved in various capital markets and corporate finance transactions. He was a legal counsel at StarHub Ltd between May 2004 and June 2006. Between July 2006 and April 2010, Joshua was a partner in the corporate finance/mergers and acquisitions team of Shook Lin & Bok LLP. He was subsequently appointed as a director and the head of the corporate practice group of Legal Solutions LLC in May 2010. In March 2015, he was appointed a director and the head of corporate practice group of Kennedys Legal Solutions Pte. Ltd. where he oversaw a broad range of corporate and corporate finance transactions, including mergers and acquisitions, rights and warrant issues as well as advised on securities regulations. Joshua graduated with a Bachelor of Arts degree (Honours) in Law and Management Science from University of Keele in July 1995 and a Master of Laws degree from University of London, King's College London in November 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.

**Lim Hui Chee** was appointed to our Board on 24 January 2019 and is our Independent Director. She is currently a non-executive board member of Samaritans of Singapore, a non-profit organisation. Lim Hui Chee has more than 20 years of experience in accounting and audit and has worked in listed and non-listed companies, with initial years of experience gained in audit firms. Lim Hui Chee started her career as an audit assistant in SP Tan & Co. in July 1995, before joining Coopers & Lybrand (now known as PricewaterhouseCoopers) as an audit semi-senior in November 1996. She subsequently worked in Metro Holdings Limited as an accountant from January 2000 to April 2004. Between April 2004 and October 2006, Lim Hui Chee was an associate director of Temasek Holdings Pte Ltd where she managed the group's consolidation and financial reporting and was involved in the launch of a US\$5 billion global medium term note programme. Lim Hui Chee was appointed as the senior finance manager of HTL International Holdings Limited in July 2007. In November 2010, she was appointed the group chief financial officer of Equation Corp Limited (now known as DISA Limited). During her tenure in these companies, Lim Hui Chee oversaw various finance and accounting functions and was involved in corporate transactions, including investment and divestment activities, rights issues, private placements and the issuance of convertible bonds. Between August 2016 and February 2018, Lim

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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Hui Chee was the chief financial officer of Octopus Group Holdings Pte Ltd, where she oversaw the full spectrum of finance functions and was a key contributor in the group's strategic planning, restructuring and fundraising activities. Lim Hui Chee 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 July 2004.

Chan Chew Leh (our Executive Chairman) is the uncle of Chan Bih Tzy (our General Manager). Save as aforesaid, none of our Directors has any family relationship with another Director or with any Executive Officer or Substantial Shareholder of our Company.

There was no agreement or arrangement with our Substantial Shareholders, customers or suppliers pursuant to which we have appointed any of them or any person nominated by any of them as our Director.

Rule 406(3)(a) of the Catalist Rules states that as a pre-quotation disclosure requirement, a listing applicant must release a statement (via SGXNET or in the offer document) identifying for each director, whether the person has prior experience as a director of an issuer listed on the SGX-ST or if he has other relevant experience. If the director has no prior experience as a director of an issuer listed on the SGX-ST, and has no other relevant experience, the listing applicant must confirm that the person has undertaken training as prescribed in Practice Note 4D of the Catalist Rules.

With regard to Rule 406(3)(a) of the Catalist Rules, Jong Voon Hoo has prior experience as a director of public listed companies in Singapore and is therefore familiar with the roles and responsibilities of a director of a public listed company in Singapore. Andrew Chew, Chang Chi Hsung, Joshua Tan and Lim Hui Chee do not have prior experience as directors of public listed companies in Singapore but have attended the relevant training held by the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a company listed on the SGX-ST. Chan Chew Leh and Tan Kok Huat do not have prior experience as directors of public listed companies in Singapore but have undertaken to attend the relevant trainings held by the Singapore Institute of Directors within one year from the date of admission of our Company to Catalist.

Save as disclosed below and excluding the directorship held in our Company, none of our Directors currently holds or has held any directorships in any company in the past five years preceding the date of this Offer Document:

<b>Name</b>	<b>Present directorships</b>	<b>Past directorships</b>
Chan Chew Leh	<u>Group Companies</u> Reclaims Enterprise <u>Other Companies</u> Dreamfish Incorporated Singapore Pte Ltd Reclaims Transport	<u>Group Companies</u> — <u>Other Companies</u> New Development Contractors Pte. Ltd.
Tan Kok Huat	<u>Group Companies</u> Reclaims Enterprise <u>Other Companies</u> Dreamfish Incorporated Singapore Pte Ltd Reclaims Transport	<u>Group Companies</u> — <u>Other Companies</u> ERS Bioculture Pte. Ltd. (struck off) Gee Leng Construction Pte. Ltd.

## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Andrew Chew	<u>Group Companies</u> Reclaims Enterprise <u>Other Companies</u> The Panthenon Pte. Ltd.	<u>Group Companies</u> — <u>Other Companies</u> HWH Inc. Pte. Ltd. (struck off) Reech Aim Asia Pte. Limited (dissolved – creditors’ voluntary winding up) <sup>(1)</sup> Singapore 360 Pte. Ltd. (struck off)
Jong Voon Hoo	<u>Group Companies</u> — <u>Other Companies</u> Global Invest & Advisory Pte Ltd Sheng Siong Group Ltd. SingAsia Holdings Limited	<u>Group Companies</u> — <u>Other Companies</u> GBT Investments Pte. Ltd.
Chang Chi Hsung	<u>Group Companies</u> — <u>Other Companies</u> 7W Digital Marketing Pte. Ltd. D&A Strategic Capital Pte. Ltd. D&A Strategic Capital Sdn Bhd OA Assurance PAC <sup>(2)</sup> OA International Holdings Pte. Ltd. OA Tax Advisory Pte. Ltd. OA Valuation Pte. Ltd. RF Fund Management Private Limited RF International Holdings Private Limited RF Strategic Capital Private Limited	<u>Group Companies</u> — <u>Other Companies</u> Haina Technology Group Limited Jing Li Business Advisory Pte. Ltd. (struck off) OA Corporate Services Pte. Ltd. Singapore Blockchain Commodities Trading Exchange Pte. Ltd.
Joshua Tan	<u>Group Companies</u> — <u>Other Companies</u> JT Legal LLC	<u>Group Companies</u> — <u>Other Companies</u> Kennedys Legal Solutions Pte. Ltd.
Lim Hui Chee	<u>Group Companies</u> — <u>Other Companies</u> —	<u>Group Companies</u> — <u>Other Companies</u> Two Half Pot Pte. Ltd. (struck off)

**Notes:**

- (1) Please refer to the “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders” section of this Offer Document for disclosure relating to the creditors’ voluntary winding up of Reech Aim Asia Pte. Limited.
- (2) Chang Chi Hsung is a director of OA Assurance PAC under Section 17(3)(d) of the Accountants Act.



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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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### EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a management team of experienced Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Current occupation
Wu Peicong	37	10 Tuas South Street 7 Singapore 637114	Financial Controller
Chan Bih Tzy	32	10 Tuas South Street 7 Singapore 637114	General Manager

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

**Wu Peicong** joined us as our Financial Controller on 1 June 2018. 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. After completing the final examination of The Association of Chartered Certified Accountants (ACCA), he joined RSM Chio Lim LLP (formerly known as Chio Lim & Associates) in September 2005 as an audit assistant and was subsequently promoted to an audit manager. During his six-year tenure with RSM Chio Lim LLP, he was involved in the audit of various companies from a wide range of industries, including REIT, construction, trading and manufacturing. In July 2011, he joined Hafary Holdings Limited as a finance manager and was subsequently promoted to financial controller. During his seven-year tenure with Hafary Holdings Limited, he was in charge of the group's finance and corporate functions, including financial reporting and internal controls, and played an active role in the group's corporate actions and expansion initiatives. Wu Peicong is a Fellow member of the ACCA, a Chartered Accountant of Singapore and a member of The Institute of Internal Auditors. He obtained his Master of Science in Professional Accountancy degree from University of London in December 2017.

**Chan Bih Tzy** has been our General Manager since February 2018. She oversees the planning and coordination of the operations, administration and human resource departments. Since joining our Group in January 2013, she restructured the work processes of our various departments, achieving higher efficiency and productivity. Together with the Executive Directors, she proposed and executed new operational and administrative procedures. Prior to joining Reclaims Enterprise in January 2013, Chan Bih Tzy was active in the food and beverage/retail industry. She started her career as a part-time barista at Spinelli Coffee Company in December 2003 and was subsequently promoted to a training district manager before she left in June 2010. During her employment at Spinelli Coffee Company, she was involved in budget and cost control, profit and growth strategies, manpower scheduling, staff recruitment and training. Between July 2010 and September 2011, Chan Bih Tzy was the sales cum marketing manager of Caria Marketing Pte Ltd and her duties were to ensure customer service quality, manage inventory, prepare marketing initiative and collaterals and merchandise promotion. In October 2011, she was hired on a short-term contract basis as a retail store manager to assist with the set up and operations of Planet Coffee Company. Chan Bih Tzy graduated with an Honours Degree of Bachelor of Science (Management) from National University of Ireland, Dublin in September 2012. She obtained a Specialist Diploma in Construction Management issued by BCA in November 2016.

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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Chan Bih Tzy (our General Manager) is a niece of Chan Chew Leh (our Executive Chairman). Save as aforesaid, none of our Executive Officers has any family relationship with another Executive Officer or with any Director or Substantial Shareholder of our Company.

There was no agreement or arrangement with our Substantial Shareholders, customers or suppliers pursuant to which we have appointed any of them or any person nominated by any of them as our Executive Officer.

None of our Executive Officers currently holds or has held any directorships in any company in the past five years preceding the date of this Offer Document.

### EMPLOYEES

As at the Latest Practicable Date, we had a staff strength of 124 full-time employees. We typically do not employ any temporary employees.

All our full-time employees are located in Singapore. The functional distribution of our full-time employees as at 31 January 2016, 31 January 2017, 31 January 2018 and 31 July 2018 were as follows:

Function	As at 31 January 2016	As at 31 January 2017	As at 31 January 2018	As at 31 July 2018
Management <sup>(1)</sup>	3	3	4	7
Finance, human resource and administration <sup>(2)</sup>	3	5	5	8
Operations	75	82	88	97
<b>Total</b>	<b>81</b>	<b>90</b>	<b>97</b>	<b>112</b>

**Notes:**

(1) Executive Directors and Executive Officers are classified under management.

(2) As at the Latest Practicable Date, we had four finance staff, including our Financial Controller. There was no decrease in the number of finance staff during the Period Under Review. We had one, two, two and four finance staff as at 31 January 2016, 31 January 2017, 31 January 2018 and 31 July 2018 respectively.

The increase in our staff strength over the Period Under Review was due to the increase in the number of projects undertaken by us and the increase in equipment which required more operators, as well as the introduction of more stringent safety regulations which required additional manpower for compliance.

Our employees are not unionised. During the Period Under Review and up to the Latest Practicable Date, our relationship with our employees has been good and there has not been any incidence of work stoppages or labour disputes that affected our operations.

Save for CPF contributions, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for any of our employees.

## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

### REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

#### Directors and Executive Officers

The compensation paid to our Directors and Executive Officers (which includes director's fees, allowances, bonuses and CPF contributions) for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000<sup>(1)</sup> during FY2017 and FY2018 (being the two most recently completed financial years) and as estimated for FY2019, excluding bonuses under any profit-sharing plan or any other profit-linked agreement(s), is as follows:

Names	FY2017	FY2018	FY2019 (estimated) <sup>(2)</sup>
<b>Directors</b>			
Chan Chew Leh	Band A	Band A	Band A
Tan Kok Huat	Band A	Band A	Band A
Andrew Chew	—	—	Band A <sup>(3)</sup>
Jong Voon Hoo	—	—	Band A
Chang Chi Hsung	—	—	Band A
Joshua Tan	—	—	Band A
Lim Hui Chee	—	—	Band A
<b>Executive Officers</b>			
Wu Peicong	—	—	Band A
Chan Bih Tzy <sup>(4)</sup>	Band A	Band A	Band A

**Notes:**

- (1) Band A: Compensation from S\$0 to S\$250,000 per annum.
- (2) The estimated amount of remuneration payable in FY2019 excludes any bonus, director's fee or profit sharing (if any).
- (3) The estimate amount of remuneration payable in FY2019 to Andrew Chew does not include the Share-Based Payment which comprised shares which were transferred to him by Chan Chew Leh and Tan Kok Huat.
- (4) Chan Bih Tzy is a niece of our Executive Chairman, Chan Chew Leh.

Our Executive Director and CEO, Andrew Chew, had received 25,000 shares in Reclaims Enterprise from each of Chan Chew Leh and Tan Kok Huat prior to the completion of the Restructuring Exercise and 383,177 Shares from each of Chan Chew Leh and Tan Kok Huat upon the completion of the Restructuring Exercise, in recognition of his contribution towards the listing of our Company. We expect to recognise the Share-Based Payment of S\$1.8 million as other expenses in FY2019 resulting from these transfers.

#### Related Employees

As at the Latest Practicable Date, none of our full-time employees was related to our Directors, CEO or Substantial Shareholders, save for the following employees:

- (a) Chan Bih Tzy (our General Manager) is a niece of Chan Chew Leh (our Executive Chairman);
- (b) Lau Ee Chuan, a project coordinator of Reclaims Enterprise, is a nephew of Chan Chew Leh (our Executive Chairman);

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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- (c) Chan Jiamin, Priscilla, a human resource executive of Reclaims Enterprise, is a daughter of Chan Chew Leh (our Executive Chairman); and
- (d) Chan Kin Hang, a supervisor and general foreman of Reclaims Enterprise, is a nephew of Chan Chew Leh (our Executive Chairman).

The compensation paid to each employee who is an immediate family member of a Director, CEO or Substantial Shareholder (which includes allowances, bonuses and CPF contributions) for services rendered to us on an aggregate basis and in remuneration bands of S\$50,000<sup>(1)</sup> during FY2017 and FY2018 (being the two most recently completed financial years), is as follows:

Names	FY2017	FY2018
Chan Jiamin, Priscilla	Band A	Band A

**Note:**

(1) Band A: Compensation from S\$0 to S\$50,000 per annum.

For FY2017 and FY2018, the aggregate remuneration (including CPF contributions thereon and bonus) of employees (excluding Executive Officers) who were related to our Directors, CEO or Substantial Shareholders amounted to approximately S\$91,000 and S\$104,000, respectively.

For the current financial year ended 31 January 2019, the estimated aggregate remuneration (including CPF contributions thereon and bonus) of employees (excluding Executive Officers) who are related to our Directors, CEO or Substantial Shareholder is approximately S\$150,000.

The remuneration of employees who are related to our Directors, CEO or Substantial Shareholders will be reviewed annually by our Remuneration Committee 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. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

### SERVICE AGREEMENTS

Our Company has entered into a Service Agreement with each of Chan Chew Leh, Tan Kok Huat and Andrew Chew (the “**Appointees**”). Each of the Service Agreements is valid for an initial period of three years with effect from the date of admission of our Company to Catalist. Upon the expiry of the initial period of three years, the employment of each Appointee shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree in writing. During the initial period of three years, either party may terminate the Service Agreement at any time 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 Appointee’s last drawn monthly salary. Our Group may also terminate the employment of an Appointee at any time without notice or payment in lieu of notice under the following circumstances, amongst others:

- (i) if the Appointee is guilty of any gross default or grave misconduct in connection with or affecting the business of our Group;

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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- (ii) in the event of any serious or repeated breach or non-observance by the Appointee of any of the stipulations contained in the Service Agreement;
- (iii) if the Appointee becomes bankrupt or makes any composition or enters into any deed of arrangement with his creditors;
- (iv) if the Appointee shall become mentally disordered and incapable of managing himself or his affairs or an order shall be made in Singapore or elsewhere by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (v) if the Appointee commits any act of criminal breach of trust or dishonesty; or
- (vi) if the Appointee shall be disqualified to act as a director of any company in our Group under any applicable law, regulation or rules of any stock exchange,

as determined by our Board at its sole and absolute discretion.

Pursuant to the terms of their respective Service Agreements, each of Chan Chew Leh, Tan Kok Huat and Andrew Chew is entitled to a monthly salary of S\$25,000 and a fixed annual bonus of three months' salary. In addition, our Company shall provide each Appointee with a car and bear all maintenance costs and reasonably incurred running expenses of the car. All reasonable travelling, hotel and other expenses incurred by the Appointees in connection with our business will also be borne by us.

Each Appointee is also entitled to receive an annual incentive bonus based on the audited PBT of our Group, provided that the Appointee is under the employment of our Group on the last day of the relevant financial year. For this purpose, "PBT" shall refer to the audited consolidated profit before tax, excluding fair value gain or loss to our 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 incentive bonus for each Appointee will be determined as follows:

PBT	Amount of Incentive Bonus
Where the PBT equals or exceeds S\$4.0 million but does not exceed S\$6.0 million	3.0% of the PBT
Where the PBT equals or exceeds S\$6.0 million but does not exceed S\$8.0 million	5.0% of the PBT in excess of S\$6.0 million plus S\$180,000
Where the PBT equals or exceeds S\$8.0 million	7.0% of the PBT in excess of S\$8.0 million plus S\$280,000

Under the Service Agreements, the salary of each Appointee is subject to annual review by the Remuneration Committee after the financial statements of our Group for the immediate preceding financial year have been audited. The Appointee shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his Service Agreement.

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Under the Service Agreements, each of the Appointees shall devote his whole time and attention to the business of our Group and shall not without the prior written consent of the Board engage in any other business which is wholly or partly in competition with any business carried on by our Group or be interested in any other business (whether listed or unlisted) of a similar nature to or competitive with that carried on by our Group or which is a supplier or customer of our Group. However, this does not prohibit the Appointee from being interested in the securities of any company which are quoted on any recognised stock exchange so long as such interest does not extend to 5.0% or more of the total amount of securities of the same class in each corporation.

In addition, each of the Appointees has covenanted not to do business with any person who has done business with us or entice away any of our employees in connection with the carrying on of any business similar to or in competition with our business for 12 months after ceasing to be employed under his Service Agreement. Each Appointee has also covenanted not to carry on any activity or business in competition with us within Singapore or any country in which we have operations or carried on business, for 12 months after ceasing to be employed under his Service Agreement.

Had the Service Agreements been in existence since the beginning of FY2018, the aggregate remuneration paid to the Appointees would have been approximately S\$1.2 million instead of S\$168,000 and our profit before tax from continuing operations and profit from continuing operations, net of tax and total comprehensive income would have been approximately S\$2.6 million (instead of S\$3.6 million) and S\$2.3 million (instead of S\$3.2 million), respectively.

Save as disclosed above, there are no existing or proposed service agreements between our Company or our subsidiary and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or our subsidiary which provide for benefits upon termination of employment.

### CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders. Accordingly, we intend to follow the guidelines as set out in the Code of Corporate Governance 2018 (the “**Code**”). Our Board of Directors has formed three committees: (i) the Audit Committee, (ii) the Remuneration Committee, and (iii) the Nominating Committee.

Our Independent Directors do not have any existing business or professional relationships of a material nature with our Group, other Directors or Substantial Shareholders. They are also not related to our other Directors or Substantial Shareholders.

#### Audit Committee

Our Audit Committee comprises Jong Voon Hoo (Lead Independent Director), Chang Chi Hsung (Independent Director) and Lim Hui Chee (Independent Director). The Chairman of our Audit Committee is Jong Voon Hoo.

Our Audit Committee will assist our Board of Directors in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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Our Audit Committee will provide a channel of communication between our Board of Directors, our management and our auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) review the audit plans 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 and our management's response, and monitor our implementation of the internal control recommendations made by our external and internal auditors;
- (b) review and report to our Board of Directors 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) and discuss issues and concerns, if any, prior to the incorporation of our Board's comments in our annual report;
- (c) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;
- (d) make recommendations to our Board of Directors 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 ensure 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;
- (e) review the interim financial results and annual consolidated financial statements and our external auditor's report on the annual consolidated financial statements, and review and discuss 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 of Directors for approval;
- (f) meet with the external auditor, and with the internal auditor, in each case without the presence of our management, at least annually;
- (g) review and discuss 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;
- (h) review and ensure the co-ordination among our internal auditor, external auditor and our management, including assistance given by our management to the auditors;
- (i) consider the independence and objectivity of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;



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- (j) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approve interested person transactions where the value thereof amount to 3.0% or more of the latest audited NTA of our Group (either individually or as part of a series or are aggregated with other transactions involving the same interested person during the same financial year), 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;
- (k) make recommendations to our Board of Directors on the proposals to our Shareholders with regard to the appointment, re-appointment and removal of the external auditor, and the remuneration and terms of engagement of the external auditor;
- (l) review and approve our Group's hedging policies (if any), and conduct periodic reviews of the hedging policies, together with the transactions and hedging activities undertaken by our Group;
- (m) review 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;
- (n) review any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitor compliance with such framework;
- (o) establish and review 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 ensure that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto, and ensure that our Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (p) review the assurance from our CEO and our Financial Controller on the financial records and financial statements;
- (q) undertake such other reviews and projects as may be requested by our Board of Directors, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (r) monitor whether the terms of the Non-Compete Undertaking provided to our Company have been complied with, including reviewing decisions of our Group not to accept any contracts from NDCPL or NDC for excavation and earthworks under the right of first refusal and monitoring our revenue derived from the leasing of excavators, demolition works and reinstatement works to determine if any of such activities carried out by NDCPL or NDC will give rise to a conflict of interests;
- (s) reviewing and deliberating on the approval for the exercise of the call options granted by each of Tan Lay Khim and NDCPL; and
- (t) review and approve transactions falling within the scope of Chapter 10 of the Catalist Rules (if any).

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. Each member of the Audit Committee shall abstain from reviewing and deliberating on any transactions or voting on any resolutions in respect of matters in which he is interested.

Our Audit Committee shall meet, at a minimum, twice a year. Prior to the Invitation, our Company had engaged an internal auditor, TRS Forensics Pte Ltd, to perform the review and test of controls of our Group's processes. Our Audit Committee shall establish and maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent, to ensure that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Our Board of Directors noted the following material internal control weaknesses raised by the internal auditor in the course of its internal audit covering the review period from 1 May 2017 to 30 April 2018:

- (a) the non-segregation of bank tokens where both the tokens for preparation and approval of banking transactions were held by the same individual;
- (b) administrative lapses in fulfilling certain Employment Act requirements such as the terms of the letters of appointment of some employees not providing for one rest day per week, some employees exceeding the permissible 72 overtime hours per month, and some employees being paid overtime and public holiday rates that were not commensurate with what was prescribed by law; and
- (c) inadequate information technology controls including, *inter alia*, lack of a firewall on the computer network, lack of anti-virus software on the server, no restriction on physical access to the servers and lack of controls on access to restricted shared folders.

To address the above material internal control weaknesses, we have taken the following courses of action as recommended by TRS Forensics Pte Ltd:

- (a) having the preparation and approval bank tokens held separately by our finance manager and Financial Controller;
- (b) signing revised letters of appointment to formalise the rest day, overtime pay rate and public holiday pay rate for employees, and implementing guidelines to monitor overtime hours by clearly indicating actual working hours separated from rest time on time cards and where possible, re-allocating work to employees who have not exceeded the permissible limit; and
- (c) strengthening our information technology controls by taking steps such as installing licensed anti-virus software and firewall for all computers and servers, restricting physical access to our servers and implementing system access rights to align the access with the roles and responsibilities of the employees,

(collectively, the "**IC Rectifications**").

Our Board of Directors noted that no material internal control weakness had been raised by our Independent Auditor and Reporting Accountant in the course of their audit of our Group's financial statements for FY2016, FY2017 and FY2018.

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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Based on the risk management system and internal controls established and maintained by our Group, work performed by the internal and external auditors, the IC Rectifications adopted by our Group and reviews performed by our management, our Board of Directors, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is satisfied that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, of our Group are adequate and effective as at the Latest Practicable Date.

### Financial Controller

Our Audit Committee, after having:

- (a) conducted an interview with Wu Peicong;
- (b) considered the qualifications and past working experience of Wu Peicong (as described in the “Directors, Executive Officers and Staff – Executive Officers” section of this Offer Document);
- (c) observed Wu Peicong’s abilities, familiarity, diligence and competency in relation to the financial matters and information of our Group; and
- (d) noted the absence of negative feedback on Wu Peicong from our Group’s Independent Auditor and Reporting Accountant, and our internal auditor, TRS Forensics Pte Ltd,

is of the view that Wu Peicong is suitable for the position of Financial Controller of our Group and he will be able to discharge his duties satisfactorily.

Our Audit Committee confirms that, after making all reasonable enquiries, and to the best of its knowledge and belief, nothing has come to its attention to cause it to believe that Wu Peicong does not have the competence, character and integrity expected of a financial controller of a listed issuer.

### Remuneration Committee

Our Remuneration Committee comprises Jong Voon Hoo (Lead Independent Director), Chang Chi Hsung (Independent Director) and Joshua Tan (Independent Director). The Chairman of the Remuneration Committee is Joshua Tan.

Our Remuneration Committee shall meet periodically to perform the following functions:

- (a) review and recommend to our Board of Directors 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. All aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance;
- (b) review annually the remuneration, bonuses, pay increase 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 review and approve any new employment of related employees and the proposed terms of their employment;

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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- (c) review 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;
- (d) if necessary, seek expert advice within and/or outside our Company on remuneration matters, ensuring that existing relationships, if any, between our Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- (e) perform 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
- (f) ensure 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.

Each member of the Remuneration Committee 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.

### **Nominating Committee**

Our Nominating Committee comprises Jong Voon Hoo (Lead Independent Director), Joshua Tan (Independent Director) and Lim Hui Chee (Independent Director). The Chairman of the Nominating Committee is Lim Hui Chee.

Our Nominating Committee shall meet periodically to perform the following functions:

- (a) develop and maintain 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 make 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 performance as an Independent Director;
- (b) review succession plans for our Directors, in particular, the appointment and/or replacement of our Chairman, CEO and Executive Officers;
- (c) ensure that all Directors submit themselves for re-nomination and re-election at least once every three years;
- (d) determine 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 set the objectives for achieving Board diversity and review our progress towards achieving these objectives;
- (e) determine on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the Code and any other salient factors;

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## DIRECTORS, EXECUTIVE OFFICERS AND STAFF

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- (f) in respect of a Director who has multiple board representations on various companies, if any, review and decide, on an annual basis (or more frequently as our Nominating Committee deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments, and establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- (g) review training and professional development programmes for our Board and our Directors;
- (h) assess whether each Director is able to and has been adequately carrying out his duties as a Director; and
- (i) ensure that new Directors are aware of their duties and obligations.

In addition, our Nominating Committee will develop a process for evaluating the performance of our Board, its Board committees and Directors and recommend for our Board's approval the objective performance criteria and process for the evaluation of the effectiveness of our Board as a whole, and of each Board committee separately, as well as the contribution by our Chairman and each individual Director to our Board. The evaluation should consider our Board's composition (balance of skills, gender, experience, independence, knowledge of our Company, and diversity), Board practices and conduct, and how our Board as a whole adds value to the Company. Our Nominating Committee shall consider the use of peer comparisons and other objective third party benchmarks. These performance criteria shall not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus shall be on our Board to justify its decision. The evaluation of individual Director's performance shall aim to assess whether each Director is willing and able to constructively challenge and contribute effectively to our Board, and demonstrate commitment to his roles on our Board (including the roles of the Chairman of our Board and chairman of a Board committee). Our Chairman shall act on the results of the performance evaluation and, in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to our Board or seek the resignation of Directors.

Each member of our Nominating Committee shall abstain from deliberating and voting on resolutions in respect of the assessment of his performance or independence or re-nomination as a Director of our Company. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

### **Term of Office**

Our Constitution provides that our Board of Directors will consist of not fewer than two Directors. None of our Directors is appointed for any fixed term.

Our Directors may be appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One-third (or the number nearest one-third) of our Directors are required to retire from office at each annual general meeting. Every Director must retire from office at least once every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

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## INTERESTED PERSON TRANSACTIONS

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### OVERVIEW

In general, transactions between our Group and any of our interested persons, namely, our Directors, CEO, Controlling Shareholders and their respective Associates (each, an “**Interested Person**”) would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Save as disclosed under the “Restructuring Exercise” section of this Offer Document and below, there was no interested person transaction which is considered material in itself within the last three financial years and for the period from 1 February 2018 to the Latest Practicable Date (the “**Relevant Period**”).

Our Group may continue to transact with some of the Interested Persons as disclosed below after our admission to Catalist. Investors shall, upon their subscription and/or purchase of our Invitation Shares, be deemed to have specifically approved the transactions with the Interested Persons as set out below and these transactions shall accordingly not be aggregated with further transactions with the same Interested Person during the same financial year for the purpose of Rules 905 and 906 of the Catalist Rules.

### Relevant Interested Persons

Chan Chew Leh	:	Our Executive Chairman.
Tan Kok Huat	:	Our Executive Director.
Andrew Chew	:	Our CEO and Executive Director.
Tan Lay Khim	:	Wife of Chan Chew Leh and a director of Reclaims Enterprise until July 2018
Reclaims Transport	:	A company incorporated in Singapore whose principal business is the supply and installation of tyres for heavy vehicles. Its directors are Chan Chew Leh and Tan Kok Huat. Its shareholders are Chan Chew Leh (50.0%) and Tan Kok Huat (50.0%).
NDC	:	A sole proprietorship registered in Singapore whose principal business is building construction. During the Relevant Period, Chan Chew Leh was the owner until June 2018 when his wife, Tan Lay Khim, took over as the owner. In November 2018, NDCPL took over as the owner of NDC.
NDCPL	:	A company incorporated in Singapore whose principal business is building construction. Its sole director and shareholder is Tan Lay Khim. Tan Lay Khim is the beneficial owner of all the issued shares of NDCPL.

## INTERESTED PERSON TRANSACTIONS

Gee Leng Construction Pte. Ltd. ( <b>"Gee Leng Construction"</b> )	:	A company incorporated in Singapore whose principal business is building construction, plumbing, heating and air-conditioning works. Its sole director is Tan Keh Chong, brother of Tan Kok Huat. Its shareholders are Tan Keh Chong (50.0%) and Tan Kok Huat (50.0%).
KC Plumbing Electrical & Renovation ( <b>"KC Plumbing"</b> )	:	A sole proprietorship registered in Singapore whose principal business is renovation works, plumbing, heating (non-electrical) and air conditioning works. Its owner is Tan Kok Chuan, a brother of Tan Kok Huat.
The Panthenon Pte. Ltd. ( <b>"Panthenon"</b> )	:	A company incorporated in Singapore whose principal business is fund management and corporate finance advisory services. Its directors and shareholders are Andrew Chew (50.0%) and his wife, Kang Lian Hua, Flora (50.0%).

## PAST INTERESTED PERSON TRANSACTIONS

### Transactions with Reclaims Transport

During the Relevant Period, Reclaims Transport provided tyre replacement and repair services for our motor vehicles and equipment and we paid for some stock of tyres on behalf of Reclaims Transport. To consolidate the business of Reclaims Transport with our Group, Reclaims Enterprise acquired motor vehicles and tyres from Reclaims Transport on 1 August 2018, after which Reclaims Transport ceased business. The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Receipt of services from Reclaims Transport	–	127	284	158	–
Reimbursement of payment for stock of tyres paid on behalf of Reclaims Transport	–	–	42	6	–
Acquisition of motor vehicles and tyres from Reclaims Transport	–	–	–	–	72

As the transactions, other than the payment on behalf of Reclaims Transport for stock of tyres, were entered into based on terms that were more favourable than those obtained from unrelated third parties, such transactions were not conducted on an arm's length basis nor on normal commercial terms, but were not prejudicial to the interests of our Company and our minority Shareholders.



## INTERESTED PERSON TRANSACTIONS

The payment received from Reclaims Transport for stock of tyres paid on their behalf were at cost and on a reimbursement basis. As such, the transaction was carried out on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Company and our minority Shareholders.

On 1 August 2018, we acquired motor vehicles from Reclaims Transport, consisting of three light duty trucks at S\$36,000, which was at a discount to the market value of the motor vehicles. We also acquired tyres from Reclaims Transport at cost, amounting to S\$36,000. After our acquisition of the motor vehicles and tyres from Reclaims Transport, Reclaims Transport ceased to carry on any further business. Chan Chew Leh and Tan Kok Huat have each irrevocably and unconditionally undertaken to procure that Reclaims Transport shall not carry on any business and that it shall be deregistered, whether by striking off, winding up or otherwise, no later than one year after our listing on Catalist or three months after all its outstanding trade receivables have been collected or written-off, whichever is later. With effect from 1 August 2018, the repair and replacement of tyres for tipper trucks and other motor vehicles are carried out in-house by our Group. We will not transact with Reclaims Transport in the future.

### Transactions with NDC

During the Relevant Period, we had engaged NDC as a sub-contractor to provide excavation services, paid for the usage of NDC's motor vehicles and purchased plant and equipment from NDC. Conversely, during the Relevant Period, we had received fees from NDC for a co-hosted corporate function on a reimbursement basis.

The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Receipt of excavation services from NDC	642	196	172	728	1,568
Use of motor vehicles provided by NDC	13	13	9	1	–
Purchase of plant and equipment from NDC	–	100	–	–	–
Fees received from NDC relating to a co-hosted corporate function	–	–	–	5	–

As the transactions, other than the fees received from NDC relating to a co-hosted corporate function, were entered into based on terms that were not less favourable than those obtained from unrelated third parties, such transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

## INTERESTED PERSON TRANSACTIONS

The fees received from NDC relating to a co-hosted corporate function were at cost and on a reimbursement basis. As such, the transaction was carried out on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Company and our minority Shareholders.

During the Relevant Period, our Group had engaged NDC as a sub-contractor to provide excavation services from time to time when our Group had insufficient resources. Due to the nature of the construction industry, unforeseen project delays may result in either periods of underutilisation of resources or periods of insufficient resources for our excavation services segment. To avoid undesirable underutilisation of resources during lull periods, we had engaged NDC as a sub-contractor to carry out excavation services, instead of purchasing more excavators and hiring more excavator operators. We had not engaged other sub-contractors to provide excavation services during the Relevant Period. The amount of excavation services provided by NDC to us increased significantly from S\$172,000 in FY2018 to S\$1.6 million for the period from 1 August 2018 to the Latest Practicable Date due to the concurrent commencement of several large excavation projects undertaken by our Group. As our Group's resources for the excavation services business segment were being deployed for other projects, we had engaged NDC as a sub-contractor to assist us with these projects.

We do not intend to have such transactions with NDC after our listing on Catalist. Should the need arise, our Group shall seek to procure excavation services from other unrelated sub-contractors after our listing on Catalist.

### Waiver of payables due to NDC

Prior to the Period Under Review, we had accumulated non-trade payables due to NDC amounting to an aggregate of approximately S\$219,000. The payables were unsecured, non-interest bearing, and had no fixed term of repayment. In FY2017, the payables were fully waived by NDC. As such, the above arrangement was not entered into on an arm's length basis nor on normal commercial terms but was not prejudicial to the interests of our Company and our minority Shareholders.

We do not intend to enter into such arrangements with NDC after our listing on Catalist.

### Transactions with Gee Leng Construction

During the Relevant Period, we paid and received fees from Gee Leng Construction for co-hosted corporate functions on a reimbursement basis.

The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Fees paid to Gee Leng Construction relating to co-hosted corporate functions	11	16	—	—	—
Fees received from Gee Leng Construction relating to a co-hosted corporate function	—	—	—	11	—

## INTERESTED PERSON TRANSACTIONS

The fees paid to and received from Gee Leng Construction relating to co-hosted corporate functions were at cost and on a reimbursement basis. As such, the transactions were carried out on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

We do not intend to have such transactions with Gee Leng Construction after our listing on Catalist.

### Sale of property to our Directors

In FY2017, Reclaims Enterprise sold an office unit at Mandai Estate to Chan Chew Leh and Tan Kok Huat for the sum of S\$675,000. As the sale consideration was based on a valuation of the market price of the said property, the sale was conducted on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Company and our minority Shareholders.

### Guarantees provided by our Directors and an Associate

The personal guarantees previously provided by Chan Chew Leh, Tan Kok Huat and Tan Lay Khim during the Relevant Period to secure the credit facilities extended to Reclaims Enterprise are listed below:

Financial institution	Type of facilities	Amount of facilities secured (S\$'000)	Largest amount of facilities outstanding during the Relevant Period (S\$'000)	Guarantors
UOB	Term Loan	350	219	Chan Chew Leh, Tan Kok Huat and Tan Lay Khim
DBS Bank	Term Loan	8,060	7,421	Chan Chew Leh and Tan Kok Huat
DBS Bank	Hire Purchase	1,500	—	Chan Chew Leh and Tan Kok Huat
OCBC	Hire Purchase	350	350	Chan Chew Leh and Tan Kok Huat

As at the Latest Practicable Date, the above facilities had been fully settled and the personal guarantees provided by the Interested Persons had been discharged. We do not intend to enter into such transactions following our listing on Catalist.

As no fee, commission, interest or benefit-in-kind was received by the Interested Persons for the provision of the personal guarantees, the above arrangements were not carried out on an arm's length basis nor on normal commercial terms, but were not prejudicial to the interests of our Company and our minority Shareholders.

## INTERESTED PERSON TRANSACTIONS

### Amounts due from and owing to our Directors and their Associates

From time to time during the Relevant Period, amounts due to our Group from our Directors and their Associates arose due to payments made on their behalf by our Group or advances granted to them by our Group, while amounts owing to our Directors and their Associates arose from dividends declared but not paid immediately or advances granted by them to our Group.

The outstanding amounts due from or owing to our Group during the Relevant Period were as follows:

S\$'000	As at 31 January 2016	As at 31 January 2017	As at 31 January 2018	As at 31 July 2018	As at Latest Practicable Date	Largest amount outstanding during Relevant Period
<b>Amount due from</b>						
Chan Chew Leh <sup>(1)(2)</sup>	2	86	–	–	–	86
Tan Kok Huat <sup>(2)</sup>	–	86	–	–	–	86
Reclaims Transport <sup>(3)</sup>	–	500	500	–	–	500
<b>Amount owing to</b>						
Chan Chew Leh <sup>(4)</sup>	–	–	7	–	–	7
Tan Kok Huat <sup>(1)(5)</sup>	17	4	4	–	–	17
Tan Lay Khim <sup>(1)</sup>	6	–	–	–	–	6
<b>Dividends payable to</b>						
Chan Chew Leh	–	250	500	950	950	950
Tan Kok Huat	–	500	1,000	950	950	1,000
Tan Lay Khim	–	250	500	–	–	500
Andrew Chew	–	–	–	100	100	100

**Notes:**

- (1) Prior to the Relevant Period, our Group had non-trade related transactions with Chan Chew Leh, Tan Kok Huat and Tan Lay Khim. As at 31 January 2016, there were outstanding amounts of approximately S\$2,000 due from Chan Chew Leh, S\$17,000 due to Tan Kok Huat and S\$6,000 due to Tan Lay Khim, which were subsequently written-off and written-back respectively during FY2017.
- (2) In FY2017, our Group paid for consultancy fees on behalf of Chan Chew Leh and Tan Kok Huat. These fees were fully reimbursed by Chan Chew Leh and Tan Kok Huat in FY2018.
- (3) In FY2017, our Group extended an interest-free loan to Reclaims Transport amounting to S\$500,000, which was fully repaid by Reclaims Transport during 6M2019.
- (4) This pertains to expenses amounting to approximately S\$7,000 paid by Chan Chew Leh on behalf of our Group, which was fully repaid to Chan Chew Leh during 6M2019.
- (5) In FY2017, our Group collected rental income arising from the Mandai Property on behalf of Tan Kok Huat, amounting to approximately S\$4,000. This was paid to Tan Kok Huat during 6M2019.

The transactions which gave rise to the above outstanding amounts were not entered into on an arm's length basis nor on normal commercial terms, as they were interest-free, unsecured and had no fixed terms of repayment. However, they were not prejudicial to the interests of our Company and our minority Shareholders.

## INTERESTED PERSON TRANSACTIONS

As at the Latest Practicable Date, there were no outstanding amounts due from the above Interested Persons. As at the Latest Practicable Date, the amounts owing to the above Interested Persons related to outstanding dividends payable. The outstanding dividends will be paid by 31 July 2019, subject to approval by our Audit Committee, taking into account the financial position of our Group and/or other factors which may potentially affect the financial position of our Group, and the relevant Interested Persons had undertaken not to demand payment of the outstanding dividends prior to the aforesaid date. We do not intend to extend or receive any advances to or from any Interested Persons following our listing on Catalist.

### Transactions with Panthenon

Prior to Andrew Chew joining our Group in March 2018, Panthenon provided consultancy services to Reclaims Enterprise and the aggregate consultancy fees in FY2018 amounted to S\$12,000. As Andrew Chew was not an Interested Person at the time of the transaction, the said transaction was conducted on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Company and our minority Shareholders. We do not intend to enter into such transactions following our listing on Catalist.

## PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

### Transactions with KC Plumbing

During the Relevant Period, KC Plumbing provided property repair and maintenance services and renovation services to our Group. The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Receipt of services from KC Plumbing	4	6	2	15	–

As the transactions were entered into based on terms that were not less favourable than those obtained from unrelated third parties, such transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

We may continue to transact with KC Plumbing after our listing on Catalist and such transactions will be subject to the review procedures for future interested person transactions.

### Transactions with NDC

During the Relevant Period, we had rented excavators from NDC and paid NDC for the usage of disposal sites. In addition, to alleviate our short-term manpower shortage from time to time, NDC had seconded operational staff to us without any mark-up in cost. Conversely, during the Relevant Period, we provided logistics services and supplied recycled products to NDC from time to time.

## INTERESTED PERSON TRANSACTIONS

The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Rental of excavators from NDC	55	50	17	–	8
Disposal costs paid to NDC	399	316	349	179	162
Staff secondment and related expenses paid to NDC	278	104	57	12	–
Rendering of logistics services to NDC	1,923	1,215	1,732	958	1,901
Supply of recycled products to NDC	146	144	119	41	15

As the transactions, other than use of disposal sites and staff secondment, were entered into based on terms that were not less favourable than those obtained from unrelated third parties, such transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

As there was no mark-up in the cost charged to us for use of disposal sites and staff secondment, such transactions were not carried out on an arm's length basis nor on normal commercial terms, but were not prejudicial to the interests of our Company and our minority Shareholders.

We will continue to have such transactions with NDC after our listing on Catalist and such transactions will be subject to the terms of the Non-Compete Undertaking and the review procedures for future interested person transactions.

### Leasing of excavators from NDC

To support our business operations, our Group has entered into an excavator leasing agreement dated 4 January 2019 with NDC pursuant to which our Group shall lease up to four excavators from NDC for a period of up to four months from 1 February 2019 at the rate of S\$10,000 per excavator per month. The leasing of each excavator shall include the provision of an operator and diesel by NDC.

As the terms of the aforesaid agreement were not less favourable than those obtained from unrelated third parties, the agreement was entered into on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of our Company and our minority Shareholders.

We may enter into new leasing agreements with NDC after our listing on Catalist and such agreements will be subject to the terms of the Non-Compete Undertaking and the review procedures for future interested person transactions.

## INTERESTED PERSON TRANSACTIONS

### Transactions with NDCPL

During the Relevant Period, NDCPL had provided us with usage of a disposal site. In addition, to alleviate our short-term manpower shortage from time to time, NDCPL had seconded operational staff to us without any mark-up in cost.

The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Disposal costs paid to NDCPL	10	–	–	–	–
Staff secondment and related expenses paid to NDCPL	200	137	121	14	–

Disposal costs paid to NDCPL were based on terms that were not less favourable than those obtained from unrelated third parties. Accordingly, such transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

As there was no mark-up in the cost charged to us for staff secondment, such staff secondment was not carried out on an arm's length basis nor on normal commercial terms, but were not prejudicial to the interests of our Company and our minority Shareholders.

We will continue to transact with NDCPL after our listing on Catalist and such transactions will be subject to the terms of the Non-Compete Undertaking and the review procedures for future interested person transactions.

### Transactions with Gee Leng Construction

During the Relevant Period, Gee Leng Construction provided construction services and supplied labour to us and we rented office space from Gee Leng Construction. Conversely, we provided disposal services and supplied recycled products to Gee Leng Construction.

The aggregate amounts for such transactions during the Relevant Period were as follows:

S\$'000	FY2016	FY2017	FY2018	6M2019	From 1 August 2018 to Latest Practicable Date
Receipt of construction services from Gee Leng Construction	4,808	45	–	–	–
Supply of labour by Gee Leng Construction	–	2	–	–	–
Rental paid to Gee Leng Construction	13	6	–	–	–
Provision of disposal services and supply of recycled products to Gee Leng Construction	20	62	13	7	n.m.



## INTERESTED PERSON TRANSACTIONS

As the transactions were entered into based on terms that were not less favourable than those obtained from unrelated third parties, such transactions were conducted on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Company and our minority Shareholders.

We may continue to have such transactions with Gee Leng Construction after our listing on Catalist and such transactions will be subject to the review procedures for future interested person transactions.

### Guarantees provided by our Directors

The personal guarantees currently provided by our Directors to secure the facilities granted to Reclaims Enterprise are listed below:

Financial institution	Types of facilities	Guarantors	Amount of facilities secured (\$S'000)	Largest amount of facilities outstanding during the Relevant Period (\$S'000)	Amount of facilities outstanding as at the Latest Practicable Date (\$S'000)
OCBC	Term Loan <sup>(1)</sup> , Draft Loans (Purchase) and Specific Advance Facility	Chan Chew Leh and Tan Kok Huat	9,267	6,500	4,442
DBS Bank	Non-Revolving Hire Purchase Line	Chan Chew Leh and Tan Kok Huat	600	—	—

**Note:**

(1) The Term Loan was initially granted for up to S\$6.5 million. The amount was subsequently revised to S\$4.8 million by OCBC in a revised facility letter dated 18 October 2018.

Please refer to the "Capitalisation and Indebtedness" section of this Offer Document for information on the interest rates applicable to the above facilities.

As no fee, commission, interest or benefit-in-kind was paid to our Directors for the provision of the guarantees, the above arrangements were not carried out on an arm's length basis nor on normal commercial terms but were beneficial to our Group and not prejudicial to the interests of our Company and our minority Shareholders.

After our listing on Catalist, we intend to obtain the release of the above guarantees provided by our Directors from the financial institutions and replace them with corporate guarantees provided by our Company. In the event that we are unable to procure such release, or should there be any material unfavourable revision in the terms and conditions of the facilities following the proposed release or our Group is unable to secure alternative facilities which do not require the provision of any security by our Directors on similar terms and conditions or on terms acceptable to our Group, each of our Directors has undertaken to continue to provide the aforesaid guarantees. There are no termination provisions in the undertakings. No fee, commission, interest or benefit-in-kind will be payable by our Group for the aforesaid guarantees.

## INTERESTED PERSON TRANSACTIONS

### Indemnities provided by our Executive Directors and an Associate

Chan Chew Leh, Tan Kok Huat and Tan Lay Khim have provided indemnities for the benefit of our Group as set out below:

#### (a) Security bonds issued to MOM

We are required to furnish to MOM a security bond of S\$5,000 for each non-Malaysian foreign personnel we employ. Our Group has obtained security bond guarantees from certain insurers in lieu of the security bonds. Chan Chew Leh, Tan Kok Huat and Tan Lay Khim have in turn provided indemnities to the insurers in respect of any amounts claimed under the security bond guarantees.

The indemnities provided by the aforesaid Interested Persons in connection with the security bond guarantees are as follows:

S\$'000	As at 31 January 2016	As at 31 January 2017	As at 31 January 2018	As at 31 July 2018	As at the Latest Practicable Date
Aggregate indemnity in connection with the security bond guarantees	145	170	195	205	235

Based on the number of non-Malaysian foreign personnel employed by our Group as at the end of each month during the Relevant Period, the largest aggregate indemnity amount during the Relevant Period was approximately S\$235,000.

#### (b) Performance bonds issued to customers

Under the terms of our contracts with customers, we may be required to furnish performance bonds, whether in lieu of payment of a security deposit or otherwise, in favour of our customers to secure our performance of the contracts. Our Group has obtained performance bonds from certain insurers and Chan Chew Leh and Tan Kok Huat have in turn provided indemnities to the insurers in respect of any amounts claimed under the performance bonds.

The indemnities provided by the aforesaid Directors in connection with the performance bonds are as follows:

S\$'000	As at 31 January 2016	As at 31 January 2017	As at 31 January 2018	As at 31 July 2018	As at the Latest Practicable Date
Aggregate indemnity in connection with the performance bonds	—	67	67	402	402

The largest aggregate indemnity amount during the Relevant Period, based on month-end balances, was approximately S\$402,000.

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## INTERESTED PERSON TRANSACTIONS

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(c) Insurance guarantees issued to HDB

Under the terms of our contracts with HDB, we may be required to furnish insurance guarantees in favour of HDB in order to access HDB staging grounds for disposal of earth collected by our Group from HDB's project sites. Our Group has obtained insurance guarantees from certain insurers and Chan Chew Leh, Tan Kok Huat and Tan Lay Khim have in turn provided indemnities to the insurers in respect of any amounts claimed under the insurance guarantees.

The indemnities provided by the aforesaid Interested Persons in connection with the insurance guarantees are as follows:

S\$'000	As at 31 January 2016	As at 31 January 2017	As at 31 January 2018	As at 31 July 2018	As at the Latest Practicable Date
Aggregate indemnity in connection with insurance guarantees	24	262	462	339	1,447

The largest aggregate indemnity amount during the Relevant Period, based on month-end balances, was approximately S\$1.4 million.

As no fee, commission, interest or benefit-in-kind was paid to the aforesaid Interested Persons for the provision of the indemnities, the above arrangements were not carried out on an arm's length basis nor on normal commercial terms but were beneficial to our Group and not prejudicial to the interests of our Company and our minority Shareholders.

After our listing on Catalist, we intend to request for the discharge of the above indemnities provided by the aforesaid Interested Persons from the respective insurers and replace them with indemnities provided by our Company. In the event that we are unable to procure such discharge, or should there be any material unfavourable revision in the terms and conditions of their contracts with our Group following the proposed discharge or our Group is unable to appoint other insurers which do not require the provision of any security by the Interested Persons on similar terms and conditions or on terms acceptable to our Group, each of the Interested Persons has undertaken to continue to provide the relevant indemnities. There are no termination provisions in the undertakings. No fee, commission, interest or benefit-in-kind will be payable by our Group for the aforesaid indemnities.

### Deed of Indemnity provided by our Controlling Shareholders

Pursuant to the Deed of Indemnity, our Controlling Shareholders, Chan Chew Leh and Tan Kok Huat, have unconditionally and irrevocably covenanted and undertaken, jointly and severally, as a continuing obligation, to keep each company in our Group fully indemnified against, and held harmless from, all actions, suits, proceedings, demands, costs, losses, penalties, charges, damages (including any damages or compensation paid by any company in our Group to compromise or settle any claim) and liabilities whatsoever which any company in our Group may howsoever suffer or incur pursuant to, in connection with or arising out of any of the instances of non-compliance with the Employment Act and the EFMA which occurred prior to the date of admission of our Company to Catalist (please refer to the "Government Regulations" section of this Offer Document for further details).

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## INTERESTED PERSON TRANSACTIONS

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As no fee, commission, interest or benefit-in-kind was paid to Chan Chew Leh and Tan Kok Huat for the provision of the Deed of Indemnity, the above arrangement was not carried out on an arm's length basis nor on normal commercial terms but was beneficial to our Group and not prejudicial to the interests of our Company and our minority Shareholders. There are no termination provisions in the Deed of Indemnity.

### **Call options granted by Associates of our Executive Director**

Pursuant to a call option agreement entered into among Tan Lay Khim, NDCPL and our Company, Tan Lay Khim has granted to our Company the right to purchase any of the issued shares of NDCPL together with any further shares, stock or other securities in NDCPL which are derived from such shares, and NDCPL has granted to our Company the right to purchase NDC (please refer to the "Potential Conflicts of Interests – Interests of Directors, CEO, Controlling Shareholders or their Associates" section of this Offer Document for further details of the call option agreement).

As the call options were granted by each of Tan Lay Khim and NDCPL for a nominal sum of S\$1, the above arrangement was not carried out on an arm's length basis nor on normal commercial terms but was beneficial to our Group and not prejudicial to the interests of our Company and our minority Shareholders. Save as disclosed in the "Potential Conflicts of Interests – Interests of Directors, CEO, Controlling Shareholders or their Associates" section of this Offer Document, there are no termination provisions in the call option agreement.

## **REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS**

### Review Procedures

To ensure that future transactions with Interested Persons are undertaken on normal commercial terms which are generally no more favourable than those extended to unrelated third parties and on an arm's length basis, and will not be prejudicial to the interests of our Company and our minority Shareholders, we will adopt the following procedures:

- (a) In relation to any purchase of products or procurement of services from Interested Persons above S\$100,000 (either individually or aggregated with other transactions involving the same Interested Person during the same financial year), quotations from at least two unrelated third parties in respect of the same or substantially similar type of transactions are to be used as bases for comparison wherever possible. While other factors (as set out in paragraph (d) below) will be considered, the purchase price or fee shall generally not be higher than the most competitive price or fee of the two comparative quotations obtained from the two unrelated third parties.
- (b) In relation to any sale of products or provision of services to Interested Persons above S\$100,000 (either individually or aggregated with other transactions involving the same Interested Person during the same financial year), the price and terms of at least two other completed transactions of the same or substantially similar type of transactions with unrelated third parties are to be used as bases for comparison wherever possible. While other factors (as set out in paragraph (d) below) will be considered, the Interested Persons shall generally be charged at rates consistent with the usual margins or prices extended by us to the unrelated third parties.

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## INTERESTED PERSON TRANSACTIONS

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- (c) When renting properties from or to an Interested Person, we will need to be satisfied that the rent payable is in line with the prevailing market rental rates for comparable spaces, taking into account factors such as tenure of the lease, area of leased premises, rentals of similar properties in the same vicinity (if available) and any other relevant factors that may affect rental rates or terms of the lease.
- (d) There may be situations where competitive quotations or price comparisons may not be practicable or appropriate, such as where there are no unrelated third party vendors of similar products or services, considering factors such as quantity, specifications and delivery schedules. In the event that it is not practicable or appropriate to compare against the terms of other transactions or quotations with unrelated third parties or to obtain the price and terms of at least two other transactions (as stipulated in paragraphs (a) and (b) above) or in situations where the products or services may be procured only from an Interested Person, in determining whether the price and terms offered are fair and reasonable, the following pertinent factors, amongst others, will be considered:
  - (i) quantity and quality;
  - (ii) delivery schedules or availability;
  - (iii) specification compliance;
  - (iv) potential gross profit margins;
  - (v) payment and credit terms;
  - (vi) track record;
  - (vii) historical purchase price paid by us for such products or services; and
  - (viii) availability of preferential rates (whether bulk purchases or otherwise).

### Threshold Limits

All interested person transactions are to be categorised and approved on the following bases:

- (a) Interested person transactions of values above S\$100,000 but not exceeding 3.0% of the latest audited consolidated NTA of our Group (either individually or aggregated with other transactions involving the same Interested Person during the same financial year) shall be approved by our CEO or Financial Controller prior to entry. Where the CEO or Financial Controller has an interest, directly or indirectly, in the transaction or is not available to review and approve the transaction, an Executive Officer, who has no interest, directly or indirectly, in the transaction, shall approve the transaction prior to entry.
- (b) For interested person transactions where the value thereof exceeds 3.0% of the latest audited consolidated NTA of our Group (either individually or aggregated with other transactions involving the same Interested Person during the same financial year), we shall obtain the approval of our Audit Committee prior to entering into the transaction. Where an Audit Committee member has an interest, directly or indirectly, in the transaction, he shall abstain from participating in the review and approval of the transaction.

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## INTERESTED PERSON TRANSACTIONS

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- (c) Where the value of any individual transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is below or equal to 3.0% of the Group's latest audited consolidated NTA, it must be approved in accordance with the approval limits and corresponding approving authority as described in paragraph (a) above.
- (d) Where the value of any individual transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, exceeds 3.0% of the Group's latest audited consolidated NTA, it must be approved by the Audit Committee prior to entry.
- (e) Any transaction to be made with an Interested Person shall not be approved unless:
  - (i) the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by our Group for the same or substantially similar type of transactions between our Group and unrelated third parties and the terms are no more favourable than those extended to unrelated third parties or no less favourable than those received from unrelated third parties; or
  - (ii) where paragraph (d) under the "Review Procedures" section applies, the considerations in determining whether the price and terms offered are fair and reasonable as set out therein are properly considered and documented.

The above threshold limits are adopted by our Group after considering, among other things, the nature, volume, frequency and size of the transactions as well as our Group's day-to-day operations, administration and businesses. The threshold limits are arrived at with a view to strike a balance between (i) maximising the operational efficiency of the day-to-day operations of our Group, and (ii) maintaining adequate internal controls and governance in relation to the interested person transactions. The threshold limits are intended to act as an additional safeguard to supplement the review procedures as set out above.

### Additional Procedures

- (a) Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit Committee. In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from deliberating, reviewing and/or approving that transaction.
- (b) We shall maintain a register to record all interested person transactions which are entered into by our Group, including any pertinent factor(s) considered and/or quotations obtained from unrelated third parties to support the price, fee, rental and/or terms of the interested person transaction. The register shall be maintained by our personnel (who shall not be interested in any of the interested person transactions) who is duly delegated to do so by our Audit Committee and any exceptions or departures from the review procedures shall be reported and highlighted to our Audit Committee immediately.
- (c) We will maintain a register of Interested Persons and ensure that the list is circulated to our employees whenever it is updated.

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## INTERESTED PERSON TRANSACTIONS

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- (d) Our Audit Committee will review all interested person transactions on a half-yearly basis to ensure that they are carried out at arm's length and in accordance with the procedures outlined above and to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as outlined above are not sufficient to ensure that the interested person transactions will be conducted on normal commercial terms, on an arm's length basis and the interests of our Company and our minority Shareholders are not prejudiced, our Company will adopt new guidelines and procedures. Our Audit Committee may request for an independent financial adviser's opinion on such guidelines and procedures as it deems fit.
- (e) In the event that the CEO, Financial Controller, any Executive Officer or any member of our Audit Committee has an interest in any interested person transaction, he will abstain from deliberating, reviewing and/or approving that particular transaction.

In addition, our Audit Committee will include the review of interested person transactions as part of its standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9) and relevant accounting standards, are complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary under the Catalist Rules. In accordance with Rule 919 of the Catalist Rules, Interested Persons and their Associates shall abstain from voting, or acting as proxies unless given specific instructions as to voting by the Shareholder(s), on resolutions approving such interested person transactions.



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## POTENTIAL CONFLICTS OF INTERESTS

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### INTERESTS OF DIRECTORS, CEO, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

None of our Directors, CEO, Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products or services as our Group, save as set out below.

#### NDC and NDCPL

NDC is a sole proprietorship registered in Singapore whose principal business is building and construction, involving mostly excavation services and civil engineering. Our Executive Chairman, Chan Chew Leh, was the owner of NDC until 8 June 2018 when the ownership of NDC was transferred to his wife, Tan Lay Khim, as a gift for no consideration. On 12 November 2018, Tan Lay Khim transferred the ownership of NDC to NDCPL, of which she is the sole shareholder, for no consideration.

NDCPL is a company incorporated in Singapore whose principal business is building and construction, involving mostly excavation services and civil engineering. Its sole director and shareholder is Tan Lay Khim, the wife of our Executive Chairman, Chan Chew Leh. The entire issued share capital of NDCPL of S\$50,000, comprising 50,000 ordinary shares, was transferred from Chan Chew Leh to Tan Lay Khim on 13 July 2018 for a consideration of S\$50,000, which was based on the issued and paid-up share capital of NDCPL.

In line with his plans to focus on the management and operations of our Group, Chan Chew Leh had transferred his ownership of NDC and NDCPL to his wife, Tan Lay Khim. As at the Latest Practicable Date, the business operations of NDC and NDCPL were managed by Chan San Meng, who is the brother of Chan Chew Leh, and a general manager who is an unrelated party. NDC and NDCPL have not been included as part of our Group for the purpose of listing for the following reasons:

- (a) the Group had been co-founded by Chan Chew Leh and Tan Kok Huat as equal partners and business decisions have always been made based on consensus. The inclusion of NDC and NDCPL as part of our Group would result in dilution of Tan Kok Huat's interest in our Group.
- (b) NDC and NDCPL have always been managed and operated as privately-owned businesses. As such, Chan Chew Leh was of the view that NDC and NDCPL did not have the appropriate standards of professional management and internal controls to be suitable for listing.

#### Non-Compete Undertaking

To mitigate any potential conflicts of interests arising from competition between the businesses of NDC and NDCPL, and our Group, Chan Chew Leh has given an unconditional and irrevocable undertaking that he shall not, and he shall procure that his Associates shall not, *inter alia*:

- (a) carry on, or be engaged, concerned or interested (directly or indirectly) in any business that is similar to or in competition with the business which is carried on by our Group from time to time, including the recycling, excavation services, and logistics and leasing businesses as described in this Offer Document (the “**Restricted Business**”);
- (b) assist with technical or other advice in relation to any Restricted Business to any person, firm or company engaged, intending to be or about to be engaged in any Restricted Business;

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## POTENTIAL CONFLICTS OF INTERESTS

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- (c) carry on for his own account whether alone or in conjunction with or on behalf of any other person, firm, company or organisation (or, where relevant, be concerned as a director or directly or indirectly manage, operate, join, control, influence or participate or become interested in, or become connected with, as a partner, shareholder or investor in any entity or company engaged or to be engaged in) any Restricted Business;
- (d) provide financial assistance to any person or any entity engaged in any Restricted Business;
- (e) in relation to any person, firm, company or organisation who is or who shall at any time have been a customer, supplier, client, agent or correspondent of our Group, or in the habit of dealing with our Group (collectively the “**Business Associate(s)**”):
  - (i) induce, solicit or entice away or attempt to induce, solicit or entice away from our Group any Business Associate(s); or
  - (ii) accept from any Business Associate(s) any business forming part of our Group’s business; or
  - (iii) induce, solicit or persuade or attempt to induce, solicit or persuade any Business Associate(s) to cease doing business with our Group or reduce the amount of business which the Business Associate(s) would normally do with our Group; or
  - (iv) interfere or seek to interfere with or make arrangements which have the effect of harming contractual or other trade relations between our Group and any Business Associate(s);
- (f) induce, solicit or entice away or attempt to induce, solicit or entice away from our Group any person who is a director or a manager or employee of our Group whether or not such person would commit a breach of his contract of employment by reason of leaving such employment; or
- (g) share any confidential information in relation to the business of our Group with any person or entity outside our Group,

save that the foregoing shall not apply to:

- (A) any existing projects relating to or involving the Restricted Business that are undertaken by NDCPL or NDC as at the date of the Non-Compete Undertaking;
- (B) any preparatory excavation or earthworks undertaken by NDCPL or NDC to complete contracts involving the construction of drainage, culverts, sewerage, earth control measures, roads, pavements, car parks, boundary walls and any site facilities and/or temporary access (the “**Construction Activities**”), the main scope of which is not related to or does not involve a Restricted Business. Where a portion of any contract includes excavation and earthworks not relating to any Construction Activities, NDCPL or NDC shall grant our Group the right of first refusal to tender for such excavation and earthworks on the same terms as those stated in the contract awarded to NDCPL or NDC (the “**ROFR**”). For the avoidance of doubt, if our Group does not exercise the ROFR, NDCPL or NDC shall have the option of undertaking such excavation and earthworks itself or subcontract to an independent third party on terms which are not more favourable than those offered to our Group; and

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## POTENTIAL CONFLICTS OF INTERESTS

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- (C) the leasing of excavators, demolition works and reinstatement works (the “**Ancillary Activities**”) until such time when our Audit Committee gives written notice to Chan Chew Leh that the Non-Compete Undertaking shall apply to the leasing of excavators, demolition works and/or reinstatement works.

In respect of sub-paragraph (B) above, if our Group does not exercise the ROFR due to lack of resources or lower profit margin or any other reasons, such decision shall be subject to review by our Audit Committee for their concurrence, taking into account the following factors:

- the location of the job site;
- the scope of work for the contract undertaken by NDC and/or NDCPL;
- the scope of work to be subcontracted to our Group;
- the expected time of commencement and duration of the subcontract; and
- the budgeted profit or loss, or the expected utilisation of our Group’s resources.

Our Group shall also maintain a register documenting the bases whereby subcontracts referred pursuant to the ROFR are rejected.

In respect of sub-paragraph (C) above, our Audit Committee shall, on a half-yearly basis, monitor our revenue derived from the Ancillary Activities to determine if any of such activities carried out by NDCPL or NDC will give rise to a conflict of interests and notify Chan Chew Leh accordingly. For the avoidance of doubt, where the Non-Compete Undertaking applies to any Ancillary Activity following the notification given to Chan Chew Leh by our Audit Committee, the Non-Compete Undertaking shall continue to apply notwithstanding that our revenue derived from such Ancillary Activity becomes immaterial subsequently.

In addition, Chan Chew Leh has undertaken that he shall:

- (a) confirm to our Company, on a bi-annual basis, that NDCPL and NDC have not, either alone or jointly with, directly or indirectly, through or on behalf of any person or entity, carried on any Restricted Business in any jurisdiction;
- (b) inform our Board if any of his Associates carry out any Restricted Business as soon as he is aware of such information; and
- (c) notify our Group immediately of any potential business or contract within the scope of the Restricted Business which is offered to him or his Associates, or any entities in which he has interests (direct or indirect), and if directed to do so by our Board, he will assist our Group to secure such potential business or contract on terms acceptable to our Group.

The above undertaking shall take effect from the admission of our Company to the Catalist and shall remain in force for so long as Chan Chew Leh and/or his Associates remain as a Director and/or a Controlling Shareholder (whether directly or indirectly) of our Company, and our Company remains listed on the SGX-ST.

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## POTENTIAL CONFLICTS OF INTERESTS

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### Call Options

To further mitigate any potential conflicts of interests arising from competition between the businesses of NDC and NDCPL, and our Group:

- (a) Tan Lay Khim has granted to our Company the right exercisable at any time during the Option Period to purchase any of the issued shares of NDCPL together with any further shares, stock or other securities in NDCPL which are derived from such shares (the “**Option Shares**”); and
- (b) NDCPL has granted to our Company the right exercisable at any time during the Option Period to purchase NDC,

(collectively, the “**Call Options**”). “**Option Period**” means the period commencing on the date of admission of our Company to Catalist and ending on the date on which (i) Chan Chew Leh and/or his Associates cease to be a Director and/or Controlling Shareholder (whether directly or indirectly) of our Company, or (ii) our Company ceases to be listed on the SGX-ST, whichever is earlier.

The purchase price payable by our Company upon the exercise of the Call Options shall be based on an independent valuation determined by a reputable independent accounting firm or valuer to be engaged by our Company (the “**Valuation Price**”).

If any third party offers to purchase, or Tan Lay Khim and/or NDCPL wishes to sell, all or part of the Option Shares and/or NDC prior to the exercise of the relevant Call Option, written notice shall be given to our Company. Our Company shall then be entitled to exercise the relevant Call Option over such Option Shares and/or NDC at the price being offered or the Valuation Price, whichever is lower, at any time up to 30 days after the receipt of the written notice. For the avoidance of doubt, if our Company does not exercise the relevant Call Option, Tan Lay Khim or NDCPL, as the case may be, shall be entitled to sell the Option Shares and/or NDC at a price and on terms no more favourable than those which were offered to our Company.

### Mitigation of Potential Conflicts of Interests

Our Directors are of the view that any potential conflicts of interests arising from competition between the businesses of NDC and NDCPL and the business of our Group have been mitigated in view of the following:

- (a) Chan Chew Leh has provided the Non-Compete Undertaking, and each of Tan Lay Khim and NDCPL has granted the Call Options.
- (b) Pursuant to the Non-Compete Undertaking, NDC and NDCPL will cease tendering for any excavation or earthwork contracts to avoid competing with the excavation services segment of our Group.
- (c) The civil engineering contracts tendered for by NDC or NDCPL predominantly involve the Construction Activities. In the course of construction, NDC and NDCPL will have to carry out preparatory excavation or earthworks to prepare the relevant site for the Construction Activities. This includes, *inter alia*, levelling the ground for building roads, pavements and carparks, and the necessary excavation before constructing drainage, culverts and sewerage. Such preparatory excavation or earthworks are not deemed to be directly competing with our Group as our Group does not tender for any civil engineering contracts

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## POTENTIAL CONFLICTS OF INTERESTS

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or carry out any construction. The preparatory excavation or earthworks carried out by NDC or NDCPL are only incidental to their main contractual obligations of completing the Construction Activities as required under the civil engineering contracts.

- (d) Although uncommon, the scope of work of the civil engineering contracts tendered for by NDC or NDCPL may from time to time include separately quoted excavation or earthworks. Our Group does not tender for such civil engineering contracts as we do not carry out any construction. However, we shall be granted the ROFR pursuant to the Non-Compete Undertaking.
- (e) While NDC, NDCPL and our Group engage in the Ancillary Activities from time to time in the ordinary course of their respective business, revenue from such Ancillary Activities are not material to our Group.

Revenue received by our Group from the leasing of excavators only amounted to approximately S\$442,000, S\$132,000 S\$127,000 and S\$76,000, representing 1.2%, 0.4%, 0.5% and 0.6% of our Group's revenue for FY2016, FY2017, FY2018 and 6M2019 respectively. Our Group only engages in the leasing of excavators on an opportunistic basis and this only makes up a small proportion of our revenue for our logistics and leasing segment. The majority of our revenue from the logistics and leasing segment is derived from material transportation and disposal services using our fleet of tipper trucks.

Revenue received by our Group from demolition and reinstatement works only amounted to approximately S\$592,000, S\$780,000, S\$807,000 and S\$37,000, representing 1.7%, 2.6%, 2.9% and 0.3% of our Group's revenue for FY2016, FY2017, FY2018 and 6M2019 respectively. The majority of our revenue from the recycling segment is derived from the sale of RCA. Our Group performs demolition and reinstatement works primarily to obtain C&D waste for the production of RCA for our recycling segment.

Hence, the Ancillary Activities are ancillary to our primary business segments of recycling, excavation services, and logistics and leasing, and not deemed to be part of our core business activities which NDC or NDCPL compete with.

- (f) NDC and NDCPL do not engage in any recycling or logistics activities. Conversely, our Group does not tender for any civil engineering contracts as we do not carry out any construction. Hence, the business scope and risk profiles of NDC and NDCPL are different from those of our Group.

## INTERESTS OF EXPERTS

None of the experts named in this Offer Document:

- (i) is employed on a contingent basis by our Company or our subsidiary;
- (ii) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiary; or
- (iii) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

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## POTENTIAL CONFLICTS OF INTERESTS

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### INTERESTS OF UNDERWRITERS, FINANCIAL ADVISERS, INTRODUCERS OR CONSULTANTS

In the reasonable opinion of our Directors, SAC Capital does not have a material relationship with our Company, save as disclosed below and in the “Sponsorship, Management, Underwriting and Placement Arrangements” section of this Offer Document:

- (i) SAC Capital is the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Invitation; and
- (ii) SAC Capital will be the continuing Sponsor of our Company for a period of at least three years from the date of listing of our Company on Catalist.

We have not engaged any introducer or consultant in relation to the Invitation.

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## CLEARANCE AND SETTLEMENT

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Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of 0.2% of the market price of the Shares withdrawn is also payable where the share certificate is issued in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in S\$ and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.



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## GENERAL AND STATUTORY INFORMATION

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### INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:
  - (a) had at any time during the last ten years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two years after the date he or she ceased to be a partner;
  - (b) had at any time during the last ten years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within two years after the date he or she 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;
  - (c) has any unsatisfied judgment against him or her;
  - (d) 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 or she is aware) for such purpose;
  - (e) 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 been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
  - (f) had at any time during the last ten years, judgment entered against him or her 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 or her part, or been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
  - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
  - (h) 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;
  - (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

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## GENERAL AND STATUTORY INFORMATION

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- (j) has ever, to his or her 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;
  - (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;
  - (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
  - (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,in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

### Disclosure relating to Chan Chew Leh, our Executive Chairman

In 2011, Chan Chew Leh, as the sole proprietor of NDC, was prosecuted and pleaded guilty to a charge for an offence under the Gas Act (Chapter 116A) for failing to comply with the relevant requirements for the prevention of damage to a gas pipe. NDC was engaged as a sub-contractor to carry out site clearing and construction of external precinct works, including excavation works. Investigations revealed that while demolishing a drain, a mechanical excavator had inadvertently damaged a low pressure gas pipe which was located at a depth of only about 50 mm below the drain slab. There was gas supply interruption and the repair cost of about S\$1,596 was paid by NDC. Chan Chew Leh paid a fine of S\$10,000 for the offence and no further action had been taken by the relevant authorities against Chan Chew Leh.

### Disclosures relating to Tan Kok Huat, our Executive Director

In 2015, Tan Kok Huat was charged for an offence under the Road Traffic Act for having so much alcohol in his body that the proportion of it in his breath exceeded the prescribed limit, while he was in the driver's seat of a motor car which was parked at the side of the road. He appeared in court but was not convicted, and he recalled that he was issued with a warning by the Traffic Police Department. To the best of his knowledge, there was no further action taken against him by the Traffic Police Department.

In 2017, Tan Kok Huat was requested to provide a statement to the police in connection with a report lodged by an investor of ERS Bioculture Pte. Ltd., a company in which Tan Kok Huat and Chan Chew Leh were both shareholders but not involved in the management of its business in biological waste recycling. The investor had lodged a report relating to his investment in the company. As far as Tan Kok Huat is aware, he was not the subject of the

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## GENERAL AND STATUTORY INFORMATION

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investigation. The company had been struck off by ACRA from the Register of Companies in September 2018 as it was not carrying on business. To the best of his knowledge, there was no further action taken against him by the police.

### Disclosure relating to Andrew Chew, our CEO

In 2014, while Andrew Chew was a director of Reech AIM Asia Pte. Limited (“**Reech**”), Reech was dissolved by way of creditors’ voluntary winding up. Andrew Chew was appointed as a resident director of Reech in 2013 to assist the founder of the parent company of Reech, a Luxembourg company, to close Reech. He was not involved in the management of the business of Reech.

## SHARE CAPITAL

2. Save as disclosed below, there were no changes in the issued and paid-up capital of our Company and our subsidiary within the three years preceding the date of lodgement of this Offer Document.

Date of issue	Number of shares issued	Purpose	Consideration per share	Resultant issued share capital
<b>Our Company</b>				
11 October 2018	1	Incorporation	S\$1	S\$1
23 January 2019	15,327,084	Settlement of consideration for acquisition of Reclaims Enterprise	S\$1	S\$15,327,085

3. Save as disclosed above and in the “General Information on our Group – Restructuring Exercise” section of this Offer Document, no shares in our Company or our subsidiary have been issued for a consideration other than cash during the three years preceding the date of lodgement of this Offer Document.

## MATERIAL CONTRACTS

4. The following contracts, not being a contract entered into in the ordinary course of business, have been entered into by our Company and our subsidiary within the two years preceding the date of lodgement of this Offer Document and are or may be material:
- (a) the Restructuring Agreement dated 23 January 2019 entered into by our Company, Chan Chew Leh, Tan Kok Huat and Andrew Chew for the purpose of the Restructuring Exercise; and
  - (b) the call option agreement dated 23 January 2019 entered into among Tan Lay Khim, NDCPL and our Company, the details of which are set out in the “Potential Conflicts of Interests – Interests of Directors, CEO, Controlling Shareholders or their Associates” section of this Offer Document.

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## GENERAL AND STATUTORY INFORMATION

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### LITIGATION

5. There are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or have had during the last 12 months before the date of this Offer Document, a material effect on our Group's financial position or profitability, save for the following:
  - (a) There is a judgement debt of S\$266,494 (together with interest thereon) owed by Hiap Joo Guan Sand & Granite Pte Ltd to us. As the judgement debtor had failed to pay or satisfy the statutory demand which was served, we have on 17 August 2018 made an application for a winding up order to be made against the judgement debtor and the winding up order has been given on 28 September 2018. As at the Latest Practicable Date, we had filed a proof of debt. We have made a full allowance for impairment of this debt.
  - (b) We have commenced legal proceedings against Ryobi Kiso (S) Pte Ltd to recover a sum of S\$314,021 due and owing to us for the provision of transportation services. The defendant has filed an application for a moratorium order pursuant to Section 211B of the Companies Act. As at the Latest Practicable Date, pending the resolution of the application for a moratorium order, we were unable to proceed any further with our claim. We have made a full allowance for impairment of this debt.
  - (c) We have filed a proof of debt against Ryobi Tactics Pte Ltd, which is being wound up, for the sum of S\$66,379 due and owing to us for the provision of transportation services. As at the Latest Practicable Date, the said sum remained owing to us. We have made a full allowance for impairment of this debt.

### MISCELLANEOUS

6. Save as disclosed under the "Events after the end of the reporting period" section in Appendix B of this Offer Document, our Directors are not aware of any event which has occurred since 31 July 2018 up to the Latest Practicable Date, which may have a material effect on the financial information provided in the "Independent Auditor's Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018" and the "Independent Auditor's Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018" set out in Appendices A and B respectively of this Offer Document.
7. We currently have no intention of changing the auditors of our Company and our subsidiary after the admission of our Company to Catalist.

### CONSENTS

8. The Independent Auditor and Reporting Accountant, RSM Chio Lim LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto and the "Independent Auditor's Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018", the "Independent Auditor's Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018" and the "Independent Auditor's Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year Ended 31 January 2018" in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.

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## GENERAL AND STATUTORY INFORMATION

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9. The Sponsor, Issue Manager, Underwriter and Placement Agent, SAC Capital Private Limited, has given and has not withdrawn its written consent to the issue of this Offer Document, with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Offer Document and to consent to act in such capacities in relation to this Offer Document.
10. Each of the Solicitors to the Invitation, the Share Registrar and Share Transfer Office, the Receiving Bank and the Principal Banker does not make or purport to make any statement in this Offer Document and is not aware of any statement in this Offer Document which purports to be based on a statement made by it and each of them makes no representation regarding any statement in this Offer Document and, to the extent permitted by law, expressly disclaims and takes no responsibility for any statement in or omission from this Offer Document.

### DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected at the registered address of the Company during normal business hours for a period of six months after the date of registration by the SGX-ST, acting as agent on behalf of the Authority, of this Offer Document:
  - (a) the Constitution of our Company;
  - (b) the “Independent Auditor’s Report and the Audited Combined Financial Statements of Reclaims Global Limited for the Reporting Years Ended 31 January 2016, 2017 and 2018” as set out in Appendix A of this Offer Document;
  - (c) the “Independent Auditor’s Review Report and the Interim Combined Financial Statements of Reclaims Global Limited for the Six-Month Period Ended 31 July 2018” as set out in Appendix B of this Offer Document;
  - (d) the “Independent Auditor’s Report and the Compilation of the Unaudited Pro Forma Combined Financial Information of Reclaims Global Limited for the Reporting Year Ended 31 January 2018” as set out in Appendix C of this Offer Document;
  - (e) the material contracts referred to in paragraph 4 above;
  - (f) the letters of consent referred to in paragraphs 8 and 9 above; and
  - (g) the Service Agreements.

### RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDORS

12. This Offer Document has been seen and approved by our Directors and the Vendors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors and the Vendors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors and the Vendors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND  
THE AUDITED COMBINED FINANCIAL STATEMENTS OF  
RECLAIMS GLOBAL LIMITED FOR THE REPORTING  
YEARS ENDED 31 JANUARY 2016, 2017 AND 2018**

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**RECLAIMS GLOBAL LIMITED  
and its Subsidiary**

**Statement by Directors and Combined Financial Statements**

Reporting Years Ended 31 January 2016, 2017 and 2018



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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND  
THE AUDITED COMBINED FINANCIAL STATEMENTS OF  
RECLAIMS GLOBAL LIMITED FOR THE REPORTING  
YEARS ENDED 31 JANUARY 2016, 2017 AND 2018**

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**Statement by Directors and Combined Financial Statements**

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND  
THE AUDITED COMBINED FINANCIAL STATEMENTS OF  
RECLAIMS GLOBAL LIMITED FOR THE REPORTING  
YEARS ENDED 31 JANUARY 2016, 2017 AND 2018**

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**Statement by Directors**

The directors of Reclaims Global Limited (the “Company”) are pleased to present the combined financial statements of the Company and its subsidiary (collectively, the “Group”) for the reporting years ended 31 January 2016, 2017 and 2018.

In the opinion of the directors,

- (a) the accompanying combined financial statements are drawn up so as to give a true and fair view of the financial position of the Group as at 31 January 2016, 2017 and 2018 and of the financial performance, changes in equity and cash flows of the Group for the reporting years ended 31 January 2016, 2017 and 2018; 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.

On behalf of the directors

.....  
Tan Kok Huat  
Director

.....  
Andrew Dekguang Jhou Chew  
Director

1 March 2019

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND  
THE AUDITED COMBINED FINANCIAL STATEMENTS OF  
RECLAIMS GLOBAL LIMITED FOR THE REPORTING  
YEARS ENDED 31 JANUARY 2016, 2017 AND 2018**

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The Board of Directors  
Reclaims Global Limited  
10 Tuas South Street 7  
Singapore 637114

**Report on the audit of the combined financial statements**

**Opinion**

We have audited the accompanying combined financial statements of Reclaims Global Limited (the “Company”) and its subsidiary (collectively, the “Group”) which comprise the combined statements of financial position as at 31 January 2016, 2017 and 2018, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for each of the reporting years ended 31 January 2016, 2017 and 2018, and notes to the combined financial statements, including significant accounting policies.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the combined financial position of the Group as at 31 January 2016, 2017 and 2018 and of the financial performance, combined changes in equity and combined cash flows of the Group for each of the reporting years ended 31 January 2016, 2017 and 2018.

**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 Combined Financial Statements section of our report. We are independent of the Group 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 combined 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.

**Other information**

Management is responsible for the other information. The other information comprises the statement by directors but does not include the combined financial statements and our auditor’s report thereon.

Our opinion on the combined 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 combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined 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.

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## **APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE REPORTING YEARS ENDED 31 JANUARY 2016, 2017 AND 2018**

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### **Responsibilities of management and directors for the combined financial statements**

Management is responsible for the preparation of the combined financial statements that give a true and fair view in accordance with SFRS(I)s, 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 combined financial statements and to maintain accountability of assets.

In preparing the combined 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 combined financial statements**

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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.

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**Auditor’s responsibilities for the audit of the combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined 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 combined 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.

**Restriction on distribution and use**

This report is made solely to you as a body for the inclusion in the offer document of the Company to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

The engagement partner on the audit resulting in this independent auditor’s report is Lee Mong Sheong.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

1 March 2019

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**COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Years Ended 31 January 2016, 2017 and 2018**

	<b>Notes</b>	<b>2016 \$'000</b>	<b>2017 \$'000</b>	<b>2018 \$'000</b>
Revenue	5	35,674	29,777	27,542
Interest income		–	–	3
Other gains	6	224	499	52
Purchase of materials, services and consumables used	7	(19,262)	(16,828)	(14,345)
Other losses	6	(35)	–	(393)
Finance costs	8	(146)	(235)	(234)
Depreciation and amortisation expense		(1,810)	(2,088)	(2,477)
Employee benefits expense	9	(3,530)	(4,060)	(3,904)
Other expenses	10	(3,228)	(2,977)	(2,603)
<b>Profit before tax from continuing operations</b>		<b>7,887</b>	<b>4,088</b>	<b>3,641</b>
Income tax expense	11	(963)	(412)	(445)
<b>Profit from continuing operations, net of tax and total comprehensive income</b>		<b>6,924</b>	<b>3,676</b>	<b>3,196</b>
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	12	<b>6.18</b>	<b>3.28</b>	<b>2.85</b>

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

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**COMBINED STATEMENT OF FINANCIAL POSITION**  
**As at 31 January 2016, 2017 and 2018**

	Notes	2016 \$'000	2017 \$'000	2018 \$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	14	11,281	12,170	11,024
Other asset, non-current	15	4,747	4,494	4,241
<b>Total non-current assets</b>		16,028	16,664	15,265
<b><u>Current assets</u></b>				
Trade and other receivables	16	8,000	10,725	6,794
Other assets, current	17	452	621	459
Cash and cash equivalents	18	2,598	2,589	4,946
<b>Total current assets</b>		11,050	13,935	12,199
<b>Total assets</b>		27,078	30,599	27,464
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	19	1,000	1,000	1,000
Retained earnings		14,817	16,253	15,619
<b>Total equity</b>		15,817	17,253	16,619
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	11	348	587	740
Other financial liabilities, non-current	21	6,913	5,909	4,441
<b>Total non-current liabilities</b>		7,261	6,496	5,181
<b><u>Current liabilities</u></b>				
Income tax payable		1,467	1,170	342
Trade and other payables	20	1,874	4,792	4,022
Other financial liabilities, current	21	659	888	1,300
<b>Total current liabilities</b>		4,000	6,850	5,664
<b>Total liabilities</b>		11,261	13,346	10,845
<b>Total equity and liabilities</b>		27,078	30,599	27,464

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



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**COMBINED STATEMENT OF CHANGES IN EQUITY**  
**Years Ended 31 January 2016, 2017 and 2018**

	<b>Total equity \$'000</b>	<b>Share capital \$'000</b>	<b>Retained earnings \$'000</b>
<b>2016</b>			
Balance at 1 February 2015	10,893	1,000	9,893
<b>Movements in equity:</b>			
Total comprehensive income for the year	6,924	–	6,924
Dividends (Note 13)	(2,000)	–	(2,000)
<b>Balance at 31 January 2016</b>	<b>15,817</b>	<b>1,000</b>	<b>14,817</b>
<b>2017</b>			
Balance at 1 February 2016	15,817	1,000	14,817
<b>Movements in equity:</b>			
Total comprehensive income for the year	3,676	–	3,676
Dividends (Note 13)	(2,240)	–	(2,240)
<b>Balance at 31 January 2017</b>	<b>17,253</b>	<b>1,000</b>	<b>16,253</b>
<b>2018</b>			
Balance at 1 February 2017	17,253	1,000	16,253
<b>Movements in equity:</b>			
Total comprehensive income for the year	3,196	–	3,196
Dividends (Note 13)	(3,830)	–	(3,830)
<b>Balance at 31 January 2018</b>	<b>16,619</b>	<b>1,000</b>	<b>15,619</b>

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

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**COMBINED STATEMENT OF CASH FLOWS**  
**Years Ended 31 January 2016, 2017 and 2018**

	2016 \$'000	2017 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax	7,887	4,088	3,641
Adjustments for:			
Interest income	–	–	(3)
Interest expense	146	235	234
Depreciation of property, plant and equipment	1,563	1,835	2,224
Gain on disposal of property, plant and equipment	(65)	(103)	(18)
Amortisation of other asset	247	253	253
Operating cash flows before changes in working capital	9,778	6,308	6,331
Trade and other receivables	(3,506)	(2,055)	3,759
Other assets, current	299	(169)	162
Trade and other payables	(438)	1,937	(2,777)
Net cash flows from operations	6,133	6,021	7,475
Income taxes paid	(280)	(470)	(1,120)
Net cash flows from operating activities	5,853	5,551	6,355
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment (Note 18A)	(7,895)	(3,444)	(1,146)
Proceeds from disposal of property, plant and equipment	336	148	86
Interest received	–	–	3
Net cash flows used in investing activities	(7,559)	(3,296)	(1,057)
<b>Cash flows from financing activities</b>			
Dividends paid (Notes 13 and 18A)	(2,000)	(565)	(1,830)
Interest paid	(146)	(235)	(234)
Proceeds from borrowings	3,161	142	6,500
Repayment of borrowings	(424)	(917)	(7,556)
Net movements in amounts due to directors	–	(189)	179
Net movements in amounts due from a related party	–	(500)	–
Net cash flows from (used in) financing activities	591	(2,264)	(2,941)
<b>Net (decrease) increase in cash and cash equivalents</b>	(1,115)	(9)	2,357
Cash and cash equivalents, combined statement of cash flows, beginning balance	3,713	2,598	2,589
<b>Cash and cash equivalents, combined statement of cash flows, ending balance (Note 18)</b>	2,598	2,589	4,946

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

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**Years Ended 31 January 2016, 2017 and 2018**

**1. General information and business restructuring**

**1.1 Corporate information**

Reclaims Global Limited (the “Company”) was incorporated on 11 October 2018 under the Companies Act, Chapter 50 as a private limited company domiciled in Singapore. On 23 January 2019, the Company was converted to a public company limited by shares.

The combined financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (\$’000), except when otherwise stated.

These combined financial statements are prepared solely for inclusion in the offer document of the Company in connection with the proposed listing of the Company’s shares on the Catalist Board of Singapore Exchange Securities Trading Limited (the “Catalist”).

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

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiary are described below.

Name of subsidiary, country of incorporation, place of operations	Shareholding		
	2016	2017	2018
Reclaims Enterprise Pte. Ltd. (“Reclaims Enterprise”) <sup>(a)</sup> Singapore Recycling of non-metal waste and refuse disposal including demolition, transportation services	100%	100%	100%

- (a) The statutory financial statements of the subsidiary for the reporting years ended 31 January 2017 and 2018 were audited by RSM Chio Lim LLP. The statutory financial statements of the subsidiary for the reporting year ended 31 January 2016 were audited by other independent auditor (other than RSM Chio Lim LLP). They were re-audited by RSM Chio Lim LLP for inclusion in the offer document of the Company in connection with the proposed listing of the Company’s shares on the Catalist.

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**1. General information and business restructuring (cont’d)**

**1.2 Restructuring exercise**

The Group was formed through the following exercise (the “Restructuring Exercise”) which involved acquisitions and rationalisation of the corporate and shareholding structure for the purposes of the Invitation. Pursuant to the Restructuring Exercise, the Company became the parent company of the Group. The Restructuring Exercise involved the following steps:

(a) Incorporation of the Company

The Company was incorporated in Singapore on 11 October 2018 under the Companies Act as a private company limited by shares with an issued and paid-up share capital of \$1 comprising 1 ordinary share.

(b) Acquisition of Reclaims Enterprise

Prior to the share swap described below, Reclaims Enterprise had an issued and paid-up capital of \$1,000,000 comprising 1,000,000 ordinary shares. Each of Chan Chew Leh and Tan Kok Huat held 475,000 ordinary shares while Andrew Chew held the remaining 50,000 ordinary shares, which collectively represented the entire issued and paid-up share capital of Reclaims Enterprise.

Pursuant to the Restructuring Agreement entered into by the Company, Chan Chew Leh, Tan Kok Huat and Andrew Chew:

- (i) the Company acquired 1,000,000 ordinary shares, representing the entire issued and paid-up share capital, of Reclaims Enterprise from Chan Chew Leh, Tan Kok Huat and Andrew Chew for a consideration of S\$15,327,084, which was based on the unaudited net asset value of Reclaims Enterprise’s audited financial statements as at 31 July 2018; and
- (ii) the consideration was satisfied by the Company issuing 7,280,365 shares, 7,280,365 shares and 766,354 shares, credited as fully paid at S\$1 per Share, to each of Chan Chew Leh, Tan Kok Huat, and Andrew Chew, respectively.

Each of Chan Chew Leh and Tan Kok Huat had directed 383,177 shares to which he was entitled, be issued to Andrew Chew instead.

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**1. General information and business restructuring (cont’d)**

**1.2 Restructuring exercise (cont’d)**

(c) Subdivision of shares

On 26 February 2019, the 15,327,085 shares in the issued and paid-up share capital of the Company was subdivided into 112,000,000 shares. Upon completion of the Subdivision, the Company’s issued and paid up capital comprised of 112,000,000 shares.

Prior to the above restructuring and during the reporting years ended 31 January 2016, 2017 and 2018, Reclaims Enterprise was controlled by Chan Chew Leh and Tan Kok Huat (“Controlling Shareholders”). The restructuring is therefore considered to be a business combination involving entities or businesses under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of the entities transferred have been included in the combined financial statements at their carrying amounts. Although the Restructuring Exercise occurred on 23 January 2019, the combined financial statements present the financial position and financial performance as if the businesses had always been combined since the beginning of the earliest period presented.

**1.3 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 are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

**1.4 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.

**1.5 Basis of preparation of the combined financial statements**

The preparation of combined 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 combined 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 combined financial statements, are disclosed at the end of this footnote, where applicable.

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**1. General information and business restructuring (cont’d)**

**1.6 Basis of consolidation and business combinations**

Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiary (the “Group”) as at the end of the reporting years. The financial statements of the subsidiary used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

The combined financial statements of the Group for the reporting years ended 31 January 2016, 2017 and 2018 have been prepared using the pooling of interest method as the Restructuring Exercise described in Note 1.2 is a legal restructuring of businesses or entities under common control. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidary relationship was not established until after the end of the reporting years. The Company has been treated as the parent company of its subsidiary for the reporting years presented rather than from the date of completion of the Restructuring Exercise.

Business combinations involving businesses or entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of combined businesses or entities are reflected at their existing amounts;
- The retained earnings recognised in the combined financial statements are the retained earnings of the combining entities or businesses immediately before the combination;
- No additional goodwill is recognised as a result of the combination; and
- The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

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**2. Significant accounting policies and other explanatory information**

**2A. Significant accounting policies**

**Revenue recognition**

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of logistics services is recognised as the services are provided or when the significant acts have been completed. Revenue from long-term contract is recognised by reference to the stage of completion of the transaction at the end of the reporting year measured by entity’s progress towards complete satisfaction of a performance obligation satisfied over time using the output method such as surveys of performance completed to date. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

**Government grants**

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant.

**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 borrowing are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.



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

**2A. Significant accounting policies (cont’d)**

**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 recognised in other comprehensive income and, if applicable, deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

**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.

**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 combined 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 recognized: (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.

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

**2A. Significant accounting policies (cont’d)**

**Income tax (cont’d)**

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).

**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:

Freehold property	–	2%
Leasehold property	–	5%
Plant and equipment	–	10% to 33.3%

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 combined financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and 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.

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

**2A. Significant accounting policies (cont’d)**

**Leases**

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee’s incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense 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. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**Land use right**

Land use right is initially measured at cost. Following initial recognition, land use right is measured at cost less accumulated amortisation. The land use right is amortised on a straight-line basis over the lease term of 21 years and 9 months.

**Impairment 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 recognised in profit or loss. 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.

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

**2A. Significant accounting policies (cont’d)**

**Impairment of non-financial assets (cont’d)**

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.

**Financial assets**

Initial recognition, measurement and derecognition:

A financial asset is recognised on the combined statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the “substance over form” based on the prescribed derecognition test relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the combined statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories:

1. Financial assets at fair value through profit or loss: No financial assets were classified in this category at the end of the reporting years.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category.

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

**2A. Significant accounting policies (cont’d)**

**Financial assets (cont’d)**

These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically, the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: No financial assets were classified in this category at the end of the reporting years.
4. Available-for-sale financial assets: No financial assets were classified in this category at the end of the reporting years.

**Cash and cash equivalents**

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the combined statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

**Financial liabilities**

Initial recognition, measurement and derecognition:

A financial liability is recognised on the combined statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

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

**2A. Significant accounting policies (cont’d)**

**Financial liabilities (cont’d)**

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories:

1. Liabilities at fair value through profit or loss: No financial liabilities were classified in this category at the end of the reporting years.
2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

**Fair value measurement**

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the combined financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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

**2A. Significant accounting policies (cont’d)**

**Fair value measurement (cont’d)**

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 combined financial statements.

**2B. Other explanatory information**

**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. Changes in estimates are reflected in profit or loss in the reporting year they occur.

**Segment reporting**

The reporting entity discloses financial and descriptive information about its 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 directors 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.

**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 combined 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 combined financial statements are prepared. However, this does not prevent actual figures differing from estimates.



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

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

Allowance for doubtful debt accounts:

An allowance is made for doubtful debt accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

Income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

Revenue recognition on long-term contracts:

On long-term contracts, revenues are recorded on the stage of completion basis. The stage of completion is determined by using the output method such as surveys of performance completed to date. This method of revenue recognition requires judgment and estimates by the quantity surveyor in determining the stage of completion. The unbilled revenue amounts relate to work done certified by the quantity surveyor but has not been billed to customers, are disclosed in the note on trade and other receivables.

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**3. Related party relationships and transactions**

SFRS(I) 1-24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (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 Group and related parties and the effects of these on the basis determined between the parties are reflected in these combined financial statements. The related party balances and financial guarantees, if any, are unsecured without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the combined financial statements, this item includes the following:

Significant related party transactions:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Related parties:</u>			
Purchase of service <sup>(a)</sup>	1,519	881	992
Rental expenses <sup>(a)</sup>	68	56	17
Purchase of property, plant and equipment <sup>(b)</sup>	4,808	145	–
Service revenue <sup>(a)</sup>	(2,092)	(1,424)	(1,906)
Waiver of amount due to a related party <sup>(d)</sup>	–	219	–
	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Directors:</u>			
Disposal of property <sup>(c)</sup>	–	(675)	–

(a) The related parties are companies in which directors had a significant controlling interest over the reporting entity.

(b) During the reporting year ended 31 January 2016, the Group engaged a related party, Gee Leng Construction Pte Ltd, to construct the Group’s corporate headquarters, which located at 10 Tuas South Street 7 Singapore 637114. The related party is a company in which one of the directors has significant controlling interest.

(c) During the reporting year ended 31 January 2017, the Group offset the amount receivable from shareholders arising from the disposal of a property to the shareholders against a dividend payable to the shareholders amounting to \$740,000.

(d) The related party, New Development Construction, is a sole-proprietorship business in which Chan Chew Leh had ultimate controlling interest.

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**3. Related party relationships and transactions (cont’d)**

**3B. Key management compensation:**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	377	553	228

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

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Remuneration of directors of the Group	308	488	168
Remuneration of key management personnel of the Group	69	65	60

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

**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 combined financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	<b>2016</b>	<b>Related party</b>	<b>2018</b>
	<b>\$'000</b>	<b>2017</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Other receivables:</u>			
Balance at beginning of the year	–	–	500
Amounts paid out	–	500	–
Balance at end of the year (Note 16)	–	500	500

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**3. Related party relationships and transactions (cont’d)**

**3C. Other receivables from and other payables to related parties: (cont’d)**

	2016 \$'000	Directors 2017 \$'000	2018 \$'000
<u>Other receivables (other payables):</u>			
Balance at beginning of the year	(22)	(22)	167
Amounts paid out	–	–	(179)
Amounts paid in	–	189	–
Balance at end of the year	(22)	167	(12)
Presented in the combined statement of financial position as follows:			
Other receivables (Note 16)	2	171	–
Other payables (Note 20)	(24)	(4)	(12)
Balance at end of the year	(22)	167	(12)

**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 SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

For management purposes, the Group 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.

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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)**

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

- (1) The recycling segment focuses on the reclaiming of natural and urban construction and demolition waste, and recycle them for sale as building materials to our 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.

**4B. Profit or loss from continuing operations and reconciliations**

The information on costs, expenses, other gains and other losses for each product and service is not available and cost to develop it would be excessive. The following tables illustrate the information about revenue by segment.

	<b>Recycling \$'000</b>	<b>Excavation services \$'000</b>	<b>Logistics and leasing \$'000</b>	<b>Unallocated \$'000</b>	<b>Total \$'000</b>
<b>2016</b>					
Revenue by segment	18,612	4,695	12,245	122	35,674

	<b>Recycling \$'000</b>	<b>Excavation services \$'000</b>	<b>Logistics and leasing \$'000</b>	<b>Unallocated \$'000</b>	<b>Total \$'000</b>
<b>2017</b>					
Revenue by segment	12,241	7,205	10,280	51	29,777

	<b>Recycling \$'000</b>	<b>Excavation services \$'000</b>	<b>Logistics and leasing \$'000</b>	<b>Unallocated \$'000</b>	<b>Total \$'000</b>
<b>2018</b>					
Revenue by segment	11,505	8,264	7,769	4	27,542

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**4. Financial information by operating segments (cont’d)**

**4C. Assets and liabilities reconciliation**

The Group did not manage and allocate the assets and liabilities based on the identified operating segments.

**4D. Geographical information**

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

**4E. Information about major customers**

Revenue generated from the top three customers:

	<b>2016 \$’000</b>	<b>2017 \$’000</b>	<b>2018 \$’000</b>
Top 1 customer	7,963	3,366	2,224
Top 2 customers	12,555	6,043	4,209
Top 3 customers	15,401	7,632	6,150

**5. Revenue**

	<b>2016 \$’000</b>	<b>2017 \$’000</b>	<b>2018 \$’000</b>
Sales of goods	18,612	12,241	11,505
Contract revenue	4,695	7,205	8,264
Transportation and leasing services	12,367	10,331	7,773
Total revenue	35,674	29,777	27,542

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**6. Other gains and (other losses)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Government grants	83	171	24
Other income	–	6	10
Waiver of amount due to a related party <sup>(a)</sup>	–	219	–
Amount written-off trade receivables	(35)	–	–
Gain on disposal of property, plant and equipment	65	103	18
Reversal (Allowance) for impairment on trade receivables	76	–	(393)
Net	189	499	(341)
Presented in profit or loss as:			
Other gains	224	499	52
Other losses	(35)	–	(393)
Net	189	499	(341)

(a) The related party, New Development Construction, is a sole-proprietorship business in which Chan Chew Leh had ultimate controlling interest.

**7. Purchase of materials, services and consumables used**

The major components and other selected components include the following:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Purchase of materials and disposal costs	6,256	6,690	4,156
Purchase of transportation services	7,945	8,039	8,203

**8. Finance costs**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest expense	146	235	234



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**9. Employee benefits expense**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits expense	3,064	3,487	3,250
Contributions to defined contribution plan	141	152	151
Others	325	421	503
Total employee benefits expense	3,530	4,060	3,904

**10. Other expenses**

The major components and other selected components include the following:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rental expenses	705	583	486
Repair and maintenance expense	472	661	579
Upkeep of motor vehicles	1,132	954	785

**11. Income tax**

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

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Current tax expense:</u>			
Current tax expense	850	173	246
Under adjustments to tax in respect of prior periods	–	–	46
Subtotal	850	173	292
<u>Deferred tax expense:</u>			
Deferred tax expense	113	239	177
Over adjustments to tax in respect of prior periods	–	–	(24)
Subtotal	113	239	153
Total income tax expense	963	412	445

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**11. Income tax (cont’d)**

**11A. Components of tax expense recognised in profit or loss include: (cont’d)**

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% to profit or loss before income tax as a result of the following differences:

	<b>2016 \$’000</b>	<b>2017 \$’000</b>	<b>2018 \$’000</b>
Profit before tax	7,887	4,088	3,641
Income tax expense at the above rate	1,341	695	619
Expenses not deductible for tax purposes	–	131	62
Enhanced productivity and innovation credit incentive	(314)	(379)	(223)
Income not subject to tax	(13)	–	–
Under adjustments to tax in respect of prior periods	–	–	22
Stepped income exemption	(51)	(35)	(35)
Total income tax expense	963	412	445

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

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

	<b>2016 \$’000</b>	<b>2017 \$’000</b>	<b>2018 \$’000</b>
Excess of book values over tax values of plant and equipment	113	239	153
Total deferred tax expense recognised in profit or loss	113	239	153

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**11. Income tax (cont’d)**

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

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
From deferred tax liabilities recognised in profit or loss:			
Excess of book values over tax values of plant and equipment	(348)	(587)	(740)

Presented in the combined statement of financial position as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax liabilities	(348)	(587)	(740)

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

**12. Earnings per share**

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to the owners of the Company by the pre-invitation share capital of the Company. The Company’s pre-invitation number of ordinary shares of 112,000,000 has been used in the calculation of basic and diluted earnings per share for all years presented in accordance with SFRS(I) 1-33, as pre-invitation number of ordinary shares reflects the number of ordinary shares after adjusting for changes in number of shares arising from the Restructuring Exercise as disclosed in Note 1.2.

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

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Numerators:</u>			
Profit from continuing operations, net of tax and total comprehensive income	6,924	3,676	3,196

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**12. Earnings per share (cont’d)**

	2016 ’000	2017 ’000	2018 ’000
<u>Denominators:</u>			
Number of ordinary shares held by the shareholders as adjusted for the share split	112,000	112,000	112,000

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective reporting years.

**13. Dividends on equity shares**

	<u>Dividend per share</u>					
	2016 \$	2017 \$	2018 \$	2016 \$’000	2017 \$’000	2018 \$’000
Interim tax exempt (1-tier) dividends	1.00	–	–	1,000	–	–
Final tax exempt (1-tier) dividends	1.00	2.24	3.83	1,000	2,240	3,830
Total dividends in the reporting year				2,000	2,240	3,830

The dividends were in respect of the ordinary shares of Reclaims Enterprise and paid or payable to the Reclaims Enterprise shareholders prior to the completion of the Restructuring Exercise.

The interim tax exempt (1-tier) dividends recognised in FY2016 were declared during the reporting year ended 31 January 2016.

The final tax exempt (1-tier) dividends recognised in FY2016 were approved by the shareholders via an extra ordinary general meeting held on 12 August 2015, and was in respect of the reporting year ended 31 January 2014.

During reporting year 2017, final dividends paid amounting to \$740,000 and \$1,500,000 were approved by the shareholders via extra ordinary general meetings held on 18 April 2016 and 20 January 2017 respectively. These were in respect of the reporting years 31 January 2015 and 31 January 2016 respectively. Also refer to Note 18A for the non-cash transaction.

During reporting year 2018, final dividends amounting to \$3,830,000 was approved by the shareholders via an extra-ordinary general meeting held on 22 January 2018 and was in respect of the reporting year ended 31 January 2017.

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**13. Dividends on equity shares (cont’d)**

In respect of the reporting year 2018, a final dividend of \$2.00 per share amounting to \$2,000,000 was appeared in an annual general meeting held on 23 July 2018. This dividend was subject to approval by shareholders as at 31 January 2018 and was not included as a liability in these combined financial statements. The dividend was payable in respect of all ordinary shares in issue at the end of the reporting year, including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences of the dividends to shareholders.

**14. Property, plant and equipment**

	<b>Assets under construction \$'000</b>	<b>Freehold property \$'000</b>	<b>Leasehold property \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
<u>Cost:</u>					
At 1 February 2015	114	716	–	6,657	7,487
Additions	4,943	–	–	3,307	8,250
Disposals	–	–	–	(658)	(658)
At 31 January 2016	5,057	716	–	9,306	15,079
Additions	51	–	–	3,393	3,444
Reclassifications	(5,108)	–	5,108	–	–
Disposals	–	(716)	–	(696)	(1,412)
At 31 January 2017	–	–	5,108	12,003	17,111
Additions	–	–	–	1,146	1,146
Disposals	–	–	–	(486)	(486)
At 31 January 2018	–	–	5,108	12,663	17,771
<u>Accumulated depreciation:</u>					
At 1 February 2015	–	27	–	2,595	2,622
Depreciation	–	14	–	1,549	1,563
Disposals	–	–	–	(387)	(387)
At 31 January 2016	–	41	–	3,757	3,798
Depreciation	–	4	170	1,661	1,835
Disposals	–	(45)	–	(647)	(692)
At 31 January 2017	–	–	170	4,771	4,941
Depreciation	–	–	255	1,969	2,224
Disposals	–	–	–	(418)	(418)
At 31 January 2018	–	–	425	6,322	6,747
<u>Carrying value:</u>					
At 31 January 2016	5,057	675	–	5,549	11,281
At 31 January 2017	–	–	4,938	7,232	12,170
At 31 January 2018	–	–	4,683	6,341	11,024

The leasehold property is pledged as a security for bank loans (Note 21A).

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**15. Other asset, non-current**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Cost:</u>			
At beginning and end of the year	5,494	5,494	5,494
<u>Accumulated amortisation:</u>			
At beginning of the year	247	494	747
Amortisation	247	253	253
At end of the year	494	747	1,000
<u>Balance to be amortised:</u>			
Not later than one year	253	253	253
Later than one year and not later than five years	1,010	1,010	1,010
Later than five years	3,737	3,484	3,231
	5,000	4,747	4,494
Presented in the combined statement of financial position as follows:			
Other asset, non-current	4,747	4,494	4,241
Other assets, current (Note 17)	253	253	253
	5,000	4,747	4,494

This pertains to land use rights paid for the lease of land parcel located at Tuas South Street 7 (Plot 28). The lease is for a period of 21 years and 9 months commencing on 7 February 2014 and shall expire no later than 30 December 2035.

**16. Trade and other receivables**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Trade receivables:</u>			
Outside parties	7,669	9,306	5,278
Less allowance for impairment	(19)	(19)	(412)
Unbilled revenue	285	216	732
Related parties (Note 3)	28	389	148
Retention receivables	35	162	548
Subtotal	7,998	10,054	6,294

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**16. Trade and other receivables (cont’d)**

	2016 \$'000	2017 \$'000	2018 \$'000
<u>Other receivables:</u>			
Related party (Note 3)	–	500	500
Directors (Note 3)	2	171	–
Subtotal	2	671	500
Total trade and other receivables	8,000	10,725	6,794
Movements in above allowance for impairment on trade receivables:			
Balance at the beginning of the year	95	19	19
(Reversal) Allowance charged to profit or loss included under other gains and other losses (Note 6)	(76)	–	393
Balance at the end of the year	19	19	412

**17. Other assets, current**

	2016 \$'000	2017 \$'000	2018 \$'000
Deposits paid	199	49	79
Advances paid to suppliers	–	319	127
Land use right (Note 15)	253	253	253
	452	621	459

**18. Cash and cash equivalents**

	2016 \$'000	2017 \$'000	2018 \$'000
Not restricted in use	2,598	2,589	4,946

**18A. Non-cash transaction:**

During the reporting year ended 31 January 2016, the Group acquired plant and equipment amounting to \$355,000 by means of finance leases. The finance leases were fully settled during the reporting year.



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**18. Cash and cash equivalents (cont’d)**

**18A. Non-cash transaction: (cont’d)**

During the reporting year ended 31 January 2017, the Group offset the amount receivable from shareholders arising from the disposal of property to the shareholders against a dividend payable to the shareholders amounting to \$740,000 (Note 13).

**18B. Reconciliation of liabilities arising from financing activities:**

There are no reconciliation amount for the non-cash changes in liabilities arising from financing activities.

**19. Share capital**

	Number of shares issued	Share capital \$’000
<u>Ordinary shares of no par value:</u>		
Balance at 1 February 2015, 31 January 2016, 31 January 2017 and 31 January 2018	1,000,000	1,000

The Company was incorporated on 11 October 2018 with an initial share capital of \$1 comprising 1 ordinary share. The share capital in the combined statement of financial position as at 31 January 2016, 2017 and 2018 represents share capital of its subsidiary, Reclaims Enterprise. On 23 January 2019, the Company issued 15,327,084 shares to Chan Chew Leh, Tan Kok Huat and Andrew Chew for a consideration of \$15,327,084 pursuant to the Restructuring Exercise as described in Note 1.2.

On 26 February 2019, pursuant to the share split, 15,327,085 shares in the capital of the Company were sub-divided into 112,000,000 shares.

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.

**Capital management:**

The objectives when managing capital are: to safeguard the 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 was no change 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).

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**19. Share capital (cont’d)**

**Capital management: (cont’d)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Net debt:</u>			
All current and non-current borrowings	7,572	6,797	5,741
Less cash and cash equivalents	(2,598)	(2,589)	(4,946)
Net debt	4,974	4,208	795
<u>Adjusted capital:</u>			
Total equity	15,817	17,253	16,619
Debt-to-adjusted capital ratio	31.5%	24.4%	4.8%

The improvement as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year ended 31 January 2017 and 31 January 2018 primarily from repayment of the bank borrowings and increase in cash and cash equivalents balance.

**20. Trade and other payables**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Trade payables:</u>			
Outside parties and accrued liabilities	1,417	3,658	1,898
Related parties (Note 3)	429	113	88
Subtotal	1,846	3,771	1,986
<u>Other payables:</u>			
Dividends payable <sup>(a)</sup>	–	1,000	2,000
Directors (Note 3)	24	4	12
Other payables	4	17	24
Subtotal	28	1,021	2,036
Total trade and other payables	1,874	4,792	4,022

(a) The dividends payable as at 31 January 2017 and 31 January 2018 have been fully paid subsequent to the respective reporting year end dates.

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**21. Other financial liabilities**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Non-current:</u>			
Financial instruments with floating interest rates:			
Bank loans (secured) (Note 21A)	6,836	5,909	4,441
Bank loans (secured) (Note 21B)	77	–	–
Non-current, total	6,913	5,909	4,441
<u>Current:</u>			
Financial instruments with floating interest rates:			
Bank loans (secured) (Note 21A)	585	888	1,300
Bank loans (secured) (Note 21B)	74	–	–
Current, total	659	888	1,300
Total other financial liabilities	7,572	6,797	5,741
The non-current portion is repayable as follows:			
Due within 2 to 5 years	3,238	2,663	4,441
Due more than 5 years	3,675	3,246	–
Total non-current portion	6,913	5,909	4,441

The range of floating interest rates paid were as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Bank loans	2.09% – 3.38%	2.55% – 5.87%	2.55% – 5.99%

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The fair value of the bank loans are a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

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**21. Other financial liabilities (cont’d)**

**21A. Bank loans (secured)**

The bank agreements for the bank loans provide among other matters for the following:

- (i) The loans are secured by a first legal mortgage over the Group’s leasehold property (Note 14);
- (ii) Joint and several guarantee from certain of the directors of the Company; and
- (iii) Repayable by equal monthly instalments over 5 or 10 years from the date the loans were drawn down.

**21B. Bank loans (secured)**

The bank agreements for the bank loans provided among other matters for the following:

- (i) The loan was secured by a first legal mortgage over the Group’s freehold property (Note 14);
- (ii) Joint and several guarantee from certain of the directors of the Company; and
- (iii) Repayable by equal monthly instalments over 5 years from the date the loan was drawn down.

The loan was fully repaid during the reporting year 2017.

**22. Operating lease payment commitments – as lessee**

At the end of the reporting year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>\$’000</b>
Not later than one year	–	324	216
Later than one year and not later than five years	–	216	–
Rental expenses for the year	705	583	486

Operating lease payments are for rentals payable for lease of land. The lease from the lessor is for 2 years from 15 October 2016. The above rental expenses include certain leases with no commitment terms.

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**23. Financial instruments: information on financial risks**

**23A. 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:

	2016 \$'000	2017 \$'000	2018 \$'000
<u>Financial assets:</u>			
Cash and cash equivalents	2,598	2,589	4,946
Loans and receivables	8,000	10,725	6,794
	<u>10,598</u>	<u>13,314</u>	<u>11,740</u>
<u>Financial liabilities:</u>			
Trade and other payables measured at amortised cost	1,874	4,792	4,022
Borrowings measured at amortised cost	7,572	6,797	5,741
	<u>9,446</u>	<u>11,589</u>	<u>9,763</u>

Further quantitative disclosures are included throughout these combined financial statements.

**23B. 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. Maximise the use of “natural hedge”: favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

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**23. Financial instruments: information on financial risks (cont’d)**

**23B. Financial risk management (cont’d)**

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

The Group is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

**23C. 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 combined financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the combined 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.

**23D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days. But some customers take a longer period to settle the amounts.

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**23. Financial instruments: information on financial risks (cont’d)**

**23D. Credit risk on financial assets (cont’d)**

- (a) Ageing analysis of the age of trade receivable amounts that are past due but not impaired as at the end of reporting year:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>\$’000</b>
<u>Trade receivables:</u>			
31 to 60 days	1,917	3,430	1,252
61 to 365 days	1,076	2,426	1,549
Over 365 days	2,637	1,337	478
Total	5,630	7,193	3,279

- (b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>\$’000</b>
<u>Trade receivables:</u>			
61 to 365 days	–	–	60
Over 365 days	19	19	352
Total	19	19	412

Concentration of trade receivables as at the end of reporting year:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>\$’000</b>
Top 1 customer	1,121	1,139	566
Top 2 customers	2,082	2,090	1,042
Top 3 customers	2,973	3,002	1,400

Other receivables are normally with no fixed terms and therefore there is no maturity.

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**23. Financial instruments: information on financial risks (cont’d)**

**23E. 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. The other payables are with short-term durations. The classification of the financial assets is shown in the combined statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

	<b>Less than 1 year \$’000</b>	<b>1 to 5 years \$’000</b>	<b>More than 5 years \$’000</b>	<b>Total \$’000</b>
<u>2016:</u>				
Borrowings at amortised cost	1,046	3,138	5,840	10,024
Trade and other payables	1,874	–	–	1,874
	<u>2,920</u>	<u>3,138</u>	<u>5,840</u>	<u>11,898</u>
<u>2017:</u>				
Borrowings at amortised cost	978	2,933	5,541	9,452
Trade and other payables	4,792	–	–	4,792
	<u>5,770</u>	<u>2,933</u>	<u>5,541</u>	<u>14,244</u>
<u>2018:</u>				
Borrowings at amortised cost	1,456	4,677	–	6,133
Trade and other payables	4,022	–	–	4,022
	<u>5,478</u>	<u>4,677</u>	<u>–</u>	<u>10,155</u>

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 combined 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.



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**23. Financial instruments: information on financial risks (cont’d)**

**23E. Liquidity risk – financial liabilities maturity analysis (cont’d)**

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 combined 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. At the end of the reporting year, no claims on the financial guarantees are expected to be payable.

**23F. Interest rate risk**

The interest rate risk exposure is from changes in floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including the cash in interest-bearing bank account is not significant.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>\$’000</b>
Financial liabilities with interest:			
Floating rates	7,572	6,797	5,741

The floating rate debt instruments are with interest rates that are re-set at regular intervals.

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

**23G. Foreign currency risks**

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

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

**24. Transition from FRSs to SFRS(I)s**

The Group has early adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) from 1 February 2017. The Group has only one subsidiary for the reporting years ended 31 January 2016, 2017 and 2018, and the combined financial statements for the reporting year ended 31 January 2018 were the first set of financial statements of the Group prepared in accordance with SFRS(I)s. The subsidiary’s previously issued statutory financial statements for reporting years up to and including the reporting year ended 31 January 2017 were prepared in accordance with the Singapore Financial Reporting Standards (“FRSs”).

There is no significant impact in converting from FRS to SFRS(I)s and no adjustments were required.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND  
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**25. New or amended standards in issue but not yet effective**

For the future reporting years new or revised SFRS(I)s and the related interpretations to SFRS(I)s (“SFRS(I) INT”) were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group are listed below.

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS(I) 2	Amendments to Classification and Measurement of Share-based Payment Transactions	1 January 2018
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) 15	Revenue from Contracts with Customers. Amendments to Clarifications to SFRS(I) 15 Revenue from Contracts with Customers	1 January 2018
SFRS(I) 16	Leases and Leases – Illustrative Examples & Amendments to Guidance on Other Standards	1 January 2019
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019

SFRS(I) 9 Financial Instruments

On the basis of the facts and circumstances that exist as at 31 January 2018 (see accounting policy in Note 2 and disclosures in Note 23) the Group does not anticipate that the application of the new standard will have a material impact on the financial position and/or financial performance of the Group, apart from providing more extensive disclosures on the Group’s financial instruments.

SFRS(I) 15 Revenue from Contracts with Customers

On the basis of the current accounting treatment of the major sources of revenue (see accounting policy in Note 2 and disclosures in Note 5 on revenue) the management does not anticipate that the application of SFRS(I) 15 will have a material impact on the financial position and/or financial performance of the Group, apart from providing more extensive disclosures on the revenue transactions.

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**25. New or amended standards in issue but not yet effective (cont’d)**

SFRS(I) 16 Leases

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group’s operating leases. The Group’s operating leases (Note 22) are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under SFRS(I) 16, the Group will need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability, and depreciation on the right-of-use asset will be recognised in profit or loss. The Group’s assets and liabilities will increase, and the timing of expenses recognition will also be impacted as a result.

As disclosed in Note 22, the Group’s future minimum lease payments under non-cancellable operating leases for a land which approximately \$216,000 as at 31 January 2018. The leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once SFRS(I) 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition relief is available to the Group.

**26. Events after the end of the reporting year**

Subsequent to the end of the reporting year:

- (a) On 23 January 2019, the Company entered into a share purchase agreement to acquire the entire issued and paid-up capital in Reclaims Enterprise for a consideration of \$15,327,084. See Note 1.2 for details.
- (b) On 26 February 2019, 15,327,085 shares in the capital of the Company were sub-divided into 112,000,000 shares.

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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**RECLAIMS GLOBAL LIMITED**

and its Subsidiary

**Statement by Directors and Interim Combined Financial statements**

Six-month period ended 31 July 2018

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**Statement by Directors and Interim Combined Financial Statements**

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**Statement by Directors**

On behalf of the directors, we, Chan Chew Leh and Andrew Dekguang Jhou Chew, being directors of Reclaims Global Limited, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the directors of the Company which may render the accompanying interim combined financial statements for the six-month period ended 31 July 2018 to be false or misleading.

On behalf of the directors

.....  
Chan Chew Leh  
Director

.....  
Andrew Dekguang Jhou Chew  
Director

1 March 2019

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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The Board of Directors  
Reclaims Global Limited  
10 Tuas South Street 7  
Singapore 637114

### **Report on the interim combined financial statements**

We have reviewed the accompanying interim combined financial statements of Reclaims Global Limited (the “Company”) and its subsidiary (collectively, the “Group”), which comprise the combined statement of financial position as at 31 July 2018 and the related interim combined statement of profit or loss and other comprehensive income, interim combined statement of changes in equity and interim combined statement of cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim combined financial statements in accordance with Singapore Financial Reporting Standard (International) 1-34, Interim Financial Reporting (“SFRS(I) 1-34”). Our responsibility is to express a conclusion on this interim combined financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim combined financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

### **Restriction on distribution and use**

This report has been prepared solely for inclusion in the offer document of the Company to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

The engagement partner on the review resulting in this independent auditor’s report is Lee Mong Sheong.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

1 March 2019



**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**INTERIM COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME REPORTING PERIOD ENDED 31 JULY 2018**

		<b>Unaudited</b>	
		<b>Six-Months Ended 31 July</b>	
	<b>Notes</b>	<b>2017</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue	5	13,978	13,110
Interest income		–	2
Other gains	6	24	309
Purchase of materials, services and consumables used	7	(8,239)	(7,180)
Other losses	6	(397)	(380)
Finance costs	8	(142)	(82)
Depreciation and amortisation expense		(1,258)	(1,196)
Employee benefits expense	9	(1,868)	(2,065)
Other expenses	10	(1,414)	(2,472)
<b>Profit before tax from continuing operations</b>		<b>684</b>	<b>46</b>
Income tax expense	11	–	(138)
<b>Profit (Loss) from continuing operations, net of tax and total comprehensive income (loss)</b>		<b>684</b>	<b>(92)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings (loss) per share	12	0.61	(0.08)

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

**INTERIM COMBINED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2018**

	Notes	Audited 31.01.2018 \$'000	Unaudited 31.07.2018 \$'000
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	14	11,024	10,997
Other asset, non-current	15	4,241	4,115
<b>Total non-current assets</b>		15,265	15,112
<b><u>Current assets</u></b>			
Income tax receivable		–	320
Trade and other receivables	16	6,794	6,150
Other assets, current	17	459	3,308
Cash and cash equivalents	18	4,946	1,604
<b>Total current assets</b>		12,199	11,382
<b>Total assets</b>		27,464	26,494
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share capital	19	1,000	1,000
Retained earnings		15,619	13,527
Share-based payment reserve	20	–	800
<b>Total equity</b>		16,619	15,327
<b><u>Non-current liabilities</u></b>			
Deferred tax liabilities	11	740	735
Other financial liabilities, non-current	22	4,441	3,792
<b>Total non-current liabilities</b>		5,181	4,527
<b><u>Current liabilities</u></b>			
Income tax payable		342	–
Trade and other payables	21	4,022	5,340
Other financial liabilities, current	22	1,300	1,300
<b>Total current liabilities</b>		5,664	6,640
<b>Total liabilities</b>		10,845	11,167
<b>Total equity and liabilities</b>		27,464	26,494

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

**INTERIM COMBINED STATEMENT OF CHANGES IN EQUITY  
REPORTING PERIOD ENDED 31 JULY 2018**

	<b>Total equity \$'000</b>	<b>Share capital \$'000</b>	<b>Retained earnings \$'000</b>	<b>Share- based payment reserve \$'000</b>
<b>Current period:</b>				
Balance at 1 February 2018	16,619	1,000	15,619	–
<b>Movements in equity:</b>				
Total comprehensive loss for the reporting period	(92)	–	(92)	–
Share-based payment, equity-settled (Note 20)	800	–	–	800
Dividends (Note 13)	(2,000)	–	(2,000)	–
<b>Balance at 31 July 2018</b>	<b>15,327</b>	<b>1,000</b>	<b>13,527</b>	<b>800</b>
<b>Previous period:</b>				
Balance at 1 February 2017	17,253	1,000	16,253	–
<b>Movements in equity:</b>				
Total comprehensive income for the reporting period	684	–	684	–
Balance at 31 July 2017	17,937	1,000	16,937	–
Total comprehensive income for the reporting period	2,512	–	2,512	–
Dividends (Note 13)	(3,830)	–	(3,830)	–
<b>Balance at 31 January 2018</b>	<b>16,619</b>	<b>1,000</b>	<b>15,619</b>	<b>–</b>

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

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**INTERIM COMBINED STATEMENT OF CASH FLOWS  
REPORTING PERIOD ENDED 31 JULY 2018**

	<b>Unaudited</b>	
	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	684	46
Adjustments for:		
Interest income	–	(2)
Interest expense	142	82
Share-based payment, equity-settled	–	800
Depreciation of property, plant and equipment	1,132	1,070
Losses (Gains) on disposal of property, plant and equipment	4	(136)
Amortisation of other assets	126	126
Operating cash flows before changes in working capital	2,088	1,986
Trade and other receivables	1,697	143
Other assets, current	146	(2,849)
Trade and other payables	(1,508)	1,331
Net cash flows from operations	2,423	611
Income taxes paid	(724)	(805)
Net cash flows from (used in) operating activities	1,699	(194)
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(371)	(1,060)
Proceeds from disposal of property, plant and equipment	6	153
Interest received	–	2
Net cash flows used in investing activities	(365)	(905)
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(142)	(82)
Dividends paid	–	(2,000)
Proceeds from borrowings	6,500	–
Repayment of borrowings	(6,905)	(649)
Net movements in amounts due to directors	7	(12)
Net movements in amounts due from a related party	–	500
Net cash flows used in financing activities	(540)	(2,243)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>794</b>	<b>(3,342)</b>
Cash and cash equivalents, combined statement of cash flows, beginning balance	2,589	4,946
<b>Cash and cash equivalents, combined statement of cash flows, ending balance (Note 18)</b>	<b>3,383</b>	<b>1,604</b>

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

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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### **NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS REPORTING PERIOD ENDED 31 JULY 2018**

#### **1. General information**

Reclaims Global Limited (the “Company”) was incorporated on 11 October 2018 under the Companies Act, Chapter 50 as a private limited company domiciled in Singapore. On 23 January 2019, the Company was converted to a public company limited by shares.

The interim combined financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (\$’000), except when otherwise stated.

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

The principal activities of the Company are those of investment holding and provision of management services. The information of subsidiary is disclosed in the audited combined financial statements.

#### **2. Significant accounting policies and other explanatory notes**

##### **2A. Basis of preparation**

The interim combined financial statements for the six-month period ended 31 July 2018 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting.

The interim combined financial statements do not include all the information and disclosures required in the annual combined financial statements, and should be read in conjunction with the Group’s audited combined financial statements for the years ended 31 January 2016, 2017 and 2018.

For the current reporting period, new or revised Singapore Financial Reporting Standards (International) and the related Interpretations to SFRS(I)s (“SFRS(I) INT”) were issued by the Singapore Accounting Standards Council. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies (see Note 2B on significant accounting policies) and some modifications to the combined interim financial statements presentation and measurement.

In preparing the interim combined financial statements, the Group has not adopted any other SFRS(I)s, interpretation or amendment to SFRS(I)s that have been issued but are not yet effective.

The Group’s business is not subject to any significant seasonal fluctuations that will affect the results and cash flows for the reporting period.

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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### **2. Significant accounting policies and other explanatory notes (cont’d)**

#### **2B. Significant accounting policies**

In addition to the accounting policies and methods of computation adopted as disclosed in the audited combined financial statements for the reporting years ended 31 January 2016, 2017 and 2018, the preparation of the interim combined financial statements also include the application of the applicable new or revised Singapore Financial Reporting Standards (International).

##### **Revenue recognition**

The SFRS(I) 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, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales 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 will not be 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).

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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### **2. Significant accounting policies and other explanatory notes (cont’d)**

#### **2B. Significant accounting policies (cont’d)**

##### **Other income**

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest income is recognised using the effective interest method.

##### **Share-based payment**

There is share-based payment arrangement whereby services are rendered to the entity in exchange for shares or rights over shares (“equity-settled”). The fair value of the services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity’s shares (or an estimated market price, if the entity’s shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

##### **Financial instruments**

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the combined 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 combined 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.

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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### **2. Significant accounting policies and other explanatory notes (cont’d)**

#### **2B. Significant accounting policies (cont’d)**

##### **Financial instruments (cont’d)**

Classification and measurement of financial assets:

1. 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 fair value through profit or loss (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.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): No financial assets were classified in this category at the end reporting period.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): No financial assets classified in this category at the end of the reporting period.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): No financial assets were classified in this category at the end of the reporting period.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (a) the liabilities are managed, evaluated and reported internally on a fair value basis; or (b) 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.

### **3. Related party relationships and transactions**

SFRS(I) 1-24 on related party disclosures requires the entity to disclose: (a) transactions with its related parties; and (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.



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**3. Related party relationships and transactions (cont’d)**

**3A. Related party transactions:**

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these interim combined financial statements. The related party balances and financial guarantees if any are unsecured without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the interim combined financial statements, this item includes the following:

Significant related party transactions:

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Related parties:</u>		
Purchase of service	648	1,092
Service revenue	1,313	1,029
	<hr/>	

**3B. Key management compensation:**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
Salaries and other short-term employee benefits	122	296
	<hr/>	

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

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
Remuneration of directors of the Group	99	155
Remuneration of key management personnel of the Group	23	141
	<hr/>	

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

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**3. Related party relationships and transactions (cont’d)**

**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 interim combined financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	<b>Related party</b>	
	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Other receivables:</u>		
Balance at beginning of the reporting period	500	500
Amounts paid in	–	(500)
	<hr/>	
Balance at end of the reporting period (Note 16)	500	–
	<hr/>	

	<b>Directors</b>	
	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Other receivables (Other payables):</u>		
Balance at beginning of the reporting period	167	(12)
Amounts paid in	(179)	–
Amounts paid out	–	12
	<hr/>	
Balance at end of the reporting period (Note 21)	(12)	–
	<hr/>	

**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 SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

For management purposes, the Group 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.

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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)**

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.

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

- (1) The recycling segment focuses on the reclaiming of natural and urban construction and demolition waste, and recycling them for sale as building materials to our customers. The revenue from sale of recycled products is recognised at a point in time. The customers are those from construction-related industry.
- (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. The revenue from earthwork segment is recognised over time. The customers are those main contractors involved in construction processes.
- (3) The logistics and leasing segment provides transportation services and leasing of machinery and equipment. The revenue from logistics and leasing segment is recognised based on point in time. The customers are those from construction-related industry.

**4B. Profit or loss from continuing operations and reconciliations**

The information on costs, expenses, other gains and other losses for each product and service is not available and cost to develop it would be excessive. The following tables illustrate the information about revenue by segment.

	<b>Recycling \$'000</b>	<b>Excavation services \$'000</b>	<b>Logistics and leasing \$'000</b>	<b>Unallocated \$'000</b>	<b>Total \$'000</b>
<b>Six-Months Ended 2017</b>					
Revenue by segment	4,330	4,117	5,531	–	13,978

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**4. Financial information by operating segments (cont’d)**

**4B. Profit or loss from continuing operations and reconciliations (cont’d)**

	Recycling \$’000	Excavation services \$’000	Logistics and leasing \$’000	Unallocated \$’000	Total \$’000
<b>Six-Months Ended 2018</b>					
Revenue by segment	3,284	5,588	4,214	24	13,110

**4C. Assets and liabilities reconciliation**

The Group did not manage and allocate the assets and liabilities based on the identified operating segments.

**4D. Geographical information**

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

**4E. Information about major customers**

Revenue generated from the top three customers:

	<b>Six-Months Ended 31 July 2017 \$’000</b>	<b>2018 \$’000</b>
Top 1 customer	1,609	1,196
Top 2 customers	2,853	1,895
Top 3 customers	3,976	2,579

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**5. Revenue**

**5A. Revenue classified by type of good or service:**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Sales of goods	4,330	3,284
Contract revenue	4,117	5,588
Transportation and leasing services	5,531	4,238
Total revenue	13,978	13,110

**5B. Revenue classified by duration of contracts:**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term contracts	9,861	7,522
Long-term contracts	4,117	5,588
Total revenue	13,978	13,110

**5C. Revenue classified by timing of revenue recognition:**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
At a point in time	9,861	7,522
Over time	4,117	5,588
Total revenue	13,978	13,110

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**6. Other gains and (other losses)**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Government grants	24	153
Reversal for impairment on trade receivables	–	20
(Losses) Gains on disposal of property, plant and equipment	(4)	136
Allowance for impairment on trade receivables	(393)	(380)
Net	(373)	(71)
Presented in profit or loss as:		
Other gains	24	309
Other losses	(397)	(380)
Net	(373)	(71)

**7. Purchase of materials, services and consumables used**

The major components and other selected components include the following:

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchase of materials and disposal costs	2,328	1,521
Purchase of transportation services	4,944	4,665

**8. Finance costs**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense	142	82

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**9. Employee benefits expense**

	<b>Six-Months Ended 31 July</b>	
	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits expense	1,553	1,724
Contributions to defined contribution plan	70	88
Others	245	253
Total employee benefits expense	1,868	2,065

**10. Other expenses**

The major components and other selected components include the following:

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Initial public offering related expenses		
– Professional fees	–	300
– Share-based payment, equity-settled (Note 20)	–	800
Rental expenses	252	208
Repair and maintenance expense	278	315
Upkeep of motor vehicles	404	463

**11. Income tax**

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

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Current tax expense:</u>		
Current tax expense	–	143
Subtotal	–	143
<u>Deferred tax expense:</u>		
Deferred tax expense	–	16
Over adjustments to tax in respect of prior periods	–	(21)
Subtotal	–	(5)
Total income tax expense	–	138

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**11. Income tax (cont’d)**

**11A. Components of tax expense recognised in profit or loss include: (cont’d)**

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (31 July 2017: 17.0%) to profit or loss before income tax as a result of the following differences:

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before tax	684	46
Income tax expense at the above rate	116	8
Expenses not deductible for tax purposes	–	241
Enhanced productivity and innovation credit incentive	(111)	(54)
Income not subject to tax	(2)	–
Over adjustments to tax in respect of prior periods	–	(21)
Stepped income exemption	(3)	(36)
Total income tax expense	–	138

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

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

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Excess of book values over tax values of plant and equipment	–	(5)
Total deferred tax income recognised in profit or loss	–	(5)



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**11. Income tax (cont’d)**

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

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
From deferred tax liabilities recognised in profit or loss:		
Excess of book values over tax values of plant and equipment	740	735

Presented in the combined statement of financial position as follows:

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred tax liabilities	740	735

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

**12. Earnings per share**

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to the owners of the Company by the pre-invitation share capital of the Company. The Company’s pre-invitation number of ordinary shares of 112,000,000 has been used in the calculation of basic and diluted earnings per share for all years presented in accordance with SFRS(I) 1-33, as pre-invitation number of ordinary shares reflects the number of ordinary shares after adjusting for changes in number of shares arising from the Restructuring Exercise disclosed in Note 1.2 of the audited combined financial statements.

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

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Numerators:</u>		
Profit (Loss) from continuing operations, net of tax and total comprehensive income (loss)	684	(92)

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**12. Earnings per share (cont’d)**

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>'000</b>	<b>'000</b>
<hr/>		
<u>Denominators:</u>		
Number of ordinary shares held by the shareholders as adjusted for the share split	112,000	112,000
	<hr/>	

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

Excluding the share-based payment totalling \$800,000 recognised in the six-months ended 31 July 2018, the profit net of tax for the six-months ended 31 July 2018 would have been \$708,000, and the related earnings per share based on 112,000,000 of ordinary shares would have been 0.63 cents per share.

**13. Dividends on equity shares**

	<b>Dividend per share</b>			
	<b>31.01.2018</b>	<b>31.07.2018</b>	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$'000</b>	<b>\$'000</b>
<hr/>				
Final tax exempt (1-tier) dividends	3.83	2.00	3,830 <sup>(1)</sup>	2,000 <sup>(2)</sup>
	<hr/>			

The dividends were in respect of the ordinary shares of Reclaims Enterprise and paid or payable to the Reclaims Enterprise shareholders prior to the completion of the Restructuring Exercise.

- (1) Final dividends amounting to \$3,830,000 was approved by the shareholders at an extra ordinary general meeting held on 22 January 2018.
- (2) Final dividends amounting to \$2,000,000 was approved by the shareholders at the annual general meeting held on 23 July 2018.

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**14. Property, plant and equipment**

	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 January 2017	5,108	12,003	17,111
Additions	–	371	371
Disposals	–	(189)	(189)
At 31 July 2017	5,108	12,185	17,293
Additions	–	775	775
Disposals	–	(297)	(297)
At 31 January 2018	5,108	12,663	17,771
Additions	–	1,060	1,060
Disposals	–	(452)	(452)
At 31 July 2018	5,108	13,271	18,379
<u>Accumulated depreciation:</u>			
At 1 January 2017	170	4,771	4,941
Depreciation	128	1,004	1,132
Disposals	–	(179)	(179)
At 31 July 2017	298	5,596	5,894
Depreciation	127	965	1,092
Disposals	–	(239)	(239)
At 31 January 2018	425	6,322	6,747
Depreciation	127	943	1,070
Disposals	–	(435)	(435)
At 31 July 2018	552	6,830	7,382
<u>Carrying value:</u>			
At 31 January 2018	4,683	6,341	11,024
At 31 July 2018	4,556	6,441	10,997

The leasehold property is pledged as a security for bank loan (Note 22A).

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**15. Other asset, non-current**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Cost:</u>		
At beginning and end of the reporting period	5,494	5,494
<u>Accumulated amortisation:</u>		
At beginning of the reporting period	747	1,000
Amortisation	253	126
At end of the reporting period	1,000	1,126
<u>Balance to be amortised:</u>		
Not later than one year	253	253
Later than one year and not later than five years	1,010	1,010
Later than five years	3,231	3,105
	4,494	4,368
Presented in the combined statement of financial position as follows:		
Other asset, non-current	4,241	4,115
Other assets, current (Note 17)	253	253
	4,494	4,368

This pertains to land use right paid for the lease of land parcel located at Tuas South Street 7 (Plot 28). The lease is for a period of 21 years and 9 months commencing on 7 February 2014 and shall expire no later than 30 December 2035.

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**16. Trade and other receivables**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Trade receivables:</u>		
Outside parties	5,278	5,983
Less allowance for impairment	(412)	(772)
Unbilled revenue	732	–
Related parties (Note 3)	148	132
Retention receivables	548	807
Subtotal	6,294	6,150
<u>Other receivables:</u>		
Related party (Note 3)	500	–
Subtotal	500	–
Total trade and other receivables	6,794	6,150
Movements in above allowance for impairment on trade receivables:		
Balance at beginning of the reporting period	19	412
Allowance charged to profit or loss included under other losses (Note 6)	393	380
Reversal charged to profit or loss included under other gains (Note 6)	–	(20)
Balance at end of the reporting period	412	772

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**17. Other assets, current**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred expense	–	129
Contract assets (Note 17A)	–	2,591
Advances paid to suppliers	127	257
Deposits paid	79	78
Land use right (Note 15)	253	253
	<u>459</u>	<u>3,308</u>

**17A. Contract assets**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
The amount is made up of:		
Consideration for work completed but not billed as at the end of the reporting period <sup>(a)</sup>	<u>732</u>	<u>2,591</u>
The movements in contract assets are as follows:		
At beginning of the reporting period <sup>(a)</sup>	216	732
Transfer to trade receivables	(216)	(732)
Transfer to revenue for performance obligation satisfied	<u>732</u>	<u>2,591</u>
At end of the reporting period	<u>732</u>	<u>2,591</u>

(a) For the reporting years ended 31 January 2017 and 2018, the SFRS(I) 15 Revenue from Contract Customers was not applicable, as SFRS(I) 15 is effective from period beginning on or after 1 January 2018. Previously contract assets was disclosed as unbilled revenue (Note 16). The figures were included herein for comparative purpose.

The contract assets are for the entity’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. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

The increase in the contract assets was due to increase in overall contract activities.

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**18. Cash and cash equivalents**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not restricted in use	4,946	1,604

**18A. Reconciliation of liabilities arising from financial liabilities:**

There are no reconciliation amount for the non-cash changes in liabilities arising from financing activities.

**19. Share capital**

	<b>Number of shares issued</b>	<b>Share capital \$'000</b>
<u>Ordinary shares of no par value:</u>		
Balance at 1 February 2017, 31 July 2017, 31 January 2018 and 31 July 2018	1,000,000	1,000

The Company was incorporated on 11 October 2018 with an initial share capital of \$1 comprising 1 ordinary share. The share capital in the combined statement of financial position as at 31 January 2016, 2017 and 2018 comprising share capital of its subsidiary, Reclaims Enterprise. On 23 January 2019, the Company issued 15,327,084 shares to Chan Chew Leh, Tan Kok Huat and Andrew Chew for a consideration of \$15,327,084 pursuant to the Restructuring Exercise as described in Note 1.2 of combined audited financial statements.

On 26 February 2019, pursuant to the share split, 15,327,085 shares of the capital of the Company was sub-divided into 112,000,000 shares.

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.

**Capital management:**

The objectives when managing capital are: to safeguard the 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 was no change in the approach to capital management during the reporting period.

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**19. Share capital (cont’d)**

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).

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Net debt:</u>		
All current and non-current borrowings	5,741	5,092
Less cash and cash equivalents	(4,946)	(1,604)
Net debt	795	3,488
<u>Adjusted capital:</u>		
Total equity	16,619	15,327
Debt-to-adjusted capital ratio	4.8%	22.8%

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting period ended 31 July 2018 resulted primarily from the reduction of cash and cash equivalents balance.

**20. Share-based payment reserve**

There is share-based payment arrangement. Based on an agreement entered between Chan Chew Leh, Tan Kok Huat and Andrew Chew on or around January 2018, Andrew Chew is engaged to map out the strategy for the listing of Reclaims Enterprise, a subsidiary of the Group. Pursuant to the agreement, each of Chan Chew Leh and Tan Kok Huat has transferred 2.5% of the issued share capital of Reclaims Enterprise to Andrew Chew in April 2018. A further 2.5% of the issued share capital of Reclaims Enterprise each from Chan Chew Leh and Tan Kok Huat is transferred to Andrew Chew, during the share swap in connection with the Restructuring Exercise as described in Note 1.2 of the audited combined financial statements.

The fair value of the share-based payment totalling \$1,830,000 has been estimated based on the Guideline Public Company Model (GPCM), and is recognised over the vesting period from the grant date to the estimated date of listing of the Group. Accordingly \$800,000 has been recognised in profit or loss in the six-month period ended 31 July 2018 (Note 10). Other assumptions include: EBITA (earnings before interest, tax and amortisation) multiples of between 4 to 4.5 times on normalised EBITA; lack of discount on marketability of 30%.



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**21. Trade and other payables**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Trade payables:</u>		
Outside parties and accrued liabilities	1,898	2,529
Related parties (Note 3)	88	788
Subtotal	1,986	3,317
<u>Other payables:</u>		
Dividend payable <sup>(a)</sup>	2,000	2,000
Directors (Note 3)	12	–
Other payables	24	23
Subtotal	2,036	2,023
Total trade and other payables	4,022	5,340

(a) Dividend payable as at 31 January 2018 was paid on 5 February 2018.

**22. Other financial liabilities**

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	4,441	3,792
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	1,300	1,300
Total other financial liabilities	5,741	5,092
The non-current portion is repayable as follows:		
Due within 2 to 5 years	4,441	3,792
Due more than 5 years	–	–
Total non-current portion	4,441	3,792

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**22. Other financial liabilities (cont’d)**

The range of floating interest rates paid were as follows:

	<b>31.01.2018</b>	<b>31.07.2018</b>
Bank loan	2.55% – 5.99%	2.79% – 3.19%

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The fair value of the bank loans are a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

**22A. Bank loan (secured)**

The bank agreement for the bank loan provides among other matters for the following:–

- (i) The loan is secured by a first legal mortgage over the Group’s leasehold property (Note 14);
- (ii) Joint and several guarantee from certain directors of the Company; and
- (iii) Repayable by equal monthly instalments over 5 years from June 2017.

**23. Operating lease payment commitments – as lessee**

At the end of the reporting period, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<b>Six-Months Ended 31 July</b>	
	<b>2017</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>
Not later than one year	324	41
Later than one year and not later than five years	41	–
Rental expenses for the reporting period	252	208

Operating lease payments are for rentals payable for lease of land. The lease from the lessor is for 2 years from 15 October 2016. The above rental expenses include certain leases with no commitment terms.

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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**24. Financial instruments: information on financial risks**

**24A. 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 period:

	31.01.2018 \$'000	31.07.2018 \$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	11,740	7,754
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	9,763	10,432

Further quantitative disclosures are included throughout these interim combined financial statements.

**24B. 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. Maximise the use of “natural hedge”: favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

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

The Group is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

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## **APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE INTERIM COMBINED FINANCIAL STATEMENTS OF RECLAIMS GLOBAL LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2018**

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### **24. Financial instruments: information on financial risks (cont’d)**

#### **24C. 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 interim combined financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the combined 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.

#### **24D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting period. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. The group applies a simplified approach which is permitted by the Financial Reporting Standards.

On initial recognition, a loss equivalent to the 12-month ECL (or lifetime ECL for trade receivables) is recorded, unless the assets are considered credit impaired. For credit risk on trade receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment 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 18 discloses the maturity of the cash and cash equivalents. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**24. Financial instruments: information on financial risks (cont’d)**

**24D. Credit risk on financial assets (cont’d)**

Trade receivables and contract assets:

At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined as follows for trade receivables and contract assets:

	Gross amount		Expected rate of credit loss		Loss allowance	
	31.01.2018	31.07.2018	31.01.2018	31.07.2018	31.01.2018	31.07.2018
	\$'000	\$'000			\$'000	\$'000
Trade receivables and contract assets:						
Current	1,276	5,706	0%	0%	–	–
1 to 30 days past due	1,739	1,586	0%	0%	–	–
31 to 60 days past due	1,252	214	0%	0%	–	–
61 to 365 days past due	1,609	1,510	3.7%	29.1%	60	440
Over 365 days past due	830	497	42.4%	66.8%	352	332
Total	6,706	9,513			412	772

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

To determine whether a financial instrument has low credit risk, management uses its internal credit risk ratings (such as external rating of “investment grade” of a financial instrument) or other methodologies that are consistent with a globally understood definition of low credit risk (such as market participant perspective taking into account all of the terms and conditions of the financial instrument).

Concentration of trade receivables as at the end of the reporting period:

	31.01.2018 \$'000	31.07.2018 \$'000
Top 1 customer	566	539
Top 2 customers	1,042	909
Top 3 customers	1,400	1,276

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**24. Financial instruments: information on financial risks (cont’d)**

**24D. Credit risk on financial assets (cont’d)**

Other receivables:

The other receivables at amortised cost are subject to the expected credit loss model under the Financial Reporting Standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is recognised at an amount equivalent to a 12-month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor’s credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity. Related parties other receivables are regarded as of low credit risk if they are guaranteed by the directors with the ability to settle the amount.

**24E. 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 (31 January 2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the combined statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

	<b>Less than 1 year \$’000</b>	<b>1 to 5 years \$’000</b>	<b>More than 5 years \$’000</b>	<b>Total \$’000</b>
<u>31 January 2018:</u>				
Borrowings at amortised cost	1,456	4,677	–	6,133
Trade and other payables	4,022	–	–	4,022
	<u>5,478</u>	<u>4,677</u>	<u>–</u>	<u>10,155</u>
<u>31 July 2018:</u>				
Borrowings at amortised cost	1,436	3,964	–	5,400
Trade and other payables	5,340	–	–	5,340
	<u>6,776</u>	<u>3,964</u>	<u>–</u>	<u>10,740</u>

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**24. Financial instruments: information on financial risks (cont’d)**

**24E. Liquidity risk – financial liabilities maturity analysis (cont’d)**

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 combined 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.

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 combined 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. At the end of the reporting period, no claims on the financial guarantees are expected to be payable.

**24F. Interest rate risk**

The interest rate risk exposure is from changes in floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including the cash in interest-bearing bank account is not significant.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<b>31.01.2018</b>	<b>31.07.2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial liabilities with interest:		
Floating rates	5,741	5,092

The floating rate debt instruments are with interest rates that are re-set at regular intervals.

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

**24G. Foreign currency risks**

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

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

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND  
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**25. Events after the end of the reporting period**

Subsequent to the end of the reporting period:

- (a) On 23 January 2019, the Company entered into a share purchase agreement to acquire the entire issued and paid-up capital in Reclaims Enterprise for a consideration of \$15,327,084. See Note 1.2 in audited combined financial statements for details.
- (b) On 26 February 2019, 15,327,085 shares in the capital of the Company were sub-divided into 112,000,000 shares.



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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
THE COMPILATION OF THE UNAUDITED PRO FORMA COMBINED  
FINANCIAL INFORMATION OF RECLAIMS GLOBAL LIMITED  
FOR THE REPORTING YEAR ENDED 31 JANUARY 2018**

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**RECLAIMS GLOBAL LIMITED**

and its Subsidiary

**Unaudited pro forma combined financial information**

Reporting year ended 31 January 2018

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
THE COMPILATION OF THE UNAUDITED PRO FORMA COMBINED  
FINANCIAL INFORMATION OF RECLAIMS GLOBAL LIMITED  
FOR THE REPORTING YEAR ENDED 31 JANUARY 2018**

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The Board of Directors  
Reclaims Global Limited  
10 Tuas South Street 7  
Singapore 637114

Dear Sirs,

**Report on the compilation of the unaudited pro forma combined financial information**

We have completed our assurance engagement to report on the compilation of pro forma combined financial information of Reclaims Global Limited (the “Company”) and its subsidiary (the “Group”) by the management of the Company (“Management”). The pro forma combined financial information consists of the pro forma combined statement of financial position as at 31 January 2018 and related notes as set out on pages C-5. The basis of preparation which Management has compiled the pro forma combined financial information are described in Note 2 to the unaudited pro forma combined financial information (the “Basis of Preparation”).

The pro forma combined financial information has been compiled by Management to illustrate the impact of the event set out in Note 3 to the unaudited pro forma combined financial information on the Group’s financial position as at 31 January 2018 as if the event had occurred on 31 January 2018. As part of this process, information about the Group’s financial position has been extracted by Management from the Group’s combined financial statements for the reporting year ended 31 January 2018 on which an audit report has been included in Appendix A of this offer document.

**Management’s responsibility for the pro forma combined financial information**

Management is responsible for compiling the pro forma combined financial information on the Basis of Preparation.

**Our independence and quality control**

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies *Singapore Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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**Auditor’s responsibility**

Our responsibility is to express an opinion about whether the pro forma combined financial information has been compiled, in all material respects, by Management on the Basis of Preparation.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Singapore Chartered Accountants. This standard requires that the Independent Auditor plan and perform procedures to obtain reasonable assurance about whether Management has compiled, in all material respects, the pro forma combined financial information on the Basis of the Preparation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined financial information.

The purpose of the pro forma combined financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined financial information has been compiled, in all material respects, on the Basis of Preparation involves performing procedures to assess whether the applicable criteria used by Management in the compilation of the pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma combined financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Independent Auditor’s judgment, having regard to the Independent Auditor’s understanding of the nature of the Group, the event or transaction in respect of which the pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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**Opinion**

In our opinion:

- (a) the pro forma combined financial information has been compiled:
  - (i) in a manner consistent with the accounting policies adopted by the Group in the audited combined financial statements, which are in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”);
  - (ii) on the Basis of the Preparation stated in Note 2 of the unaudited pro forma combined financial information; and
- (b) each material adjustment made to the information used in the preparation of the pro forma combined financial information is appropriate for the purpose of preparing such unaudited financial information.

**Restriction on distribution and use**

The report has been prepared solely for inclusion in the offer document of the Company to be issued in relation to the propose offering of the shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

The engagement partner on the compilation resulting in this independent practitioner’s assurance report is Lee Mong Sheong.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

1 March 2019

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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FOR THE REPORTING YEAR ENDED 31 JANUARY 2018**

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION  
As at 31 January 2018**

	<b>31.01.2018 \$'000</b>
<b>ASSETS</b>	
<b><u>Non-current assets</u></b>	
Property, plant and equipment	11,024
Other asset, non-current	4,241
<b>Total non-current assets</b>	<b>15,265</b>
<b><u>Current assets</u></b>	
Trade and other receivables	6,794
Other assets, current	459
Cash and cash equivalents	4,946
<b>Total current assets</b>	<b>12,199</b>
<b>Total assets</b>	<b>27,464</b>
<b>EQUITY AND LIABILITIES</b>	
<b><u>Equity</u></b>	
Share capital	1,000
Retained earnings	13,619
<b>Total equity</b>	<b>14,619</b>
<b><u>Non-current liabilities</u></b>	
Deferred tax liabilities	740
Other financial liabilities, non-current	4,441
<b>Total non-current liabilities</b>	<b>5,181</b>
<b><u>Current liabilities</u></b>	
Income tax payable	342
Trade and other payables	6,022
Other financial liabilities, current	1,300
<b>Total current liabilities</b>	<b>7,664</b>
<b>Total liabilities</b>	<b>12,845</b>
<b>Total equity and liabilities</b>	<b>27,464</b>

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

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION  
As at 31 January 2018**

	Audited combined statement of financial position \$'000	Unaudited pro forma adjustments (Note 3) \$'000	Unaudited pro forma combined statement of financial position \$'000
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	11,024		11,024
Other asset, non-current	4,241		4,241
<b>Total non-current assets</b>	<u>15,265</u>		<u>15,265</u>
<b><u>Current assets</u></b>			
Trade and other receivables	6,794		6,794
Other assets, current	459		459
Cash and cash equivalents	4,946		4,946
<b>Total current assets</b>	<u>12,199</u>		<u>12,199</u>
<b>Total assets</b>	<u>27,464</u>		<u>27,464</u>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share capital	1,000		1,000
Retained earnings	15,619	(2,000)	13,619
<b>Total equity</b>	<u>16,619</u>		<u>14,619</u>
<b><u>Non-current liabilities</u></b>			
Deferred tax liabilities	740		740
Other financial liabilities, non-current	4,441		4,441
<b>Total non-current liabilities</b>	<u>5,181</u>		<u>5,181</u>
<b><u>Current liabilities</u></b>			
Income tax payable	342		342
Trade and other payables	4,022	2,000	6,022
Other financial liabilities, current	1,300		1,300
<b>Total current liabilities</b>	<u>5,664</u>		<u>7,664</u>
<b>Total liabilities</b>	<u>10,845</u>		<u>12,845</u>
<b>Total equity and liabilities</b>	<u>27,464</u>		<u>27,464</u>

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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**NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE  
REPORTING YEAR ENDED 31 JANUARY 2018**

**1. General**

Reclaims Global Limited (the “Company”) was incorporated on 11 October 2018 under the Companies Act as a private limited company domiciled in Singapore. On 23 January 2019, the Company was converted to a public company limited by shares.

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

The unaudited pro forma combined financial information for the reporting year ended 31 January 2018 were approved and authorised for issue by the Board of Directors (“directors”) on 30 January 2019.

**2. Basis of preparation of the unaudited pro forma combined financial information**

The unaudited pro forma combined financial information for the reporting year ended 31 January 2018 has been prepared for inclusion in the offer document in connection with the initial public offering of shares of Reclaims Global Limited and should be read in conjunction with the audited combined financial statements of the Company and its subsidiary (collectively the “Group”) for the reporting years ended 31 January 2016, 2017 and 2018 as set out in Appendix A of the offer document.

The unaudited pro forma combined financial information, which comprises the unaudited pro forma combined statement of financial position, has been prepared for illustrative purposes only to show what the financial position of the Group as at 31 January 2018 would have been if the approval of dividends as stated in Note 3 below had taken place on that date.

The unaudited pro forma combined financial information, because of its nature, may not give a true picture of the Group’s actual financial position.

The unaudited pro forma combined financial information has been prepared based on the audited combined financial statements of the Group for the reporting year ended 31 January 2018 (Appendix A) which have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) by Management. The audited combined financial statements for the reporting year ended 31 January 2018 were audited by RSM Chio Lim LLP in accordance with Singapore Standards on Auditing. The auditor’s reports on these financial statements were not qualified.

The unaudited pro forma combined financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (\$’000), except when otherwise stated.

The Group has applied the same accounting policies and methods of computation in the unaudited pro forma combined financial information of the Group as those of the most recently audited combined financial statements for the reporting year ended 31 January 2018.

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT AND  
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**2. Basis of preparation of the unaudited pro forma combined financial information (cont’d)**

The unaudited pro forma combined statement of profit or loss and other comprehensive income and unaudited pro forma combined statement of cash flows for the reporting year ended 31 January 2018 have not been presented, as approval of the tax-exempt dividend, assumed on 31 January 2018, would not have had an impact on the combined statement of profit or loss and other comprehensive income and combined statement of cash flows of the Group for the reporting year ended 31 January 2018.

The unaudited pro forma combined statement of financial position as at 31 July 2018, unaudited pro forma combined statement of profit or loss and other comprehensive income and unaudited pro forma combined statement of cash flows of the Group for the six-month period ended 31 July 2018 have not been disclosed as the financial effect of the approval of the tax-exempt dividends on 23 July 2018 have been accounted for in the interim combined financial statements of the Group for the six-month period ended 31 July 2018.

**3. Significant event and pro forma adjustment**

Dividend declared subsequent to the reporting year 2018

On 23 July 2018, the then shareholders of Reclaims Enterprise Pte. Ltd., a subsidiary of the Group, approved a final tax-exempt dividend amounting to \$2,000,000.

Accordingly, the pro forma adjustment refers to the deduction of the final tax-exempt dividend of \$2,000,000 from retained earnings and corresponding increase in dividend payable (current liabilities) to the shareholders of the subsidiary, on the assumption that the interim tax-exempt dividend declared was approved as at 31 January 2018.



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## **APPENDIX D – SUMMARY OF CONSTITUTION OF OUR COMPANY**

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The discussion below provides information on certain provisions of our Constitution and the company law of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Constitution.

### **REGISTRATION NUMBER**

We are registered in Singapore with the ACRA. Our company registration number is 201834755M.

### **SUMMARY OF OUR CONSTITUTION**

#### **1. Directors**

##### **(a) Ability of interested directors to vote**

A Director shall not vote in respect of any transaction or proposed transaction or arrangement in which he has directly or indirectly a personal material interest and if he shall do so, his vote shall not be counted, and he shall not be counted in the quorum present at the meeting, save that he may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under our Company or where the terms of any such appointment are arranged but he shall not vote in respect of such matter.

##### **(b) Remuneration**

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of our Directors, or who performs services outside the ordinary duties of a Director, shall be entitled to receive such sum as our Directors may think fit (but not by way of commission on or percentage of turnover), and such remuneration may, as our Directors may determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of our Company.

The remuneration of a CEO or Managing Director or person holding an equivalent position shall be fixed by our Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

Our Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

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## APPENDIX D – SUMMARY OF CONSTITUTION OF OUR COMPANY

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### **(c) Borrowing**

Our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to secure any debt, liability or obligation of our Company.

### **(d) Retirement Age Limit**

There is no retirement age limit for Directors under our Constitution.

### **(e) Shareholding Qualification**

There is no shareholding qualification for Directors in the Constitution of our Company.

## **2. Share rights and restrictions**

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of members and in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares, are recognised as our shareholders.

### **(a) Dividends and distribution**

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. All dividends are paid *pro rata* amongst our shareholders but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. All dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. Unless otherwise directed, dividends are paid by cheque or dividend warrant, sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

CDP will hold all dividend unclaimed for six years after having been declared and paid before release to our Directors, and our Directors may invest or otherwise make use of the unclaimed dividends for the benefit of our Company until claimed.

Our Directors may retain any dividends on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

### **(b) Voting rights**

A holder of our ordinary shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. Except as otherwise

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## APPENDIX D – SUMMARY OF CONSTITUTION OF OUR COMPANY

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provided in our Constitution, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, if required by the Catalist Rules, all resolutions at general meetings shall be voted by poll. Subject as aforesaid, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 5% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

### 3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our shareholders' approval by way of a special resolution for any reduction of our share capital, subject to the conditions prescribed by law.

### 4. Variation of rights of existing shares or classes of shares

Subject to the Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Constitution relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy shall on a poll have one vote for every share of the class held by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum.

The relevant provision in our Constitution does not impose more significant conditions than the Act in this regard.

### 5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

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## APPENDIX E – DESCRIPTION OF OUR SHARES

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The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore, the Catalist Rules and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in entirety by reference to our Constitution, a copy of which is available for inspection at our registered office during normal business hours for a period of six months from the date of this Offer Document.

### *Ordinary Shares*

All of our Shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

### *New Shares*

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to a share issue mandate may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of the total number of our issued Shares, excluding treasury shares and subsidiary holdings, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to our Shareholders may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of the total number of our issued Shares, excluding treasury shares and subsidiary holdings (the percentage of the total number of issued Shares, excluding treasury shares and subsidiary holdings, being based on our Company's total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time such authority is given after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent bonus issue, consolidation or subdivision of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

### *Shareholders*

Only persons who are registered in our register of members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our register of members for any time or times if we provide the SGX-ST at least five clear Market Days' notice. However, the register of members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our register of members to determine Shareholders' entitlement to receive dividends and other distributions.

### *Transfer of Shares*

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument

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## APPENDIX E – DESCRIPTION OF OUR SHARES

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of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board of Directors may require.

### *General Meetings of Shareholders*

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

### *Voting Rights*

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, the chairman of the meeting shall be entitled to treat the first named proxy as the authorised representative to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

### *Dividends*

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. All dividends are paid *pro rata* among our Shareholders

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## APPENDIX E – DESCRIPTION OF OUR SHARES

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but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. All dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. Unless otherwise directed, dividends are paid by cheque or dividend warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

### *Bonus and Rights Issue*

Our Board of Directors may, with approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or moneys carried and standing to any reserve) and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

### *Takeovers*

Under the Singapore Code on Take-overs and Mergers (“**Singapore Take-over Code**”), issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any six-month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;

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## APPENDIX E – DESCRIPTION OF OUR SHARES

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- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert with it for voting rights of the offeree company during the offer period and within six months prior to its commencement.

### *Liquidation or Other Return of Capital*

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

### *Indemnity*

As permitted by Singapore law, our Constitution provides that, subject to the Act, our Board of Directors and officers shall be entitled to be indemnified by us against all costs, charges, losses, expenses or liabilities incurred in or about the execution of the duties of his office or otherwise in relation thereto, and no such Directors or officers shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. We may not exempt our Directors and officers from any liability that would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to us.



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## APPENDIX E – DESCRIPTION OF OUR SHARES

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### *Limitations on Rights to Hold or Vote Shares*

There are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident shareholders to hold or vote in respect of our Shares.

### *Minority Rights*

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or
- (e) provide that we be wound up.

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## APPENDIX F – TAXATION

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*The following is a discussion of certain tax matters relating to Singapore income tax, capital gains tax, stamp duty and estate duty consequences in relation to the purchase, ownership and disposal of our Shares. This discussion is not intended to be and does not constitute legal or tax advice. The discussion is limited to a general description of certain tax consequences in Singapore with respect to the ownership of shares and is based on laws, regulations and interpretations now in effect and available as of the Latest Practicable Date. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.*

***Prospective purchasers of our Shares should consult their tax advisers concerning the tax consequences of owning and disposing of our Shares. Neither our Company, our Directors nor any other persons involved in the Invitation accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.***

### SINGAPORE INCOME TAX

#### General

##### *Scope of Tax*

Corporate taxpayers are generally subject to Singapore income tax on all Singapore-sourced income, and on foreign-sourced income received or deemed received in Singapore (unless specifically exempted).

In general, individuals are subject to Singapore income tax only on Singapore-sourced income. However, foreign-sourced income received through a partnership may be subject to Singapore income tax if it is received or deemed received in Singapore (unless specifically exempted).

##### *Rates of Tax*

The prevailing corporate income tax rate in Singapore is 17% with partial tax exemption for normal chargeable income of up to S\$300,000 as follows:

- 75% exemption in respect of up to the first S\$10,000; and
- 50% exemption in respect of up to the next S\$290,000.

From the Year of Assessment (“YA”) 2020, the partial tax exemption for normal chargeable income of up to S\$200,000 is as follows:

- 75% exemption in respect of up to the first S\$10,000; and
- 50% exemption in respect of up to the next S\$190,000.

Any chargeable income that exceeds S\$200,000 will no longer enjoy the partial tax exemption.

Newly incorporated Singapore tax resident companies, subject to meeting certain conditions, are eligible for the following exemptions on normal chargeable income applicable for the first three consecutive years of assessment:

- 100% exemption in respect of up to the first S\$100,000; and
- 50% exemption in respect of up to the next S\$200,000.

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## APPENDIX F – TAXATION

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With effect from YA 2020, the exemptions on normal chargeable income are as follows:

- 75% exemption in respect of up to the first S\$100,000; and
- 50% exemption in respect of up to the next S\$100,000.

An individual is regarded as tax resident in Singapore for a year of assessment if, in the preceding year, he was physically present or had exercised employment in Singapore (other than as a director of a company) for 183 or more days, or if he resides in Singapore.

Singapore tax-resident individuals are generally subject to tax based on a progressive scale. The top marginal rate of tax is currently 22%.

Non-Singapore resident individuals are generally subject to tax at a rate equivalent to the prevailing corporate income tax rate. Their Singapore employment income is however taxed at a flat rate of 15% or at resident tax rates, whichever yields a higher amount of tax.

### **Dividend Distributions**

Under the one-tier system, dividends paid out by our Company are exempt from income tax in the hands of the shareholders. The dividends will have no tax credit attached.

No withholding tax is imposed on dividend payments made, whether to resident or non-resident shareholders.

### **Gains on Disposal of Shares**

Singapore does not impose tax on capital gains. However, gains arising from the disposal of our Shares that are construed to be of an income nature will be subject to tax. Hence, any profits derived from the disposal of Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case the gains on disposal of the Shares will be taxable. Likewise, if the gains are regarded by the Inland Revenue Authority of Singapore as having arisen from the carrying on of a trade or business in Singapore, such gains may be taxed as trading income.

### **STAMP DUTY**

No stamp duty is payable on the subscription and issuance of our Shares.

Where existing Shares evidenced by certificates are acquired in Singapore, stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration for or market value of our Shares, whichever is higher. The purchaser is liable for the stamp duty, unless otherwise agreed by the parties to the transaction.

No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require an instrument of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently brought into Singapore.

### **ESTATE DUTY**

The Singapore estate duty was abolished with effect from 15 February 2008.

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## **APPENDIX F – TAXATION**

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### **GOODS AND SERVICES TAX (“GST”)**

The sale of our Shares by an investor belonging in Singapore through the SGX-ST to another person belonging in Singapore is an exempt supply not subject to GST. Any GST incurred by a GST-registered investor in the making of such an exempt supply is generally not recoverable from the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at zero-rate if certain conditions are met. Any GST incurred by a GST-registered investor in the making of this supply in the course or furtherance of a business may be recovered from the Comptroller of GST.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase, sale or holding of shares will be subject to GST at the standard rate (currently at 7%). Similar services rendered to an investor belonging outside Singapore may be subject to GST at zero-rate if certain conditions are met.

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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You are invited to apply to subscribe for and/or purchase the Invitation Shares at the Invitation Price for each Invitation Share subject to the following terms and conditions set out below:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of printed **WHITE** Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks ("**ATM Electronic Applications**") or through Internet Banking ("**IB**") websites of the relevant Participating Banks ("**Internet Electronic Applications**"), or through the mobile banking ("**mBanking**") interface of DBS Bank ("**mBanking Applications**", which together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

Your application for the Placement Shares (other than the Reserved Shares) may only be made by way of printed **BLUE** Placement Shares Application Forms or other such forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

Your application for the Reserved Shares may only be made by way of printed **PINK** Reserved Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

### **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.**

3. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Offer Shares or the Placement Shares (other than the Reserved Shares). If you submit an application for Offer Shares by way of an Offer Shares Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

**If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application, or mBanking Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

**If you, not being an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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If you have made an application for Placement Shares (other than the Reserved Shares), you should not make any application for Offer Shares either by way of an Offer Shares Application Form or by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Joint or multiple applications for the Offer Shares shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you submit or procure submissions of multiple applications for the Offer Shares, Placement Shares (other than the Reserved Shares) or both Offer Shares and Placement Shares (other than the Reserved Shares), you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications shall be rejected at the discretion of our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent. By submitting an application for the Invitation Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. We will not accept applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your



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## **APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**

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application shall be rejected if your particulars such as name, NRIC/passport number, CDP Securities Account number, nationality and permanent residence status provided in your Application Form or in the case of an Electronic Application, contained in records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.

8. If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.
9. Our Company and the Vendors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or which is not honoured upon its first presentation.

Our Company and the Vendors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company and the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agent of our Company, has been authorised to accept, for and on behalf of our Company and the Vendors such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

10. Our Company and the Vendors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company and the Vendors with regards hereto will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at the discretion of the Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Invitation Shares.
11. Subject to your provision of a valid and correct CDP Securities Account number, share certificates in respect of the Invitation Shares will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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submission of valid applications and payment for the Invitation Shares, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company or the Vendors. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounce, any instrument of transfer and/or other documents required for the issue and/or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event that we lodge a supplementary or replacement offer document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the Invitation Shares have not been issued and/or transferred to you, we (for our Company as well as on behalf of the Vendors) will (as required by law and subject to the SFA), at our Company's and the Vendors' sole and absolute discretion, either:

- (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (b) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of Relevant Document and provide you with an option to withdraw your application; or
- (c) treat your application as withdrawn and cancelled, in which case the application shall be deemed to have been withdrawn and cancelled, and we (for our Company as well as on behalf of the Vendors) shall, within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid by you on account of your application for the Invitation Shares, without interest or any share of revenue or benefit arising therefrom and at your own risk.

Where you have notified us within fourteen (14) days from the date of lodgement of the Relevant Document of your wish to exercise your option under Paragraph 12(a) or (b) above to withdraw your application, we (our Company as well as on behalf of the Vendors) shall return to you all application monies paid by you on account of your application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification and you will not have any claim against our Company, the Vendors, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event that at the time of the lodgement of the Relevant Document, the Invitation Shares have already been issued and/or transferred but trading has not commenced, we (and on behalf of the Vendors) will (as required by law and subject to the SFA), at our Company's and the Vendors' sole and absolute discretion, either:

- (d) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return us (for our Company as well as on behalf of the Vendors) the Invitation Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;

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- (e) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return to our Company and/or the Vendors the Invitation Shares which you do not wish to retain title in; or
- (f) treat the issue and/or sale as void and:
  - (i) if documents purporting to evidence title to the Invitation Shares (the “**title documents**”) have been issued to you, within seven (7) days from the date of lodgement of the Relevant Document, inform you to return the title documents to us (for our Company as well as on behalf of the Vendors) within fourteen (14) days from the date of lodgement of the Relevant Document, and within seven (7) days from the date of receipt of the title documents or the date of lodgement of the Relevant Document, whichever is the later, pay to you all monies paid by you for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk; or
  - (ii) if no title documents have been issued to you, within seven (7) days from the date of lodgement of the Relevant Document, pay to you all monies paid by you for the Invitation Shares, without interest or any share of revenue or other benefits arising therefrom and at your own risk,

and you shall not have any claim against our Company, the Vendors, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you wish to exercise your option under paragraph 12(d) or (e) above to return the Invitation Shares issued and/or transferred to you, you shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Invitation Shares to us, whereupon we (our Company as well as on behalf of the Vendors) shall, subject to compliance with applicable laws and the Constitution of our Company, within seven (7) days from the receipt of such notification and documents, if any, pay to you all monies paid by you for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, and the Invitation Shares issued and/or transferred to you shall be void. You shall not have any claim whatsoever against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Invitation Shares allotted and/or allocated to you, may be found in such Relevant Document.

13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

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In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company and the Vendors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and approved by the SGX-ST (if required).

In the event that any of the Reserved Shares are not subscribed for and/or purchased, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares) to the extent that there is an over-subscription for the Placement Shares (excluding the Reserved Shares) as at the close of the Application List, or, in the event of an under-subscription for the Placement Shares (excluding the Reserved Shares) as at the close of the Application List, to satisfy excess applications made by members of the public for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

In all the above instances, the basis of allotment and/or allocation of the Invitation Shares as may be decided by our Directors and the Vendors in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable through an announcement on the SGX-ST website at <http://www.sgx.com> and through an advertisement in a local English newspaper.

You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number and shares application amount from your account with the relevant Participating Bank to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent.

14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to our Company, the Vendors, and the Sponsor, Issue Manager, Underwriter and Placement Agent and any other parties so authorised by the foregoing persons. None of our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks or the CDP shall not be liable for any delays, failures, or inaccuracies in the recording, storage, transmission or delivery of data relating to Electronic Applications.
15. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Offer Shares by way of an **WHITE** Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares (other than Reserved Shares) through the Placement Agent by way of a **BLUE** Placement Shares Application Form, or applying for the Reserved Shares through the Placement Agent by way of a **PINK** Application Forms for Reserved Shares or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

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16. By completing and delivering an Application Form and in the case of (i) an ATM Electronic Application by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM, and (ii) Internet Electronic Application or mBanking Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Bank or the mBanking interface of DBS Bank in accordance with the provisions therein, you:
- (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;
  - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks or the mBanking interface of DBS Bank, the terms and conditions set out in this Offer Document shall prevail;
  - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to the Company and/or the Vendors upon application;
  - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent in determining whether to accept your application and/or whether to allot any Invitation Shares to you;
  - (e) (i) consent to the collection, use, processing and disclosure of your name/NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount, share application details and other personal data (“**Personal Data**”) by the Share Registrar and Share Transfer Agent, CDP, SCCS, SGX-ST, the Participating Banks, our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (the “**Relevant Parties**”) for the purpose of facilitating and processing your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (ii) consent that the Relevant Parties may disclose or share the Personal Data with third parties who provide necessary services to the Relevant Parties, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (iii) consent that the Relevant Parties may transfer Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Invitation Shares; (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties for the Purposes, you have obtained the consent of the beneficial owner(s) to paragraphs 16(e)(i), (ii) and (iii) and that any disclosure of the Personal Data to the Relevant Parties is in compliance with all applicable laws; (v) agree that the



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Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (vi) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”); and

- (f) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and neither our Company, the Vendors, nor the Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, *inter alia*, our Company, the Vendors and the Sponsor, Issue Manager, Underwriter and Placement Agent being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares (including the Vendor Shares) and the New Shares on Catalist;
  - (b) the Sponsorship and Management Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company and the Vendors may determine; and
  - (c) the Authority, the SGX-ST or other competent authority has not issued a stop order (“**Stop Order**”) to our Company which directs that no or no further shares to which this Offer Document relates be allotted, or issued and/or transferred.
18. In the event that a Stop Order in respect of the Invitation Shares is issued by the SGX-ST acting as agent on behalf of the Authority or other competent authority and applications to subscribe for and/or purchase the Invitation Shares have been made prior to the Stop Order, then to the extent permissible under applicable laws:
- (a) where the Invitation Shares have not been issued and/or transferred, we will deem all applications withdrawn and cancelled and we (our Company as well as on behalf of the Vendors) shall refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within fourteen (14) days from the date of the Stop Order and you shall not have any claim whatsoever against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent; or
  - (b) where the Invitation Shares have already been issued and/or transferred to you but trading has not commenced, the issue and/or sale of the Invitation Shares shall be deemed to be void and we (for our Company as well as on behalf of the Vendors) shall:
    - (i) if documents purporting to evidence title to the Invitation Shares have been issued to you, within seven (7) days from the date of the Stop Order, inform you to return such documents to us within fourteen (14) days from that date, and within seven (7) days from the date of receipt of those documents or the date of the Stop Order, whichever is the later, pay to you all monies paid by you for the Invitation Shares; or

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- (ii) if no such documents have been issued to you, within seven (7) days from the date of the Stop Order, refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk),

This shall not apply where only an interim Stop Order has been served.

- 19. In the event that an interim Stop Order in respect of the Invitation Shares is served by the SGX-ST acting as agent on behalf of the Authority or other competent authority, no Invitation Shares shall be issued and/or transferred to you during the time when the interim Stop Order is in force.
- 20. The SGX-ST acting as agent on behalf of the Authority or other competent authority may not serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and listed on the SGX-ST and trading in the Invitation Shares has commenced.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com> and through a paid advertisement in a local English newspaper.

- 21. We will not hold any application in reserve.
- 22. We will not allot and/or allocate Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
- 23. Additional terms and conditions for applications by way of Application Forms are set out below.
- 24. Additional terms and conditions for applications by way of Electronic Applications are set out below.
- 25. All payments in respect of any application for the Invitation Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Invitation does not proceed for any reason, shall be made in Singapore dollars.
- 26. CDP shall not be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to the Electronic Applications.

### ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in this Appendix G, as well as the Constitution of our Company.

- 1. Your application for the Offer Shares must be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B” for Offer Shares, the **BLUE** Placement Shares Application Forms for Placement Shares (other than Reserved Shares) or the **PINK** Reserved Shares Application Forms for Reserved Shares, accompanying and

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forming part of this Offer Document or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate without prejudice to the rights of our Company. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Vendors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
  - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
  - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
  - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.



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If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**RECLAIMS GLOBAL SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name, address and CDP Securities Account number written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement of receipt will be issued by our Company, the Vendors, or the Sponsor, Issue Manager, Underwriter and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the SGX-ST acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of the Participating Banks, our Company, our Directors, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent, the relevant Participating Bank and/or any other party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.

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11. By completing and delivering the Application Form, you agree that:

- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 7 March 2019** or such other time or date as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST and by completing and delivering the Application Form:
  - (i) your application is irrevocable; and
  - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
- (b) neither our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
- (h) you consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent or other authorised operators; and

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- (i) you irrevocably agree and undertake to subscribe for and/or purchase the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

### Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
  - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
  - (b) in the appropriate spaces on **WHITE** official envelope “A”:
    - (i) write your name and address;
    - (ii) state the number of Offer Shares applied for;
    - (iii) tick the relevant box to indicate the form of payment; and
    - (iv) affix adequate Singapore postage;
  - (c) seal the **WHITE** official envelope “A”;
  - (d) write, in the special box provided on the larger **WHITE** official envelope “B” addressed to **Reclaims Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, the number of Offer Shares for which the application is made; and
  - (e) insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, affix adequate Singapore postage on **WHITE** official envelope “B” (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND**, at your own risk to **Reclaims Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 7 March 2019 or such other date and time as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

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### Applications for Placement Shares (other than Reserved Shares)

1. Your application for Placement Shares (other than Reserved Shares) **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, address and CDP Securities Account number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Reclaims Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 7 March 2019 or such other date and time as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

### Applications for Reserved Shares

1. Your application for Reserved Shares **MUST** be made using the **PINK** Reserved Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **PINK** Reserved Shares Application Form and the correct remittance in full in respect of the number of Reserved Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, address and CDP Securities Account number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Reclaims Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 7 March 2019 or such other date and time as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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### ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications), IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking interface of DBS Bank (in the case of mBanking Applications). Currently, DBS Bank, OCBC and UOB are the Participating Banks through which Internet Electronic Applications may be made and DBS Bank is the only Participating Bank through which mBanking Applications may be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of the UOB are set out respectively in the “Steps for an ATM Electronic Application through ATMs of the UOB” and the “Steps for an Internet Electronic Application through the IB website of the UOB” (collectively, the “**Steps**”) appearing below.

The Steps set out the actions that you must take at an ATM or the IB website of the UOB to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

Applicants applying for the Offer Shares by way of Electronic Applications may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one (1) Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of the UOB to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or your mBanking Application through the mBanking interface of DBS Bank, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

**You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.**

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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You must ensure, when making an Internet Electronic Application and mBanking Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out in this Appendix G as well as the Constitution of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
  - (a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;
  - (b) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
  - (c) that, for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data from your records with the relevant Participating Bank to the Relevant Parties in accordance with the Personal Data Privacy Terms; and
  - (d) where you are applying for the Offer Shares, that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking interface of DBS Bank. By doing so, you shall be treated as signifying your confirmation of each of the above four (4) statements. In respect of statement 1(b) above, such confirmation shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Personal Data relating to your account(s) with that Participating Bank.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**



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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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**YOU SHALL MAKE ONLY ONE (1) ELECTRONIC APPLICATION FOR OFFER SHARES AND SHALL NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES, WHETHER AT THE ATMS, OR THE IB WEBSITES OF ANY OF THE PARTICIPATING BANKS OR THE MBANKING INTERFACE OF DBS BANK, AS THE CASE MAY BE, OR BY WAY OF AN APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.**

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website of the relevant Participating Bank or the mBanking interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.**

You may apply and make payment for your application for the Offer Shares in Singapore currency only. You may apply and make payment for your application in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking interface of DBS Bank (as the case may be) by authorising such Participating Bank to deduct the full amount payable from your account(s) with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and/or purchase and/or to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted and/or allocated to you in respect of your Electronic Application.

In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking interface of DBS Bank) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Constitution of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or documents required for the issue and/or transfer of the Offer Shares that may be allotted to you.

5. **Our Company and the Vendors will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with your Participating Bank within twenty-four (24) hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you by being automatically credited to your account with your Participating Bank within fourteen (14) days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

If the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue arising therefrom, at your own risk and without any right or claim against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with your Participating Bank within five (5) Market Days of the termination of the Invitation.

**Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on Catalist. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment and/or allocation via an announcement through the SGX-ST website at <http://www.sgx.com> and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Vendors, nor the Sponsor, Issue Manager, Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.**

6. **If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.**

If you make Electronic Applications through the ATMs or the IB websites of the following Participating Banks, you may check the provisional results of your Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service Expected From
UOB	1800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”)/ Internet/Phone Banking <a href="http://www.uobgroup.com">http://www.uobgroup.com</a> <sup>(1)</sup>	24 hours a day	Evening of the balloting day



## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Bank	Telephone	Other Channels	Operating Hours	Service Expected From
DBS Bank	1800 339 6666 (for POSB account holders)  1800 111 1111 (for DBS account holders)	Internet Banking <a href="http://www.dbs.com">http://www.dbs.com</a> <sup>(2)</sup>	24 hours a day	Evening of the balloting day
OCBC	1800 363 3333	ATM/Phone Banking/ Internet Banking <a href="http://www.ocbc.com">http://www.ocbc.com</a> <sup>(3)</sup>	24 hours a day	Evening of the balloting day

**Notes:**

- (1) If you have made your Electronic Application through the ATMs or IB website of UOB, you may check the results of your application through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking Services.
  - (2) If you have made your Electronic Application through the IB website of DBS Bank or mBanking Application through the mBanking interface of DBS Bank, you may check the results of your application through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
  - (3) If you have made your Electronic Application through the ATMs or IB website of OCBC, you may check the results of your application through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking Services.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Vendors, and the Sponsor, Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to the electronic application.
  8. **Electronic Applications shall close at 12.00 noon on 7 March 2019 or such other date and time as our Company and the Vendors may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide.** Subject to the paragraph above, all Internet Electronic Applications and mBanking Applications are deemed to be received when it enters the designated information system of the relevant Participating Bank, that is, when there is an onscreen confirmation of the application.

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## APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

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9. You are deemed to have irrevocably requested and authorised our Company and the Vendors to:
  - (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
  - (b) send the relevant Share certificate(s) by ordinary post, at your own risk, to CDP;
  - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within twenty-four (24) hours of the balloting of applications or within five (5) Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
  - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Vendors or the Sponsor, Issue Manager, Underwriter and Placement Agent) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within fourteen (14) days after the close of the Application List.
10. Our Company and the Vendors do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company and the Vendors will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, or otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.

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## **APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**

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13. By making and completing an Electronic Application, you are deemed to have agreed that:

- (a) in consideration of our Company and the Vendors making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs and IB websites of the relevant Participating Banks and mBanking interface of DBS Bank (as the case may be):
  - (i) your Electronic Application is irrevocable; and
  - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (b) neither our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your Electronic Application to our Company, CDP or SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
- (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and the Vendors, and not otherwise, notwithstanding any payment received by or on behalf of our Company and the Vendors;
- (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
- (f) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
- (g) you irrevocably agree and undertake to subscribe for and/or purchase the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

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## **APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**

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### **Steps for Electronic Applications through ATMs and the IB website of UOB**

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB) may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PERSONAL NO."	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"TRANS"	:	TRANSACTION
"YR"	:	YOUR

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## **APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**

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### **Steps for an ATM Electronic Application for the Offer Shares through ATMs of UOB**

Step 1: Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.

2: Select “CASHCARD/OTHER TRANSACTIONS”.

3: Select “SECURITIES/RETAIL BOND APPLICATION”.

4: Select the share counter which you wish to apply for.

5: Read and understand the following statements which will appear on the screen:

- THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET / SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET / SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT / RELEVANT DOCUMENT
- YOU AGREE THAT THIS TRANSACTION IS ENTERED INTO TOTALLY ON YOUR OWN ACCORD AND THE AVAILABILITY OF THIS APPLICATION SERVICE SHALL NOT BE CONSTRUED AS A RECOMMENDATION OR ADVICE FROM UOB TO ENTER INTO THIS TRANSACTION. YOU MAY WISH TO SEEK PRIOR ADVICE FROM A QUALIFIED ADVISER AS TO THE TRANSACTION SUITABILITY.

(Press “ENTER” key to continue)

- PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT. WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT HAS BEEN LODGED WITH AND / OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE AND/OR SGX WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT.

(Press “ENTER” key to confirm that you have read and understood the above statements)

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6: Read and understand the following terms which will appear on the screen:

- YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/ RELEVANT DOCUMENT AND THIS ELECTRONIC APPLICATION

(Press “ENTER” key to continue)

- YOU CONSENT TO DISCLOSE YR NAME, IC/PSST, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST AND ISSUER/VENDOR(S)
- THIS IS YOUR ONLY FIXED PRICE APPLN & IS IN YOUR NAME & AT YOUR RISK

(Press “ENTER” key to confirm)

7: Screen will display:

**NRIC/Passport No. XXXXXXXXXXXX**

**IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**

(Press “CANCEL’ or “CONFIRM”)

- 8: Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e. “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” OR “SAVINGS ACCOUNT/TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 9: After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB’s ATM to apply for Shares, your CDP Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.

10: Read and understand the following terms which will appear on the screen:

- 1. PLEASE DO NOT APPLY FOR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**
- 2. PLEASE USE YOUR OWN ATM CARD.**
- 3. DO NOT KEY IN THE CDP A/C NO. OF YOUR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**

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### 4. KEY IN YOUR CDP A/C NO. (12 DIGITS) 1681-XXXX-XXXX

### 5. PRESS ENTER KEY

- 11: Key in your CDP Securities Account number (12 digits) and press the “ENTER” key
- 12: Select your nationality status
- 13: Key in the number of Shares you wish to apply for and press the “ENTER” key
- 14: Check the details of your Electronic Application on the screen and press the “ENTER” key to confirm your Electronic Application
- 15: Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

### Steps for an Internet Electronic Application through the IB website of UOB

Owing to space constraints on UOB’s IB website screen, the following terms will appear in abbreviated form:

“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“NRIC” or “I/C”	:	National Registration Identity Card
“PR”	:	Permanent Resident
“SGD” or “S\$”	:	Singapore Dollars
“SCCS”	:	Securities Clearing & Computer Services (Pte) Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

Step 1: Connect to UOB’s website at <http://www.uobgroup.com>

- 2: Locate the UOB Online Services Login icon on the top right hand side next to “Internet Banking”
- 3: Click on UOB Online Services Login and at drop list select “UOB Personal Internet Banking”
- 4: Enter your Username and Password and click “Submit”
- 5: You will have to verify your login either via UOB Mighty or one-time password.
- 6: Click on “Investment”, followed by “Securities” followed by “Securities Application”.

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- 7: Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 8: Click “Continue”
- 9: Select your country of residence (you must be residing in Singapore to apply), and click “Continue”
- 10: Select the “Securities Counter” from the drop list (if there are concurrent IPOs) and click “Submit”
- 11: Check the “Securities Counter”, select the mode of payment and account number to debit and click on “Submit”
- 12: Read the important instructions and click on “Continue” to confirm that:
  1. **You have read, understood and agreed to all the terms of this application and Prospectus/Offer Document or Supplementary Document.**
  2. **For the purposes of facilitating your application, you consent to disclose your name, NRIC/passport number, CDP Securities Account Number, CPF investment account number, application details and other personal data and disclosing the same from our records to CDP, CPF, SCCS, share registrars, SGX-ST & Issuer/Vendor(s), the Sponsor, Issue Manager, Underwriter and Placement Agent.**
  3. **This application is made in your own name, for your own account and at your own risk.**
  4. **For FIXED/MAX price securities application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**
  5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank’s exchange rate, or application monies may be debited and refunds credited in S\$ at the same exchange rate.**
  6. **For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**



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13: Check your personal details, details of the share counter you wish to apply for and account to debit:

Select (a) Nationality;

Enter (b) your CDP Securities Account Number; and

(c) the number of shares applied for.

14: Check the details of your application, your NRIC/Passport number, CDP Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit

15: Click “Submit”, “Clear” or “Home” as applicable

16: Print the Confirmation Screen (optional) for your own reference and retention only

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**RECLAIMS GLOBAL LIMITED**

(Incorporated in the Republic of Singapore on 11 October 2018)  
(Company Registration Number: 201834755M)