

STAYING FOCUSED EVOLVING SUSTAINABLY

ANNUAL REPORT **2021**



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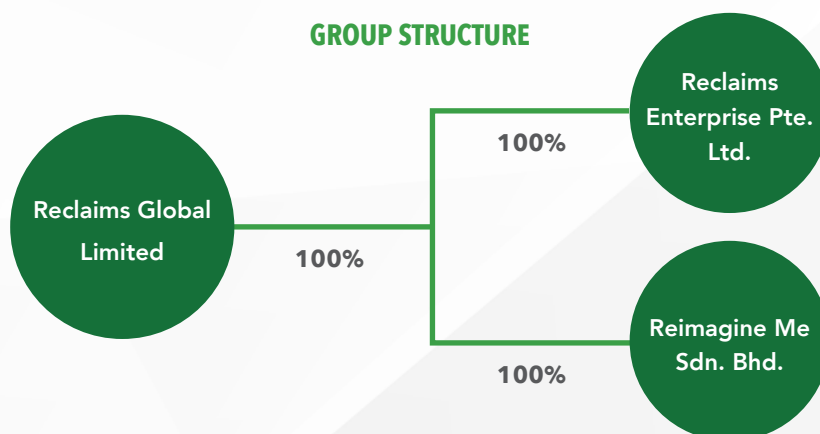
PROXY FORM

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

CORPORATE PROFILE

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

GROUP STRUCTURE

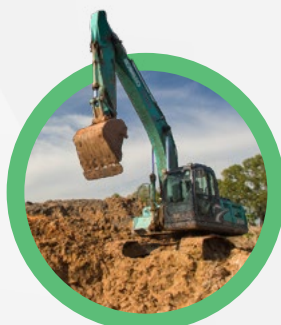


Established in 2009 by our Executive Directors, Mr Chan Chew Leh and Mr Tan Kok Huat, the Group's business is organised into three main business segments as follows:



RECYCLING

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



EXCAVATION SERVICES

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



LOGISTICS AND LEASING

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

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

In December 2019, the Group has incorporated a wholly-owned subsidiary, Reimagine Me Sdn. Bhd., with the objective to expand the Group's recycled product range by converting empty fruit bunch fibre to strandboards. The expansion is aligned with the Group's business strategy and future plans as mentioned in the Company's Offer Document dated 1 March 2019.

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Reclaims Global Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**), I am pleased to present to you our annual report for the financial year ended 31 January 2021 (**"FY2021"**).

The COVID-19 pandemic has led to an unprecedented crisis that we have never experienced before, with movement and social restrictions severely curtailing business activities. The construction sector has been badly hit after the implementation of the Circuit Breaker measures in April 2020 as well as additional COVID-19 safety measures imposed by our Singapore Government. During the Circuit Breaker period, construction activities came to a standstill, affecting the timeline of projects and the whole supply chain. As construction projects gradually resumed in Phase 1 of the reopening in June 2020, labour shortage among the migrant workers population continued to be a challenge. The Group has managed to minimise the impact after being cautious, agile and resilient in navigating through the challenges aside from adapting to the new norm. The Group will continue to focus on its core business and pursue the expansion of recycled product range. We believe that the expansion will allow the Group to widen its customer base for long-term growth of the Group's businesses.

GROUP REVENUE AND PROFITABILITY

In FY2021, the Group registered a lower revenue of S\$24.7 million as compared to S\$34.2 million in FY2020. The substantial decrease was mainly due to suspension of most of the construction activities during the Circuit Breaker period and additional COVID-19 safety measures after the Circuit Breaker period imposed by the Singapore Government in the foreign workers dormitory and the construction sector to mitigate the risk of any increase in COVID-19 cases.

Profit before income tax for FY2021 has improved by 29% year-on-year, from S\$2.1 million to S\$2.7 million, arising from the effective costs management and financial supports from the Singapore Government.

BUSINESS REVIEW

In 2020, Singapore closed the year on an optimistic note as the economy shrank less than the expected 6.5% to 6% forecast in November 2020.¹ Gross domestic product (GDP) contracted by 5.4% for the whole of 2020 amid the disruption to economic activities caused by the COVID-19 pandemic, according to the Ministry of Trade and Industry (**"MTI"**).² According to MTI, construction sector, one of the severely affected sectors, shrank by 35.9%, weighed down by weakness in both public sector and private sector construction works.² We will continue the business strategy that focuses on public sector projects, tap on new business opportunities and attempt to achieve growth in our business revenue in this uncertain, challenging and delicate economy through the next 12 months.

CHAIRMAN'S STATEMENT

DIVIDEND

The Board of Directors is pleased to recommend a one-tier tax exempt final dividend of S\$0.01 per ordinary share in respect of FY2021. Total final dividend recommended is approximately 60% of the Group's net profit attributable to shareholders for FY2021, we acknowledge and wish to reciprocate the continuing support from our shareholders.

OUTLOOK

Based on the projection by the Building and Construction Authority of Singapore ("BCA"), construction demand in 2021 is expected to range between S\$23 billion and S\$28 billion, with the public sector contributing about 65% of the total demand. Some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2.³ We expect the economy outlook for the construction industry to remain challenging due to the competitive environment, labour shortage, rising operating cost and higher compliance cost on safe management measures imposed on construction industry amidst the COVID-19 pandemic. We also acknowledge that there is a heightened risk associated with sub-contracting from main contractors. The Group will continue to leverage on our strengths and tender for public sector projects competitively, if possible, explore other business opportunities during this period. The Group will also continue to maintain operational and financial prudence amidst a challenging environment.

GROWTH STRATEGIES

Consistent with our expansion plans mentioned in our Offer Document dated 1 March 2019, we continue to focus on public sector projects, in particular the excavation projects, as they tend to be larger in scale and longer in duration. We will continue to build our core competencies and business foundation.

Please let me invite our CEO, Mr Andrew Chew, who is responsible in charting strategies for the future growth of our Group, including the Group's strategy to expand its recycled product range, to update the status and strategies in his CEO message.

APPRECIATION

Lastly, I would like to thank all shareholders, customers, suppliers and our hard-working colleagues for your continued support throughout the years, especially during the challenging period amid the COVID-19 pandemic. With your continuing support together with our operational and financial prudence, I am confident that we will prevail and emerge stronger from this crisis. I wish everyone a safe and healthy year ahead and I look forward to updating you again soon.

Stay Safe.

Chan Chew Leh

Executive Chairman

1 https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-Third-Quarter-2020/PR_3Q20.pdf

2 https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-2020/PR_AES2020.pdf

3 <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2021/01/18/public-sector-construction-demand-to-support-the-sector's-recovery>

CEO MESSAGE



DEAR SHAREHOLDERS,

2020 has been a challenging year for the Group, battling the onset of the COVID-19 pandemic since the beginning of the year, the suspension of the building and construction industry, the epi-centre of the crisis at the foreign workers dormitory, the struggle to resume business with disruption in services and managing various restrictive measures imposed by the Singapore Government. Work practices have to be reviewed and re-designed to take into account the safety and welfare of our employees, such as monitoring our foreigner workers' health and safety, setting up systems for our staff to work from home, re-allocating work with a smaller workforce during the Circuit Breaker period, and establishing communications with our various stakeholders virtually. The pandemic has also caused considerable inconvenience in us not being able to travel into Malaysia for our Malaysia project.

The effects of COVID-19 pandemic not only affected our business, but also pushed us to rethink just what is, and should be, important in our lives. This pandemic seems like a message from Mother Nature compelling us to take a moment and think about what we have done. It has certainly reminded me about how interconnected we all are with Mother Earth. We live off her, we need her more than she needs us. We take so much from her and we rarely give back and it is time for us to rebalance our relationship with the Mother Earth and Mother Nature. We need to conserve instead of wasting, we need to recycle waste rather than create more waste. We should treat waste as a resource and valuable raw material and not as waste. Consumers, commercial enterprises, governments should all work together to reverse global warming and dial back climate change. It is

our responsibility to leave behind a world better than the one we inherited for the next generation.

EXPANSION

The Group is moving forward by executing the planned business strategies and future plans as disclosed in the offer document. This includes the expansion of the operational capacity of its core activities, as well as the expansion of the recycled product range. The Group utilised the IPO proceeds to expand our operational capacity through plant and equipment investment in FY2020, which further expanded our existing business. We continue to pursue the recycling initiatives and green efforts, which is part of the DNA of the Group that was started by our Chairman during the birth of the Group back in 2009. We are currently focusing on recycling construction and demolition waste as well as expanding our recycled product range, a more environmentally friendly product, an act of loving our Mother Earth.

THE MISSION

Amongst others, the Group's mission is to embrace green technologies and initiatives to preserve and protect Mother Earth. We are, in a collaborative relationship with the Malaysian Palm Oil Board ("MPOB"), and have successfully developed a technology process that transforms the palm biomass waste into a panel/board as a direct replacement for conventional plywood. In other words, to make 'wood from no wood', thereby breaking the chain of using wood from the forests or for that fact supporting the wood waste of which a lot of alternatives and options to plywood is using right now.

CEO MESSAGE

THE GOAL

In executing this new 'green' business of the Group, the goal is to create a new business line that is less sensitive to economic cyclical changes, providing the Company another source of revenue and income thus providing more stability to the Group.

UPDATES ON REIMAGINE ME AND OPLY

We started a collaboration with the inventor and head researcher from MPOB to explore, experiment and develop a technology process using EFB, empty fruit bunch fibre (an abundant waste of the palm oil industry with no competitive use) and transform it into a direct replacement for plywood. In January 2020, we have successfully achieved the said technology process, with a production of a panel, we named OPLY. The panel/board has good machining characteristics compared to wood-based plywood performing perfectly in screw withdrawal, formaldehyde emission, bending and thickness swelling. The mechanical results of these characteristics have been validated by third party organisations in the lab tests.

On 28 February 2020, the Group's wholly-owned subsidiary, Reimagine Me Sdn. Bhd. ("**RIM**") entered into a Memorandum of Agreement ("**MOA**") with MPOB to collaborate for the purposes of developing, optimising, producing and commercialising the end product.

Subsequently, RIM has setup a pilot plant at the research facility of MPOB in Bangi, Kuala Lumpur with the objective to further optimise the invention to develop further versions and variations to reduce the risk of 'copycats' and reverse engineering.

Given the challenges we faced last year, which including borders controls in Singapore, China and Malaysia, and Movement Control Order implemented by the Malaysia Government to curb the spread COVID-19 virus, the management team has overcome and adapted to the new norm in managing the project in Malaysia.

We have successfully achieved a couple of significant steps including the completion of the renovation at the said pilot plant, installation of the machineries into the pilot plant, and the pilot plant was fully commissioned in end November 2020. We have filed all the trademarks in Singapore which has been accepted and approved in January 2021, the trademarks in Malaysia are anticipated to be accepted and approved by June 2021. More importantly, we have successfully filed and registered the Intellectual Property of our technology process and patent of our product in May 2020.

WHAT'S NEXT

The COVID-19 situation, Movement Control Order imposed by the Malaysia Government, and the border closure between Malaysia and Singapore since November 2020 has prevented us from visiting Malaysia. All further progress has to be done remotely and it has caused some inconvenience.

We are optimising the pilot plant with a target of producing small quantities of commercial size boards with varying densities for advance marketing purposes. Operating with our counterparts in MPOB on a remote basis is challenging, however, we believe that the optimisation will be achieved by end of second quarter of 2021. If the borders open sooner, we may be able to shorten the time required.

To summarise, COVID-19 pandemic has exposed the inter-relationship between the environment and our livelihoods, we need to take responsibility for making positive change. Climate change is the next big challenge mankind has to deal with and it is right around the corner, if not already upon us. Our green initiative of recycling and transforming palm biomass waste into OPLY – a direct replacement for traditional plywood, is a great example of a disruptive material that capitalises on waste and reduces the need to continue to deforest and kill Mother Nature. If everyone along the supply chain from consumers to product manufacturers embraces and uses OPLY, then, we can certainly become a force to reverse deforestation, to heal, to love and to preserve Mother Nature.

APPRECIATION

I would like to thank our bankers, business associates, management team and employees for their contributions to our business. I also wish to thank our Board members and shareholders for your continuous trust and support in us. The Group has performed valiantly well in FY2021 amidst multiple challenges, the Board will continue to steer its business in the right direction and press on to realise the strategic goals set for the benefit of all stakeholders.

Best of health to everyone in 2021!

Andrew Dekguang Jhou Chew

Executive Director and Chief Executive Officer

BOARD OF DIRECTORS



CHAN CHEW LEH

Age 59

Executive Chairman

Mr Chan Chew Leh was appointed as our Executive Chairman on 11 October 2018 and is responsible for spearheading our corporate direction. Mr Chan has worked in the construction industry since the 1970s. He founded Reclaims Enterprise Pte. Ltd. with our Executive Director, Mr Tan Kok Huat, in 2009 and has been instrumental in leading our Group to be an established player in the industry. Mr Chan passed the Skills Evaluation Test in formwork conducted by the Construction Industry Development Board (now known as Building and Construction Authority) in 1988 and obtained the Skills Evaluation Certificate for hydraulic excavator operation issued by Construction Industry Development Board in 1998.

Date of first appointment as Director: 11 October 2018

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies: Nil

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



TAN KOK HUAT

Age 48

Executive Director

Mr Tan Kok Huat was appointed as our Executive Director on 11 October 2018 and is responsible for overseeing the execution of our projects. Mr Tan has worked in the construction industry since late 1990. He founded Reclaims Enterprise Pte. Ltd. with our Executive Chairman, Mr Chan Chew Leh, and has been pivotal in driving the growth of the Group to be an established player in the industry. Mr Tan obtained the Skills Evaluation Certificate for plumbing and pipelifting issued by the Construction Industry Development Board (now known as Building and Construction Authority) in 1994.

Date of first appointment as Director: 11 October 2018

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

Present directorships in other listed companies: Nil

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

BOARD OF DIRECTORS



ANDREW DEKGUANG JHOU CHEW

Age 58

**Executive Director And
Chief Executive Officer ("CEO")**

Mr Andrew Chew was appointed as our Executive Director and CEO on 11 October 2018. Mr Chew joined our Group in March 2018 and is responsible for charting strategies for the future growth of our Group. He started his career in the banking sector and worked in various financial institutions between 1988 and 2004. From 2005 to 2018, he held directorships in several financial advisory and health science companies. Mr Chew graduated with a Bachelor of Business Administration degree from Ohio University in 1987.

Date of first appointment as Director: 11 October 2018

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

Present directorships in other listed companies: Nil

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



CHAN BIH TZY

Age 34

**Executive Director and
Chief Operating Officer ("COO")**

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

Date of first appointment as Director: 23 April 2021

Date of last re-appointment as Director: Not applicable

Present directorships in other listed companies: Nil

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

BOARD OF DIRECTORS



JONG VOON HOO

Age 48

Lead Independent Director

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

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies:

Sheng Siong Group Ltd. (SGX)

SingAsia Holdings Limited (HKEX)

Snack Empire Holdings Limited (HKEX)

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



CHANG CHI Hsung

Age 42

Independent Director

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

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

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies:

Haina Intelligent Equipment International Holdings Limited (HKEX)

Rich Capital Holdings Limited (SGX)

Alpha DX Group Limited (SGX)

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

BOARD OF DIRECTORS



LIM HUI CHEE

Age 49

Independent Director

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

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies: Nil

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



TAN HEOK PING JOSHUA

Age 50

Independent Director

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

Date of first appointment as Director: 24 January 2019

Date of last re-appointment as Director: 30 May 2019

Present directorships in other listed companies: Nil

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

EXECUTIVE OFFICER



TAN DA XUN

**Financial Controller and
Company Secretary**

Mr Tan joined us as our Financial Controller in January 2020. He is in charge of our Group's financial and corporate affairs, including financial reporting, tax, treasury, internal controls, corporate governance and corporate secretarial matters. He has more than 10 years of experience in audit. Prior to joining the Group, he was a senior manager at Deloitte & Touche Singapore. Mr Tan is a Fellow member of the Association of Chartered Certified Accountants and a Chartered Accountant of Singapore.

FINANCIAL HIGHLIGHTS

	FY2021 S\$'000	FY2020 S\$'000	FY2019* S\$'000	FY2019 S\$'000
FOR THE REPORTING YEAR				
Revenue by segment:				
Recycling	4,440	4,511	5,504	5,504
Excavation services	11,176	19,668	14,422	14,422
Logistics and leasing	8,970	9,717	11,466	11,466
Others	136	317	198	198
Total revenue	24,722	34,213	31,590	31,590
Percentage of total revenue:				
Recycling	18.0%	13.2%	17.4%	17.4%
Excavation services	45.2%	57.5%	45.7%	45.7%
Logistics and leasing	36.3%	28.4%	36.3%	36.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,169	4,786	6,091	3,447
EBITDA margin	20.9%	14.0%	19.3%	10.9%
Profit before income tax (PBIT)	2,701	2,092	3,438	794
PBIT margin	10.9%	6.1%	10.9%	2.5%
Net profit	2,170	1,561	2,914	270
Net profit margin	8.8%	4.6%	9.2%	0.9%
AT END OF THE REPORTING YEAR				
Non-current assets	14,110	15,605	15,280	15,280
Current assets	19,922	16,628	13,700	13,131
Total assets	34,032	32,233	28,980	28,411
Non-current liabilities	3,146	3,552	3,947	3,947
Current liabilities	6,874	6,340	7,500	7,745
Total liabilities	10,020	9,892	11,447	11,692
Total debt	4,237	4,175	5,850	5,850
Cash and cash equivalents	7,975	4,333	2,707	2,138
Net (cash)/debt	(3,738)	(158)	3,143	3,712
Shareholders' equity	24,012	22,341	17,533	16,719
Weighted average number of ordinary shares ('000) – Basic and diluted [^]	131,000	129,126	112,000	112,000
FINANCIAL RATIOS				
Profitability				
Revenue growth	(27.7%)	8.3%	14.7%	14.7%
Net profit growth [#]	39.0%	(46.4%)	(8.8%)	(91.6%)
Return on assets (Net profit/Total assets)	6.4%	4.8%	10.3%	1.0%
Return on equity (Net profit/Shareholders' equity)	9.0%	7.0%	17.4%	1.6%
Liquidity				
Current ratio (Times)	2.9	2.6	1.8	1.7
Net assets per share (cents)	18.3	17.1	15.7	14.9
Leverage				
Net debt to equity ratio (Times) (Net debt/Shareholders' equity)	(0.2)	(0.0)	0.2	0.2
Interest cover (Times) (EBITDA/Finance costs)	46.2	25.2	37.4	21.1
Investors' Ratio				
Earnings per share (cents) (Basic and diluted)	1.7	1.2	2.6	0.2

* Added back listing-related expenses amounting to S\$2.6 million in profit or loss and reversing listing expenses (excluding share-based payment) amounting to S\$0.8 million on statement of financial position, for illustration purpose only.

[^] For comparative and illustrative purposes, the weighted average number of ordinary shares used for FY2019, FY2018 and FY2017 is based on pre-invitation number of shares of 112,000,000.

[#] For comparative and illustrative purposes, the net profit used for FY2019 is after added back the listing-related expenses amounting to S\$2.6 million.

FINANCIAL REVIEW

GROUP	FY2021 S\$'000	FY2020 S\$'000	CHANGE S\$'000	CHANGE %
STATEMENT OF COMPREHENSIVE INCOME				
Revenue	24,722	34,213	(9,491)	(27.7)
Interest income	5	6	(1)	N.M.
Other gains	1,027	477	550	115.3
Cost of materials, services and consumables	(11,360)	(18,974)	7,614	(40.1)
Other losses	(520)	-	(520)	N.M.
Finance costs	(112)	(190)	78	(41.1)
Depreciation expense	(2,108)	(2,257)	149	(6.6)
Depreciation of right-of-use-asset	(253)	(253)	-	-
Employee benefits expense	(5,449)	(6,628)	1,179	(17.8)
Other expenses	(3,251)	(4,302)	1,051	(24.4)
Profit before tax from operations	2,701	2,092	609	29.1
Income tax expense	(531)	(531)	-	N.M.
Profit from operations, net of tax and total comprehensive income	2,170	1,561	609	39.0
Profit, net of tax and total comprehensive income attributable to owners of the Company	2,170	1,561	609	39.0

N.M. - Not meaningful

REVENUE

The Group registered a lower revenue of S\$24.7 million in the financial year ended 31 January ("FY") 2021 as compared to S\$34.2 million in FY2020. The substantial decrease was mainly as a result of suspension of most of the construction activities during the Circuit Breaker measures by the Singapore Government in April 2020. In addition, there were additional COVID-19 safety measures imposed by the Singapore Government in the foreign workers dormitory and the construction sector to mitigate the risk of any increase in COVID-19 cases during the Circuit Breaker period and reduce the potential risk of a further outbreak after the Circuit Breaker.

Recycling and logistic and leasing services recovered after the Circuit Breaker was lifted on the building and construction sector. However, the pace of excavation services slowed down because of the enhanced COVID-19 safety measures implemented by the Singapore Government and shortage of manpower in the construction industry.

OTHER GAINS

Other gains increased by S\$0.6 million or 115.3% from S\$0.5 million in FY2020 to S\$1.1 million in FY2021 mainly due to the grants received from the Singapore Government's Jobs Support Scheme and foreign worker levy rebate which provided wage support to employers during the period of economic uncertainty.

COST OF MATERIALS, SERVICES AND CONSUMABLES

Cost of materials, services and consumables decreased by S\$7.6 million or 40.1% from S\$19.0 million in FY2020 to S\$11.4 million in FY2021 in tandem with the decrease in the business activities. As a percentage of revenue, cost of materials, services and consumables decreased to 46% in FY2021 from 55% in FY2020, mainly due to decrease in diesel cost as a result of the decrease in diesel price during the year.

OTHER LOSSES

Other losses amounting to S\$0.5 million pertains to allowances made for impairment on trade receivables. There were no such allowances made in FY2020.

FINANCE COSTS

Finance costs decreased by S\$78,000 or 41.1% from S\$190,000 in FY2020 to S\$112,000 in FY2021 due to lower bank loans interest charges as a result of lower utilisation of our banking facilities during the year.

DEPRECIATION EXPENSE

Depreciation expense decreased by S\$0.2 million or 6.6% from S\$2.3 million in FY2020 to S\$2.1 million in FY2021. This was mainly due to decrease in additions to plant and equipment and some plant and equipment were fully depreciated during the year.

FINANCIAL REVIEW

EMPLOYEE BENEFITS EXPENSE

The decrease of S\$1.2 million or 17.8% from S\$6.6 million in FY2020 to S\$5.4 million in FY2021 mainly due to decrease in wages as a result of the decrease in the business activities and foreign worker levy waiver granted by the Singapore Government. To support the suspension of business operation and the lower activity during these tough times, the executive directors and CEO took a pay cut including their annual bonuses.

OTHER EXPENSES

The decrease in other expenses of S\$1.0 million or 24.4% from S\$4.3 million in FY2020 to S\$3.3 million in FY2021. The decrease was mainly due to lower expenses incurred including rental of equipment and machineries, repair and maintenances and upkeep lorries, after our business

activities was stalled due to the Circuit Breaker and additional COVID-19 safety measures implemented. The decrease was partially offset by expenses incurred in the project with MPOB, amounting to S\$0.1 million.

PROFIT BEFORE TAX

Profit before tax for FY2021 amounted to S\$2.7 million compared to profit before tax for FY2020 of S\$2.1 million.

INCOME TAX EXPENSE

Income tax expense was the same as FY2020. The effective tax rate for FY2021 has decreased from 25.4% to 19.7% mainly due to decrease in the capital allowances claimed, increase in non-taxable income and business losses recorded in the Company's foreign subsidiary.

GROUP	AS AT 31 JANUARY 2021 S\$'000	AS AT 31 JANUARY 2020 S\$'000	CHANGE S\$'000	CHANGE %
STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Property, plant and equipment	10,374	11,616	(1,242)	(10.7)
Right-of-use asset	3,736	3,989	(253)	(6.3)
Total non-current assets	14,110	15,605	(1,495)	(9.6)
Current assets				
Inventories	30	17	13	76.5
Trade and other receivables	8,619	6,884	1,735	25.2
Other assets, current	3,298	5,394	(2,096)	(38.9)
Cash and cash equivalents	7,975	4,333	3,642	84.1
Total current assets	19,922	16,628	3,294	19.8
Total assets	34,032	32,233	1,799	5.6
Equity				
Share capital	19,388	19,388	-	-
Retained earnings	4,625	2,953	1,672	56.6
Other reserve	(1)	-	(1)	N.M.
Total equity	24,012	22,341	1,671	7.5
Non-current liabilities				
Deferred tax liabilities	635	715	(80)	(11.2)
Loans and borrowings	2,253	2,351	(98)	(4.2)
Financial liabilities - lease liabilities, non-current	258	486	(228)	(46.9)
Total non-current liabilities	3,146	3,552	(406)	(11.4)
Current liabilities				
Income tax payable	868	609	259	42.5
Loans and borrowings	1,127	915	212	23.2
Financial liabilities - lease liabilities, current	599	423	176	41.6
Trade and other payables	4,280	4,393	(113)	(2.6)
Total current liabilities	6,874	6,340	534	8.4
Total liabilities	10,020	9,892	128	1.3
Total equity and liabilities	34,032	32,233	1,799	5.6

N.M. - Not meaningful

FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets decreased by S\$1.5 million or 9.6% from S\$15.6 million as at 31 January 2020 to S\$14.1 million as at 31 January 2021.

Property, plant and equipment decreased by S\$1.2 million or 10.7% from S\$11.6 million as at 31 January 2020 to S\$10.4 million as at 31 January 2021. The decrease was due to depreciation expense charged amounting to S\$2.1 million and disposal of plant and equipment of net book value amounting to S\$0.4 million during FY2021, partially offset by additions to plant and equipment amounting to S\$1.3 million.

Right-of-use asset pertained to the land lease prepaid to Jurong Town Corporation for land parcel at 10 Tuas South Street 7 Singapore 637114. The decrease of S\$0.3 million or 6.3% from S\$4.0 million as at 31 January 2020 to S\$3.7 million as at 31 January 2021 was due to depreciation charged during the year.

CURRENT ASSETS

Current assets increased by S\$3.3 million or 19.8% from S\$16.6 million as at 31 January 2020 to S\$19.9 million as at 31 January 2021. This was due mainly to the increase in trade and other receivables and cash and cash equivalents amounting to S\$1.7 million and S\$3.7 million respectively. These increases were partially offset by decrease in other assets of S\$2.1 million.

Trade receivables turnover days has increased due mainly to the business activities resumed in last quarter of FY2021. \$5.6 million out of the total \$8.6 million trade receivables was either not past due or past due less than 30 days.

Other assets as at 31 January 2021 mainly comprise contract assets pertaining to work performed but not billed amounting to S\$2.4 million (31 January 2020: S\$4.3 million). The decrease in contract assets as at 31 January 2021 was due to the slowdown in project-based contracts after the Circuit Breaker and additional COVID-19 safety measures being implemented and in payment certification from our customers for the work performed. There was also a decrease in advance payment to suppliers by S\$0.2 million in view of decreased operations.

NON-CURRENT LIABILITIES

Non-current liabilities decreased by S\$0.5 million or 11.4% from S\$3.6 million as at 31 January 2020 to S\$3.1 million as at 31 January 2021. This was due mainly to the decrease in deferred tax liabilities, loans and borrowings and lease liabilities amounting to S\$0.1 million, S\$0.1 million and S\$0.3 million respectively.

Loans and borrowings decreased by S\$0.1 million or 4.2% from S\$2.4 million as at 31 January 2020 to S\$2.3 million as at 31 January 2021. The decrease was due to repayment of Tuas Property loans amounting to S\$0.8 million. The decrease was partially offset the proceeds from long term loan drawdown for working capital purposes amounting to S\$0.7 million.

Lease liabilities decreased by S\$0.3 million or 46.9% from S\$0.5 million as at 31 January 2020 to S\$0.3 million as at 31 January 2021. The decrease was due to repayment of the lease liabilities amounting to S\$0.8 million during the year, partially offset by increase in lease liabilities amounting to S\$0.5 million.

CURRENT LIABILITIES

Current liabilities increased by S\$0.6 million or 8.4% from S\$6.3 million as at 31 January 2020 to S\$6.9 million as at 31 January 2021. The increase was due to increase in income tax payable, loans and borrowings and lease liabilities of S\$0.3 million, S\$0.2 million and S\$0.2 million respectively, partially offset by decrease in trade and other payables of S\$0.1 million.

Loans and borrowings and lease liabilities increase was due mainly to the proceeds from long term loan drawdown and increase in lease liabilities as mentioned in non-current liabilities.

Trade payables' turnover days was 135 as at 31 January 2021 compared to 84 as at 31 January 2020. The turnover days has increased due mainly to the business activities resumed in last quarter of FY2021.

PROPERTY HELD BY THE GROUP

Address	10 Tuas South Street 7 Singapore 637114
Description	Part single-storey/part 4-storey industrial building
Purpose	Corporate headquarters
Expiry of land tenure	7 November 2035
Land area	54,330 sf (5,047.4 sqm)
Gross floor area	43,465 sf (4,037.96 sqm)
Purchase cost (S\$'000)	5,494
Development costs (S\$'000)	5,108
Book value (S\$'000) as at 31 January 2021	7,652

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAN CHEW LEH
Executive Chairman

TAN KOK HUAT
Executive Director

ANDREW DEKGUANG JHOU CHEW
Executive Director and CEO

CHAN BIH TZY
Executive Director and COO

JONG VOON HOO
Lead Independent Director

CHANG CHI HSUNG
Independent Director

TAN HEOK PING JOSHUA
Independent Director

LIM HUI CHEE
Independent Director

AUDIT COMMITTEE

JONG VOON HOO (Chairman)
CHANG CHI HSUNG
LIM HUI CHEE

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

TAN DA XUN, CA (Singapore)
WONG YOEN HAR, ACIS (Singapore)

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

10 Tuas South Street 7
Singapore 637114

SHARE REGISTRAR

**BOARDROOM CORPORATE &
ADVISORY SERVICES PTE. LTD.**
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

DATE OF INCORPORATION

11 October 2018

DATE OF LISTING

11 March 2019

REGISTRATION NUMBER

201834755M

SPONSOR

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

INDEPENDENT AUDITOR

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

INTERNAL AUDITOR

TRS FORENSICS PTE LTD
90 Lorong 23 Geylang
Agrow Building #05-01
Singapore 388393

PRINCIPAL BANKER

DBS BANK LTD



SUSTAINABILITY REPORT



BOARD STATEMENT

The Board of Directors (the “**Board**” or the “**Directors**”) of Reclaims Global Limited (the “**Company**”, and together with our subsidiaries, the “**Group**”) is pleased to publish the Group’s third sustainability report for the financial year ended 31 January 2021 (“**FY2021**”). The report highlights the Group’s unwavering commitment towards its sustainability goals even amidst the uncertainty arising from the COVID-19 pandemic.

The COVID-19 pandemic in 2020 certainly brought to the fore the importance of sustainability and even hastened the momentum of business and sustainability transformation of many organisations. With over 100 employees supporting our operations, we have a responsibility to ensure their livelihoods and wellbeing continue to be protected during the pandemic. The safety and wellbeing of our workforce, as well as the surrounding communities where we operate, became our priority from the onset of the pandemic. We put in place safe working measures aligned with the latest regulations and provided equipment to facilitate working from home wherever possible. We have also provided face masks and hand sanitisers and ensured safe-distancing measures are observed.

The Group recognises the importance of sustainability and how integrating sustainability into our business operations would and could contribute to the long-term growth of the business especially during these challenging times. Good management of our sustainability risks and opportunities not only strengthen our corporate governance and enhances our operational efficiency, but also improves our stakeholders’ satisfaction.

The Board continues to maintain commitment towards transparency in sustainability reporting and considers sustainability issues as part of strategic formulation. The Board oversees the management and monitoring of the Group’s material Economic, Environmental, Social and Governance (“**EESG**”) factors. The Board has directed Management to evaluate key EESG factors relevant to the Group’s core operations together with our stakeholders.

It is our belief that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as the financial performance of our Group. Together with the Board, the Management remains vigilant in managing our commitments to sustainability efforts to ensure sustainable growth and development of the communities where we operate.

We would like to express our gratitude to our clients, business partners and stakeholders for their unwavering support. We look forward to your continual support as we strive to develop a more sustainable environment for all.

Sincerely,
Board of Directors
Reclaims Global Limited

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This third sustainability report for the Group is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: "Core" option. All data and activities reported are within our financial year from 1 February 2020 to 31 January 2021, unless stated otherwise. This report is also prepared in accordance with the Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"). The GRI Standards is selected as the reporting framework because its principles and specific disclosures are relevant to our business and sustainability issues.

The report aims to disclose our EESG performance against the issues that are considered most material to our stakeholders and this includes shareholders, suppliers and vendors, customers, employees, regulators and communities. The objective of preparing this report is to inform our stakeholders of the initiatives and strategies related to sustainability that we are currently embarking on.

Our data is reported in good faith and to the best of our knowledge. The Company has not sought external assurance for this report but may consider doing so in future.

Accessibility

This report forms part of the Company's Annual Report for FY2021 ("**Annual Report 2021**") and is available on the SGXNET and the Company's website.

Contact Us

The Company's Sustainability Team, consisting of our Executive Directors, namely Mr Chan Chew Leh, Mr Tan Kok Huat, Mr Andrew Chew and Ms Chan Bih Tzy, and our Financial Controller, Mr Tan Da Xun, is committed to listening to our stakeholders and welcome feedback on this report. For enquires or suggestions, please contact our sustainability team at sustainability@reclaims.sg.

SUSTAINABILITY REPORT

ORGANISATIONAL PROFILE

Background

The Company was listed on the Catalist Board of the SGX-ST on 11 March 2019. The Group's headquarters is located at 10 Tuas South Street 7 Singapore 637114.

The Group is a Singapore-based eco-friendly integrated service provider in the construction industry, specialising in the recycling of construction and demolition waste, customisation of excavation solutions and operating fleet management. We fulfil Singapore's growing need for sustainable development by supplying recycled, environmentally friendly construction material for mixing, foundations, and roads etc. The Group's business is organised into three main business segments which are recycling, excavation services, and logistics and leasing.

Vision

Holistic Eco-Friendly integrated service provider in the construction industry.

Mission

- ✓ To recycle and repurpose Construction and Demolition Waste to reduce pollution in the environment
- ✓ Through strategic customer-centric solutions, we aim to deliver excavation services that exceed our clients' expectations and experience
- ✓ Provide a safe and healthy working environment for all our stakeholders
- ✓ Embrace green technologies and initiatives to preserve and protect Mother Earth

Our People

The Group endeavours to create an inclusive workplace environment, committed to mutual respect, fairness, and equality for all our staff and workers, regardless of background. The Group believes that maintaining a diverse and robust workforce is important. The Group also strives to provide equal opportunities for our new and existing employees. We are guided by the government's fair employment practices to ensure that we have no gender, age, and race bias within our workplace and during the recruitment process.

As of 31 January 2021, the Group has 131 permanent full-time employees with zero contract or part-time employees. The amount of work provided by casual labour is insignificant. The statistical data of the Group's workforce below was maintained and provided by our Human Resources department:

SUSTAINABILITY REPORT

GENDER	FY2021		FY2020	
	NUMBER	%	NUMBER	%
Male	121	92	130	92
Female	10	8	11	8
Total	131	100	141	100
REGION	FY2021		FY2020	
	NUMBER	%	NUMBER	%
Singapore	19	15	16	12
Singapore Permanent Resident	4	3	7	5
Malaysia	29	22	28	20
China	21	16	23	16
Thailand	9	7	9	6
India	44	34	53	38
Bangladesh	3	2	3	2
Other	2	1	2	1
Total	131	100	141	100
LENGTH OF SERVICE	FY2021		FY2020	
	NUMBER	%	NUMBER	%
Less than 5 years	96	73	116	82
More than or equal to 5 years	35	27	25	18
Total	131	100	141	100

Supply Chain Management

The Group selects and retains suppliers based on an objective set of criteria. This includes competitive pricing, product quality, expertise and proven track record.

One of the Group's strategic aims is to support local businesses and ensure diversification of suppliers which would result in cost-effectiveness and prevention of operational disruptions. Having a diverse local group of suppliers not only provides us flexibility and options available to remain competitive, local suppliers could reduce lead time when ordering products, reducing our carbon-footprint and transportation cost to grow sustainably.

In maintaining high quality suppliers, we maintain an approved supplier list, periodically reviewing all existing and new suppliers, assessing them on the range of criteria mentioned above. We also take into consideration the supplier size, and environmental footprint, among other considerations.

Board Diversity

The Company recognises and embraces Board diversity and views Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment. In reviewing the composition of the Board, the Nominating Committee ("NC") considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Membership of Associations and Certificates

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

SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH AND STAKEHOLDER ENGAGEMENT

We build long lasting, value-creating partnerships with our stakeholders, who include our customers, suppliers and vendors, shareholders, employees, regulator and communities in which we operate. We have identified the key stakeholder groups which have the most significant impact on the success of our businesses and in turn impacted by our activities:

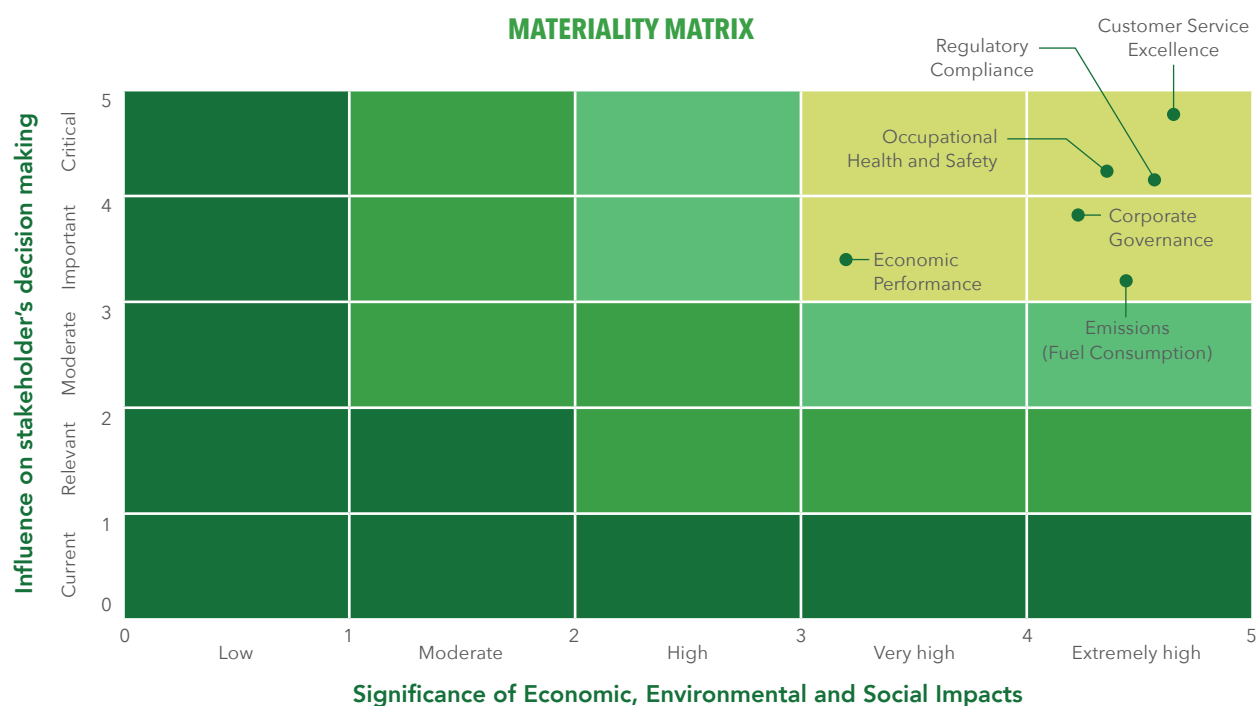
KEY STAKEHOLDER	GROUP'S COMMITMENT	TOPICS OF INTEREST	ENGAGEMENT ACTIVITY
Customers 	<ul style="list-style-type: none"> Maximise customer satisfaction by effective execution and timely delivery to our services 	<ul style="list-style-type: none"> Pricing Quality and efficiency 	<ul style="list-style-type: none"> Regular site visits Face-to-face meetings Email enquiries Feedback form
Employees 	<ul style="list-style-type: none"> Conducive work environment coupled with competitive pay and benefits for all Providing resources for employees to achieve their maximum potential 	<ul style="list-style-type: none"> Welfare benefits Career progression Workplace safety Open communications 	<ul style="list-style-type: none"> Staff appraisal Get-together sessions Introduction and orientation program Structured trainings
Suppliers and Vendors 	<ul style="list-style-type: none"> Promising fair and transparent dealings Supporting local businesses whenever possible 	<ul style="list-style-type: none"> Group's financial stability Group's project pipeline Payment terms 	<ul style="list-style-type: none"> Quotations Supplier evaluation Meetings and dialogues
Shareholders 	<ul style="list-style-type: none"> Accountable and transparent with all business transactions Responsible evaluation of new business opportunities to maximise long term growth 	<ul style="list-style-type: none"> Business development strategies Financial returns and stability Corporate governance Regulatory compliance 	<ul style="list-style-type: none"> General meetings Annual reports and circulars Sustainability reports SGX announcements
Regulators 	<ul style="list-style-type: none"> The Company is listed on the Catalist Board of the SGX-ST and must comply with the requirements of the Catalist Rules and applicable legislations The Group must adhere to laws and regulations in jurisdictions that we operate in and ensure that relevant permits and licences are obtained to operate our businesses 	<ul style="list-style-type: none"> Regulatory compliance ISO certification Anti-corruption and bribery 	<ul style="list-style-type: none"> SGXNET announcements Annual reports and circulars Sustainability reports Seminars, trainings and dialogues organised by the relevant authorities Correspondences Periodic meetings
Communities 	<ul style="list-style-type: none"> Eco-friendly production of materials Supporting external initiatives when possible 	<ul style="list-style-type: none"> Charity contribution Environmental concerns 	<ul style="list-style-type: none"> Feedback channels available on website Annual reports Sustainability reports

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Materiality assessment enables the Group to define sustainability factors that are of greatest significance to our businesses and stakeholders over the long term. In the process of identifying the material topics, the Management applied their knowledge of respective business areas, the challenges faced and the corresponding implications on the Group business and operations. From which, we have examined the significance and impact of the EESG topics and its influence on stakeholders' assessments and decisions and have prioritised the identified material EESG factors as shown in the matrix below.

S/N	MATERIAL FACTORS	PILLAR
1	Customer Service Excellence	Economic
2	Economic Performance	Economic
3	Emissions (Fuel Consumption)	Environmental
4	Occupational Health and Safety	Social
5	Corporate Governance	Governance
6	Regulatory Compliance	Governance



The material topics identified are based on the GRI framework and through our engagement with stakeholders via various engagement platforms. It is also based on the significance of their impact in relation to the key issues of concerns raised by our internal and external stakeholders, as outlined in the section entitled "Sustainability Approach and Stakeholder Engagement" of this report. These key sustainability issues are monitored and managed by the Management regularly. We will continue to examine our material EESG factors periodically and will work to strengthen our sustainability management framework, processes and procedures.

SUSTAINABILITY REPORT

ECONOMIC

CUSTOMER SERVICE EXCELLENCE

Service excellence is of paramount importance to the Group and our customers. We achieve this through Accountability, Communication, and Quality Assurance.

The Group's responsibilities start with employees. We value the wellbeing of our employees by providing them with sufficient training and educating them on workplace safety so that they can perform their duties safely and skillfully. This is reflected in our accountability to our customers as our employees can meet stringent safety protocols implemented by or imposed on our customers operating within the strictly regulated construction industry.

The Group maintains frequent and responsive lines of communication with customers before, during and after a contract. These communications include ensuring adherence to contracts' specifications, timeline and expectations of the customers. While working on a contract, we would hold weekly meetings with the main contractor to verify that our work is done in accordance with specifications and to monitor our progress and deadlines. Upon completion of a contract, we would invite the customer to provide constructive feedback, noting areas of excellence to praise our employees, and areas for improvement.

Customer retention and quality assurance are the key factors in engaging new customers for long term sustainable growth. We provide quality assurance through certifications to showcase the excellent level of services we provide and to affirm our products eco-friendly credentials. We are honoured to have earned the following certificates valid for FY2021:

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	20mm Recycled Aggregate for Concrete Mixture 022-053-1364 as "Eco-Friendly Building Materials"	Singapore Environment Council	4 May 2022

Performance Review, Targets, and Subsequent Reporting for FY2022

For FY2021, we were not made liable to pay any liquidated damages as a result of not meeting contractual milestones. We hope to maintain the same perfect record for FY2022 as we had for the previous 3 years.

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

Economic performance is the fundamental indicator on our ability to meet our financial obligations to our internal and external stakeholders, such as payment of dividends to our shareholders, salaries to our employees, settlement of suppliers' invoices, taxes to the government and contributions to the local communities.

The Group's finance team is tasked with overseeing the financial health, as well as developments in government initiatives and grants applicable for the Group. The Group does not have a formal dividend policy and this enables us to be more adaptable and less vulnerable to market changes.

Performance Review, Targets, and Subsequent Reporting for FY2022

For FY2021, the Group saw an increase in grant money received. We received a total of S\$885,000 compared to S\$241,000 received in FY2020. This sum includes a Job Support Scheme (JSS) of S\$319,000 from the Inland Revenue Authority of Singapore (IRAS), a S\$40,500 Quieter Construction grant from the National Environment Agency and levy rebate of S\$416,000 from the Ministry of Manpower (MOM).

FY2021 was a trying economic time for the Group due to the global pandemic caused by the COVID-19 outbreak. Most of the construction activities were suspended during the Circuit Breaker measures by the Singapore Government in April 2020. Recycling, logistics and leasing services recovered after the Circuit Breaker was lifted on the building and construction sector in June 2020. We were able to record a post-tax net profit of S\$2.2 million in FY2021 compared to net profit of S\$1.6 million in FY2020. In view of the challenging economic outlook, the Group will remain operationally and financially prudent, conserve resources in preparation for the post pandemic recovery and possible opportunities. For greater detail on the Group's financial information, we invite you to read our financial statements in the Annual Report 2021.

For FY2021, the Board is pleased to recommend a one-time final dividend of S\$0.01 per ordinary share (FY2020: S\$0.0038). Going forward, we continue to do our best for the Group to remain profitable and providing financial benefits in the form of dividends to our shareholders.

ENVIRONMENTAL

EMISSIONS (FUEL CONSUMPTION)

It is important that we monitor and manage our carbon footprint effectively as the nature of our business operations involves heavy-duty construction vehicles, which are diesel intensive, to prepare and transport as part of our excavation services and logistics services. By monitoring it, we will be able to reduce the environmental impacts of our operations for the health and wellbeing of future generations. In addition, to maximise the utilisation of our vehicles, we will go further by assisting companies to transport their construction materials and leasing machineries such as our excavators and tipper trucks.

Performance Review, Targets, and Subsequent Reporting for FY2022

The Group is still in the progress of establishing our Greenhouse Gas ("GHG") emission efficiency index for consistent tracking of our carbon footprint. Currently, we monitor the condition of the machineries and vehicles including fuel consumption and fuel efficiency. As part of our monitoring process, we identify and document down equipment that consumes higher quantities of fuel. When replacing aging vehicles, we would research for models that are energy efficient. In addition to price and performance, we consider a vehicle's emission rating when purchasing new vehicles.

As of 31 January 2021, the Group has 48 tipper trucks and 81 units of other construction and recycling equipment including articulated dump trucks, excavators, mobile screeners and mobile jaw crushers. This is in comparison of 47 tipper trucks and 79 units of other construction and recycling equipment in the previous year. The Group targets to replace the old Euro IV tipper trucks gradually with Euro V tipper trucks or Euro VI tipper trucks or any other latest models, which meet the latest engine emission standards set by the European Union to further cut nitrogen oxides (NOx) pollutants and fine particulate matter. As at 31 January 2021, the Group have total 6 Euro VI tipper trucks and 19 Euro V tipper trucks.

Moving forward, we will continue to review the energy efficiency of our existing plant and equipment.

SUSTAINABILITY REPORT

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

The government puts legislations and regulations in place to establish the framework for a safe work environment. As a responsible employer, we need to ensure the safety at all workstations and that there is a good safety culture. We believe it is very important to minimise the risks of work-related injury and illness. Each member of staff takes responsibility for themselves and works in a safe manner.

Given the nature of our work, our employees might be exposed to health and safety risks as part of their roles and responsibilities, as such we do not only have a legal but moral obligation to ensure that our employees have safe and conducive work environments. There are tools and procedures for reporting, registering, and monitoring unsafe situations through the Group. Safety training and personal protective equipment (PPE) are part of the standard provisions.

To attain a safe and healthy working environment, we have introduced the following Safety and Health initiatives:

- (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;
- (d) cultivating good safety habits through proper training, instruction and guidance and ensuring that workplace safety and health matters are effectively communicated to all employees; and

- (e) encouraging employees to report any work-related hazards and hazardous situations during safety meetings and by any means and at any time to the Executive Directors, Site Supervisors and/or Site Engineers.

We have also placed health and safety measures to safeguard our employees in light of the COVID-19 situation. Work from home policies, split team arrangements, etc. have also been adopted to reduce the interactions among our employees in order to protect them from the risk of contracting COVID-19.

We are also committed to providing a safe environment for our customers. We implemented measures to protect our customers against safety hazards, which includes social distancing practices and temperature measurement in accordance with the government guidelines to minimise community transmission of COVID-19.

In addition to safety, we also ensure the wellbeing of our employees through our corporate scheme with Raffles Medical Group which has been extended to all employees. This provides our employees the ability to consult for their medical needs. The Human Resource Department also monitors the frequency of medical consultations, especially from those within the same department/worksites to identify any potential safety hazards which needs to be addressed.

Foreign employees have the additional coverage of work injury compensation insurance, the Human Resource Department would review annually to ensure there is adequate coverage.

The Group follows ISO 45001:2018 standards regarding Health and Safety Management. We use preventive, detective and corrective controls to provide security for our hardworking employees.

SUSTAINABILITY REPORT

We also go the extra mile by getting certified through compliance with international voluntary standards and local health and safety initiatives, ensuring that our health and safety management systems are constantly assessed and approved. The safety certifications which were valid for FY2021 are as follows:

CERTIFICATE	SCOPE	CERTIFYING PARTY	DATE OF EXPIRY
bizSAFE Level Star	Workplace safety and health management system	Workplace Safety and Health Council	7 October 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

Performance Review, Targets, and Subsequent Reporting for FY2022

For FY2021, there were no reported workplace fatalities, serious injuries, or severe illnesses in the workplace. We hope to maintain the same perfect record for FY2022 as we had for the previous 3 years.

GOVERNANCE

CORPORATE GOVERNANCE

The Group releases a Corporate Governance Report annually, as part of the Annual Report in line with the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (MAS). Building a system with no compromise in quality and applying best practices business-wide is essential to our successful long-term performance. The Group strives to maintain integrity, transparency, accountability and discipline in all our practices as strategic tools for enhancing long-term shareholders' value and is committed to observing high standards of corporate governance through practices and policies discussed below.

Code of Business Conduct and Ethics ("Code")

Our employees are bound by our established Code which states and defines the core principles of ethical and professional conduct including confidentiality of information and responsibilities to the Group expected of all employees.

Leading by example, our Directors have adopted a Code of Business Conduct and Ethics for Directors which includes directives on areas such as conflict of interest, confidentiality, proper use of information and assets and Board appointments.

Conflict of Interest

All the Group's key employees including Directors are required to declare conflicts of interest when they arise in addition to submitting an annual conflict of interest declaration to the Group's Human Resource Department.

Anti-Corruption

The Group subscribes to a 'zero tolerance' policy on fraud, corruption and other forms of unethical behaviour or conduct, and has processes to manage risk, prevent corruption and ensure accountability and integrity. There are reporting channels in place for any improprieties, not limited to reporting up the chain-of-command to one's supervisor, to reporting directing to the Audit Committee through the whistle-blowing policy stated below. Guidance on reporting such violations real or suspected is documented in the Code.

Whistle-Blowing policy

The Group is accountable to all stakeholders, we provide a reporting channel for stakeholders to raise concerns directly to the Audit Committee securely and in confidence at whistleblower@reclaims.sg. The Lead Independent Director can also be contacted directly via his email address (voonhoo.jong@reclaims.sg). This email and additional information regarding whistle-blowing are available on our website and is disseminated to all employees during orientation.

SUSTAINABILITY REPORT

Enterprise Risk Management

The Group has a robust enterprise risk management framework to identify, review and mitigate potential risks arising from the Group's key operation segments. This includes bi-annual internal reports to the Board regarding current and emerging risks, their significance and impact on the Group, and mitigating measures. This is coupled with relevant risk analysis and action plans prepared by the risk owners and maintained in the risk registry.

Performance Review, Targets, and Subsequent Reporting for FY2022

The Group is proud to have maintained our high level of integrity for FY2021 with no substantiated misconduct or corruption case raised through our whistle-blowing email, nor documented non-compliance to the Code either from Directors or employees.



REGULATORY COMPLIANCE

We are subject to applicable laws and regulations of various jurisdictions and industries such as the Companies Act. We comply with these laws and regulations to maintain our licences to operate and as part of good corporate governance. We have dedicated personnel monitoring changes to applicable laws and regulations as well as for application and renewal of relevant permits and licenses required for our business operations. As part of our policy, the Group regularly holds briefings and sends reminders on safety procedures, laws and regulations to our workers and drivers.

By listing on the Catalist Board of the SGX-ST, the Group has to adhere to the Catalist Rules. We have an appointed sponsor, SAC Capital Private Limited (the "**Sponsor**") to advise us regarding compliance matters and updates to changes in Catalist Rules. We also receive regular updates from the Sponsor, company secretary and external auditors on changes with regard to the Companies Act (Chapter 50) of Singapore, Catalist Rules, Code of Corporate Governance and Singapore Financial Reporting Standards (International).

The Group's wholly-owned subsidiary, Reclaims Enterprise, is also registered with the Building and Construction Authority ("**BCA**") as part of their contractor registry for the authorisation to supply construction related goods and services for government agencies and other public sector organisations. Upon approval, the registration and Grading by BCA would be subject to renewal every 3 years. The Grade given by BCA affects the tender capacity for each project and is based on a wide range of factors including the company's paid-up capital, net worth and track record.

SUSTAINABILITY REPORT

For FY2021, Reclaims Enterprise was registered with BCA for the following workheads:

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

For FY2021, Reclaims Enterprise has also maintained our General Builder Class 1 licence, which allows us to tender for building works of any value where plans are required to be approved by the Commissioner of Building Control. The licence was awarded to Reclaims Enterprise for meeting BCA's standards of management, safety record and financial solvency.

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

Performance Review, Targets, and Subsequent Reporting for FY2022

For FY2021, there were no major fines levied against us nor any significant enforcement actions taken against us. For FY2022, we aim to continue with this record by complying with the relevant laws and regulations in the course of our business operations.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	ANNUAL REPORT SECTION REFERENCE AND REMARKS IF APPLICABLE
GRI 102: GENERAL DISCLOSURE 2016		
Organisational Profile		
102-1	Name of the organisation	Cover Page
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> Corporate Profile Notes 1, 4 and 16 to the Financial Statements Sustainability Report: Organisational profile
102-3	Location of headquarters	<ul style="list-style-type: none"> Corporate Profile Corporate Information Sustainability Report: Organisational Profile
102-4	Location of operations	<ul style="list-style-type: none"> Corporate Profile Sustainability Report: Organisational Profile
102-5	Ownership and legal form	<ul style="list-style-type: none"> Corporate Profile Note 1 to the Financial Statements Statistics of Shareholdings Sustainability Report: Organisational Profile
102-6	Markets served	<ul style="list-style-type: none"> Corporate Profile Note 4F to the Financial Statements Sustainability Report: Organisational Profile
102-7	Scale of the organisation	<ul style="list-style-type: none"> Corporate Profile Financial Highlights Financial Review Financial Statements Statistics of Shareholdings Sustainability Report: Organisational Profile
102-8	Information on employees and other workers	<ul style="list-style-type: none"> Sustainability Report: Organisational Profile
102-9	Supply chain	<ul style="list-style-type: none"> Corporate Profile Sustainability Report: Organisational Profile
102-10	Significant changes to the organisation and its supply chain	There is no significant change to the supply chain that can cause or contribute to significant economic, environmental and social impacts during the period.
102-11	Precautionary principle or approach	<ul style="list-style-type: none"> Corporate Governance Report: Principle 9 Sustainability Report: About This Report
102-12	External initiatives	No material community services or external initiatives during the reporting period.
102-13	Membership of associations	<ul style="list-style-type: none"> Sustainability Report: Organisational Profile
Strategy		
102-14	Statement from senior decision maker	<ul style="list-style-type: none"> Sustainability Report: Board Statement
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> Sustainability Report: Organisational Profile Sustainability Report: Corporate Governance
Governance		
102-18	Governance structure	<ul style="list-style-type: none"> Corporate Governance Report Sustainability Report: Corporate Governance

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	ANNUAL REPORT SECTION REFERENCE AND REMARKS IF APPLICABLE
GRI 102: GENERAL DISCLOSURE 2016		
Stakeholder Engagement		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-41	Collective bargaining agreements	No employee of the Group is covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Sustainability Report: Sustainability Approach and Stakeholder Engagement
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> Sustainability Report: Sustainability Approach and Stakeholder Engagement
Reporting Practice		
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> Corporate Profile Note 16 to the Financial Statements
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> Sustainability Report: Board Statement Sustainability Report: About This Report Sustainability Report: Materiality Assessment
102-47	List of material topics	<ul style="list-style-type: none"> Sustainability Report: Materiality Assessment
102-48	Restatements of information	None as compared to prior year's report
102-49	Changes in reporting	None as compared to prior year's report
102-50	Reporting period	<ul style="list-style-type: none"> Sustainability Report: About This Report
102-51	Date of most recent report	28 May 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> Sustainability Report: About This Report
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Sustainability Report: About This Report
102-55	GRI content index	<ul style="list-style-type: none"> Sustainability Report: GRI Content Index
102-56	External assurance	This report is not externally assured.
MATERIAL TOPICS		
GRI 103: MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its boundaries	<ul style="list-style-type: none"> Sustainability Report: Economic, Environmental, Social and Governance
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct Economic value generated and distributed	<ul style="list-style-type: none"> Financial Highlights Financial Review Financial Statements Sustainability Report: Economic
201-2	Financial implications and other risks and opportunities due to climate change	Climate change is not expected to generate substantive changes in operations, revenue or expenditure.

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	ANNUAL REPORT SECTION REFERENCE AND REMARKS IF APPLICABLE
MATERIAL TOPICS		
GRI 201: ECONOMIC PERFORMANCE 2016		
201-3	Defined benefit plan obligations and other retirement plans	For employees that are Singaporeans or Singapore Permanent Residents, the Group contributes the required amounts into their Central Provision Fund Accounts. The fund is a defined contribution retirement benefit plan managed by the Singapore Government.
201-4	Financial assistance received from government	• Sustainability Report: Economic
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	Information Unavailable: The Group is still in the process of establishing our GHG emission efficiency index for consistent tracking of our carbon footprint.
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	• Sustainability Report: Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	• Sustainability Report: Occupational Health and Safety
403-3	Occupational health services	• Sustainability Report: Occupational Health and Safety
404-4	Worker participation, consultation, and communication on occupational health and safety	• Sustainability Report: Occupational Health and Safety
404-5	Worker training on occupational health and safety	• Sustainability Report: Occupational Health and Safety
404-6	Promotion of worker health	• Sustainability Report: Occupational Health and Safety
404-7	Prevention and mitigation of occupation health and safety impacts directly linked by business relationships	• Sustainability Report: Occupational Health and Safety
404-8	Workers covered by an occupational health and safety management system	• Sustainability Report: Occupational Health and Safety
404-9	Work-related injuries	• Sustainability Report: Occupational Health and Safety
404-10	Work-related ill health	• Sustainability Report: Occupational Health and Safety
GRI 419: SOCIOECONOMIC COMPLIANCE 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	• Sustainability Report: Regulatory Compliance

CORPORATE GOVERNANCE REPORT

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

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

This report describes the Company's corporate governance practices with reference to both the principles and provisions set out in the Code. We have also taken into consideration the Practice Guidance provided by the MAS. The Board of Directors is pleased to confirm that for the financial year ended 31 January 2021 (**"FY2021"**), the Company has adhered to the principles of the Code as well as the Catalist Rules, where appropriate. Where the Company's practices vary from any provisions of the Code, we have set out the specific provision, explained the reasons for the deviations, and explained how the practices we have adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

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

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

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

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

- Overseeing the overall management and business affairs of the Group;
- Formulating the Group's strategies, focusing on value creation and innovation and considering sustainability issues;
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- Setting financial objectives and monitoring the Group's financial performance and Management's performance;
- Overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- Setting the Group's approach to corporate governance, including the establishment of ethical values and standards; and
- Balancing the demands of the business with those of the Company's stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met.

Principle 1:

THE BOARD'S CONDUCT OF AFFAIRS

Provision 1.1 of the Code:

Directors are fiduciaries who act objectively in the best interests of the Company

CORPORATE GOVERNANCE REPORT

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

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

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

Provision 1.2 of the Code:

Directors' duties, induction, training and development

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

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

New Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operations. It is also a requirement under Rule 406(3) (a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director ("**LED**") programme organised by the Singapore Institute of Directors ("**SID**") as prescribed under Practice Note 4D of the Catalist Rules. The newly appointed Director, Ms Chan Bih Tzy, has no prior experience as director of public listed company in Singapore. However, she has attended the relevant modules of the LED programme organised by SID pursuant to the Catalist Rules.

CORPORATE GOVERNANCE REPORT

During FY2021, the Directors were provided with updates on changes in laws and regulations, including the Companies Act, Chapter 50 ("**Companies Act**"), Catalyst Rules and the Code, which are relevant to the Group by the Management, the Sponsor and the company secretaries. The external auditor regularly updates the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

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

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

Provision 1.3 of the Code:

Matters requiring Board's approval

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

- Changes to the Group's capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

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

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

Provision 1.4 of the Code:

Board Committees

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

CORPORATE GOVERNANCE REPORT

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

Provision 1.5 of the Code:

Attendance and participation in Board and Board Committee meetings

In accordance with Regulation 118(2) of the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

Provision 11.3 of the Code:

All Directors attend general meetings

The attendance record of each Director at meetings of the Board and Board Committees during FY2021 is disclosed below:

Name of the Director	Board of Directors	AC	NC	RC	Annual General Meeting ("AGM")
Mr Chan Chew Leh	3	2	1	1	1
Mr Tan Kok Huat	3	2	1	1	1
Mr Andrew Dekguang Jhou Chew	3	2	1	1	1
Ms Chan Bih Tzy*	-	-	-	-	-
Mr Jong Voon Hoo	3	2	1	1	1
Mr Chang Chi Hsung	3	2	1	1	1
Mr Tan Heok Ping Joshua	3	2	1	1	1
Ms Lim Hui Chee	3	2	1	1	1
Number of meetings held in FY2021	3	2	1	1	1

* Appointed on 23 April 2021, after FY2021.

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

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

Provision 1.6 of the Code:

Complete, adequate and timely information to make informed decisions

Provision 1.7 of the Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary

CORPORATE GOVERNANCE REPORT

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

Board Independence

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

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

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

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and noted that none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. As at the date of this report, no Independent Director has served on the Board for more than nine years.

Principle 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the
Code:
Director independence

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

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

CORPORATE GOVERNANCE REPORT

Board Diversity

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

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

The NC will strive to ensure that:

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

An additional female Director was appointed to the Board after FY2021.

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

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

For FY2021, the Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management. Currently, the Board have one female Executive Director and one female Independent Director. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

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

Provision 2.4 of the Code:

Size and composition of the Board and Board Committee; Board diversity policy

Provision 2.5 of the Code:

Independent Directors meet regularly without the presence of the Management

CORPORATE GOVERNANCE REPORT

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

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

The Executive Chairman and the CEO are separate persons and have no familial relationship with each other.

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

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

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

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

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

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

Provision 3.3 of the
Code:
Lead Independent Director

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

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

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

**Principle 4:
BOARD MEMBERSHIP**

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

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

CORPORATE GOVERNANCE REPORT

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

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to our Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for our Directors, in particular, the appointment and/or replacement of our Executive Chairman, Executive Director, CEO and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole, its Board Committees and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of our Board, taking into account the future requirements of our Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group, and other considerations as set out in the Code, and setting the objectives for achieving Board diversity and reviewing our progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the Code and any other salient factors;
- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as our NC deems fit), whether such Director is able to and has been adequately carrying out his or her duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for our Board and our Directors;
- Assessing whether each Director is able to and has been adequately carrying out his or her duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

Provision 4.2 of the Code:

Composition of NC

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

Provision 4.3 of the Code:

Process for the selection, appointment and re-appointment of Directors

CORPORATE GOVERNANCE REPORT

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

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

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

The NC (save for the interested NC members who have abstained on their own review, recommendation and deliberations) has recommended to the Board that pursuant to Regulations 105 and 115 of the Constitution of the Company, the following Directors are due for retirement and eligible for re-election as Directors at the forthcoming AGM:

Mr Chan Chew Leh - Regulation 105
Mr Jong Voon Hoo - Regulation 105
Ms Chan Bih Tzy - Regulation 115

The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of the Annual Report.

Subsequent to FY2021, the Board was informed by Mr Chan Chew Leh ("**Mr Chan**"), the Executive Chairman of the Company, that he has attended an interview with the Corrupt Practices Investigation Bureau ("**CPIB**") in relation to an investigation conducted by the CPIB on him, in his personal capacity, for offences under Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore. Announcement has been made by the Company on 1 April 2021 in relation to the said investigation. As the investigation is ongoing and no charges have been filed against Mr Chan and based on the information available to the NC and the Board (excluding Mr Chan), nothing has come to the attention of the NC and the Board (excluding Mr Chan) that the investigation will compromise Mr Chan's performance of his duties as the Executive Chairman of the Company and that he is not suitable to continue as the Executive Chairman of the Company. The NC and the Board (excluding Mr Chan) will continue to monitor the progress of the aforesaid investigation and re-assess its position when appropriate in the event there is any material development.

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

In respect of FY2021, the NC was of the view that each Director had discharged his or her duties diligently. As at the date of this report, the number of listed company directorships and other principal commitments held by each Director is within the maximum limits stipulated. The NC is of the view that the multiple board directorships and other principal commitments held presently by some Directors do not impede their respective performance in carrying out his or her duties towards the Company. Please refer to the "Board of Directors" section of the Annual Report for the listed company directorships and other principal commitments of the Directors.

No alternate Director has been appointed to the Board.

CORPORATE GOVERNANCE REPORT

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

**Principle 5:
BOARD PERFORMANCE**

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

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

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

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

Based on the NC's review for FY2021, the NC is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the Board's effectiveness.

Although no external facilitator had been engaged by the Board for this purpose for FY2021, the NC has full authority to do so, if the need arises.

As disclosed in the Company's announcement dated 6 October 2020, there was private share transfer arrangement from Mr Andrew Chew to Mr Chan Chew Leh and Mr Tan Kok Huat, where Mr Andrew Chew has transferred 1,431,997 of his shares in the Company to Mr Chan Chew Leh and Mr Tan Kok Huat with 1,083,999 and 347,998 shares respectively, at nil consideration. The share transfer arrangement is volunteered by Mr Andrew Chew as a gesture of goodwill and good faith in recognising the contributions of Mr Chan and Mr Tan for FY2020 and as an affirmation of the continuing commitment to pursue the long-term business strategies together. The Board confirmed that the new information on the share transfer did not affect the review of individual directors' performance evaluation and remuneration conducted for the financial year ended 31 January 2020.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

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

**Principle 6: PROCEDURES
FOR DEVELOPING
REMUNERATION POLICIES**

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

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

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

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

Provision 6.2 of the
Code:
Composition of RC

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

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

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

CORPORATE GOVERNANCE REPORT

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

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated, including a monthly salary of S\$25,000 for Mr Chan Chew Leh, Mr Tan Kok Huat, Mr Andrew Dekguang Jhou Chew respectively and S\$13,000 for Ms Chan Bih Tzy, a fixed annual bonus of three months' salary and an annual incentive bonus based on the audited profit before tax ("**PBT**") of the Group. For this purpose, PBT shall refer to the audited consolidated profit before tax, excluding fair value gain or loss to the Group's properties and securities, any profit or loss attributable to non-controlling interests or minority interests and any exceptional or extraordinary items. The amount of the incentive bonus is subject to the Group achieving certain predetermined PBT targets as follows:

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

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

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

As disclosed in the Company's Remuneration Matters section, the RC has confirmed that the new information on the share transfer did not affect the review of individual directors' remuneration evaluation conducted for the financial year ended 31 January 2020.

The RC members are familiar with remuneration matters as they manage their own businesses and are regularly updated of market practices. During FY2021, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants and will review the independence of the external firm before engaging them.

Provision 6.4 of the
Code:
Expert advice on remuneration

CORPORATE GOVERNANCE REPORT

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

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

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

Provisions 7.1 and 7.3 of the Code:

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

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

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

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

Provision 7.2 of the Code:

Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

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

CORPORATE GOVERNANCE REPORT

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

Principle 8: DISCLOSURE ON REMUNERATION

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

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

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the CEO during FY2021 is as follows:

Name of Directors	Salary, fixed bonus, allowance and CPF		Variable or performance related bonus		Directors' fee		Total
	S\$'000	%	S\$'000	%	S\$'000	%	
Chan Chew Leh	373	100	-	-	-	-	373
Tan Kok Huat	371	100	-	-	-	-	371
Andrew Chew	285	100	-	-	-	-	285
Jong Voon Hoo	-	-	-	-	24	100	24
Chang Chi Hsung	-	-	-	-	20	100	20
Tan Heok Ping	-	-	-	-	-	-	-
Joshua	-	-	-	-	20	100	20
Lim Hui Chee	-	-	-	-	20	100	20
Total	1,029	92	-	-	84	8	1,113

During FY2021, the Executive Directors and CEO took a pay cut including their annual fixed bonuses to support the suspension of business operations and lower business activity due to COVID-19 pandemic.

In view of the competitive pressures in the talent market and talent retention issues, the Company does not disclose the aggregate amount paid but in percentage terms as such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent. A breakdown (in percentage terms) of the remuneration earned by the Executive Officers during FY2021 is as follows:

Remuneration band and name of Executive Officers ⁽¹⁾	Designation	Salary, allowance and CPF (%)	Variable or performance-related bonus (%)
Below S\$250,000:			
Tan Da Xun	Financial Controller	87	13
Chan Bih Tzy ⁽²⁾	General Manager	82	18

Notes:

- (1) Given the size of the Group's operations, the Executive Officers are the only key management personnel of the Group, excluding the Executive Directors and the CEO.
- (2) Chan Bih Tzy is the niece of our Executive Chairman, Chan Chew Leh and spouse of our Executive Director, Tan Kok Huat. She is appointed as our Executive Director and Chief Operating Officer on 23 April 2021.

CORPORATE GOVERNANCE REPORT

The total remuneration paid to the key management personnel of the Group (who are not Directors or the CEO of the Company) in FY2021 amounted to S\$276,165.

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

The Company does not currently have any employee share scheme.

Save for the Executive Directors, there were no employees who are substantial shareholders of the Company in FY2021.

There were no employees who are the immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in FY2021.

Provision 8.2 of the Code:

Remuneration disclosure of related employees

ACCOUNTABILITY AND AUDIT

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

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

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

Provision 9.1 of the Code:

Board determines the nature and extent of significant risks

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

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

The internal auditors, TRS Forensics Pte Ltd, has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, RSM Chio Lim LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2021.

CORPORATE GOVERNANCE REPORT

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

In addition, the Board received assurance from the Executive Directors, the CEO, the Financial Controller and the General Manager that the Company's risk management and internal control systems are adequate and effective.

Based on the ERM framework established, reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 January 2021.

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

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

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

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

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

- Reviewing the audit plan and scope of work of our external auditors and internal auditors, the results of our external and internal auditors' review and evaluation of our system of internal controls, and their management letters on the internal controls together with our Management's response, and monitoring the implementation of the internal control recommendations made by our external and internal auditors;
- Reviewing and reporting to our Board at least annually the adequacy and effectiveness of our Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks (such review to be carried out internally or with the assistance of any competent third parties);
- Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;
- Making recommendations to our Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that our internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that our internal auditors comply with the standards set by nationally or internationally recognised professional bodies;

Provision 9.2 of the Code:

Assurance from CEO, CFO and other key management personnel

Principle 10: AUDIT COMMITTEE

Provision 10.1 of the Code:
Duties of AC

Provision 10.2 of the Code:
Composition of AC

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

CORPORATE GOVERNANCE REPORT

- Reviewing the interim financial results and annual consolidated financial statements, our external auditors' report on the annual consolidated financial statements, reviewing and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore Financial Reporting Standards as well as compliance with the other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of our Group and any announcements relating to our financial performance, before submission to our Board for approval;
- Meeting with the external auditors and internal auditors without the presence of our Management, at least annually;
- Reviewing and discussing with our external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our Management's response;
- Reviewing and ensuring the co-ordination among our internal auditors, external auditors and our Management, including assistance given by our Management to the auditors;
- Considering the independence and objectivity of the external auditors, taking into account the non-audit services provided by the external auditors and the fees paid for such non-audit services, if any;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions the value of which amount to 3.0% or more of the latest audited NTA of our Group, or any agreement or arrangement with an interested person that is not in the ordinary course of business of our Group, prior to our Group's entry into the transaction, agreement or arrangement;
- Making recommendations to our Board on the proposals to our shareholders with regard to the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
- Reviewing, approving and conducting periodic reviews on our Group's foreign exchange hedging policy (if any), together with the foreign exchange transactions and hedging activities undertaken by our Group;
- Reviewing our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitoring compliance with such framework;
- Establishing and reviewing the policy and arrangements by which employees of our Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto;
- Ensuring that our Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- Reviewing the assurance from our CEO and our Financial Controller on the financial records and financial statements;
- Undertaking such other reviews and projects as may be requested by our Board, and reporting to our Board its findings from time to time on matters arising and requiring the attention of our AC;
- Ensuring that the terms of non-compete undertakings provided to our Company have been complied with; and
- Reviewing and approve transactions falling within the scope of Chapter 10 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

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

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The aggregate amount of fees paid/payable to the external auditor, RSM Chio Lim LLP, for audit services for FY2021 was S\$60,000. There was no non-audit related work carried out by the external auditor during FY2021, and hence, there was no fee paid in this respect. The AC, having reviewed the scope and value of the audit provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of RSM Chio Lim LLP as the external auditor for the financial year ending 31 January 2022, the AC considered the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor.

The Company has outsourced its internal audit function to TRS Forensics Pte. Ltd., a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the Financial Controller. TRS Forensics Pte Ltd is a technology-based professional service firm that specialises in the provision of risk advisory services including Internal Audit, Data Protection, Cybersecurity and Forensics Investigation. The firm was set up in year 2017 and currently maintains an outsourced internal audit portfolio of more than 15 companies listed on the SGX-ST, Bursa-Malaysia and The Stock Exchange of Hong Kong in construction, property development, manufacturing, healthcare, logistics, engineering services, e-commerce, trading industries, education. The Engagement Team for this engagement comprises a Director, a Manager and supported by two internal auditors. The Director has more than 15 years of relevant experience whilst the Manager has approximately 10 years of relevant experience. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

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

The internal audit function is independent of the activities it audits. During FY2021, the internal auditors completed an internal control review of the Group's key processes such as project management and interested persons transactions review. The related internal audit reports, including management's responses and implementation status, have been reviewed and approved by the AC.

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

The AC acknowledges the importance of meeting with the external auditors and internal auditors without the presence of Management. The Audit Committee has met with the internal auditor and external auditor once, without the presence of management, to review the adequacy of audit arrangements for FY2021, with emphasis on the scope and quality of their audit, and to discuss the observations of the auditors on the management or on processes and procedures of the Group over the course of FY2021 audits.

Provision 10.4 of the Code:

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

Provision 10.5 of the Code:

AC meets with the auditors without the presence of Management annually

CORPORATE GOVERNANCE REPORT

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2021, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The following key audit matters, which are included in the independent auditor's report for FY2021, were discussed with the Management and the external auditor and were reviewed by the AC:

Key audit matters	How the matters were addressed by the AC
a) Revenue recognition for contract revenue	Contract revenue amounted to S\$11.2 million, accounting for 45% of the Group's total revenue for FY2021.
b) Impairment allowance on trade receivables and contract assets	<p>The carrying value of trade receivables and contract assets amounted to S\$8.6 million and S\$2.4 million respectively, accounting for in total 32% of the Group's total assets at the end of the reporting year.</p> <p>The AC reviewed the Management's approach, methodology and judgement pertaining to revenue recognition for contract revenue and the estimate of trade receivables and contract assets impairment allowance and took into account of the following considerations:</p> <ul style="list-style-type: none"> a) Nature of business; b) Alignment with the Singapore Financial Reporting Standards (International) and prevailing business practice; c) Observations and findings presented by the external auditor with reference to: Management's estimates of work performed for uncompleted contracts; payment track records of trade receivables; and adequacy of allowance for impairment of trade receivables. <p>The above procedures provided the AC with the assurance and the AC concurred with the Management's conclusion that contract revenue recognised during FY2021 is a faithful depiction of work performed during the reporting year and allowance for impairment on trade receivables and contract assets are adequately made as at 31 January 2021 and the relating disclosures in the financial statements are appropriate.</p>

CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Details of this policy are disseminated to employees of the Group and is made available on the Company's website.

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

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

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website.

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

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

Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

CORPORATE GOVERNANCE REPORT

To minimize physical interactions and COVID-19 transmission risk, the forthcoming AGM will be convened and held wholly by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 similar arrangements as per last AGM for the financial year ended 31 January 2020 ("**2020 AGM**"). Alternative arrangements relate to attendance at the AGM via electronic means i.e. live webcast and live audio feed, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions before or at the AGM (if any) and appointing the Chairman of the Meeting as the proxy at the AGM, will be put in place.

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

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings. All resolutions tabled at the 2020 AGM were conducted by poll pursuant to the Catalist Rules and counted by the Polling Agent as well as verified by the Scrutineer ahead of the 2020 AGM. The poll results were announced by the Company via SGXNET on the same day of the 2020 AGM.

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

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

All Directors, including the chairpersons of various Board Committees, and the Executive Officers shall attend general meetings to address shareholders' queries and receive feedback from shareholders.

Provision 11.3 of the Code:
All Directors attend general meetings

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

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

As the forthcoming AGM will be convened and held wholly by electronic means, the shareholders are given the opportunity to proactively engage with the Board and Management regarding the Group's business activities and operations, financial performance and other business related matters by way of submitting their questions 72 hours prior to the AGM via email or by post. All substantial and relevant questions will be answered either prior to the AGM through publication on SGXNET and the Company's corporate website or at the AGM. Shareholders are allowed to contemporaneously observe the proceedings of the meeting by audio and video means or by audio only means. Details on the arrangements are provided to shareholders in the notices of general meetings.

CORPORATE GOVERNANCE REPORT

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

Provision 11.4 of the Code:

Company's Constitution allow for absentia voting of shareholders

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

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

Provision 11.5 of the Code:

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

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

In regard to the 2020 AGM, minutes were published on the SGXNET and the Company's corporate website within the prescribed timeline set by the SGX-ST.

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

Provision 11.6 of the Code:

Dividend policy

CORPORATE GOVERNANCE REPORT

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

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

The Board of Directors is pleased to recommend a one-tier tax exempt final dividend of S\$0.01 per ordinary share in respect of FY2021 (FY2020: S\$0.0038) for approval by the Company's shareholders at the upcoming AGM.

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

Principle 12: ENGAGEMENT WITH SHAREHOLDERS

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

Provision 12.1 of the Code:

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

Provisions 12.2 and 12.3 of the Code:

Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

MANAGING STAKEHOLDERS RELATIONSHIPS

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

Principle 13: ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2 of the Code:

Engagement with material stakeholder groups

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

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

Provision 13.3 of the Code:

Corporate website to engage stakeholders

DEALINGS IN SECURITIES

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

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

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

INTERESTED PERSON TRANSACTIONS

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

The Group has adopted a general mandate in respect of interested person transactions which had been effective since 15 May 2019. The Group will be seeking renewal of its general mandate from its shareholders for recurrent interested person transactions, details of which are found in the Appendix to the Notice of AGM dated 11 May 2021.

CORPORATE GOVERNANCE REPORT

The aggregate value of interested person transactions during FY2021 was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
New Development Construction ("NDC"): - Rendering of logistics services to NDC	Associate of the Company's Executive Chairman ⁽¹⁾	-	934

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

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1204(8) of the Catalyst Rules, the Company confirms that except as disclosed under "General and Statutory Information - Material Contracts" of the Company's Offer Document dated 1 March 2019 and in the "Directors' Statement" and "Financial Statements" sections of the Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2021 or if not then subsisting, which were entered into since the end of the previous financial year.

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

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

CORPORATE GOVERNANCE REPORT

NON- SPONSORSHIP FEES

No non-sponsor fees were paid/payable to the Company's sponsor for FY2021.

UTILISATION OF IPO PROCEEDS

The Company raised gross proceeds of S\$4.4 million from its initial public offering (the "**Gross Proceeds**"). The Company had subsequently announced the utilisation and reallocation of the Gross Proceeds on 1 April 2019, 2 May 2019, 22 May 2019, 4 June 2019, 19 August 2019, 5 September 2019, 31 March 2020, 11 September 2020 and 1 April 2021 ("**Announcements**") and in its annual reports for FY2019 and FY2020 released on 15 May 2019 and 27 May 2020 respectively ("**Annual Reports**"). Please refer to the Announcements and Annual Reports for further details.

As at 4 May 2021, the Gross Proceeds have been utilised as follows:

Use of proceeds (as set out in the Offer Document)	Amount allocated S\$'000	Amount re- allocated S\$'000	Aggregate amount utilised per Announce- ments / Annual Reports S\$'000	Amount utilised post Announce- ments / Annual Reports S\$'000	Amount unutilised as at 4 May 2021 S\$'000
Expansion of operational capacity	600	-	(600)	-	-
Expansion of recycled product range	500	-	(358)	-	142
Expansion through acquisition, joint ventures and/or strategic alliances	300	(300)	-	-	-
General working capital purposes	1,363	552	(1,915)	-	-
Net proceeds	2,763	252	(2,873)	-	142
Share issue and listing expenses	1,607	(252)	(1,355)	-	-
Gross Proceeds	4,370	-	(4,228)	-	142

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

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 January 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

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

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

2. DIRECTORS

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

Chan Chew Leh

Tan Kok Huat

Andrew Dekguang Jhou Chew

Chan Bih Tzy (Appointed on 23 April 2021)

Jong Voon Hoo

Chang Chi Hsung

Tan Heok Ping Joshua

Lim Hui Chee

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related corporation as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors	Shareholdings registered in the name of Director			Shareholdings in which Director is deemed to have an interest		
	1 February 2020	31 January 2021	21 February 2021	1 February 2020	31 January 2021	21 February 2021
The company	Number of shares of no par value			Number of shares of no par value		
Chan Chew Leh	50,169,998	51,253,997	51,253,997	-	-	-
Tan Kok Huat	50,268,005	50,616,003	50,616,003	-	1,043,900 [#]	1,039,900 [#]
Andrew Dekguang Jhou Chew	11,199,997	9,768,000	9,768,000	-	-	-

STATEMENT BY DIRECTORS

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

#Held by Chan Bih Tzy, spouse of Mr Tan Kok Huat.

By virtue of Section 7 of the Singapore Companies Act, Chan Chew Leh and Tan Kok Huat are deemed to have interests in the shares of the company and all its subsidiaries at the beginning and at the end of the year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

5. OPTIONS

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

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

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

6. REPORT OF AUDIT COMMITTEE

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

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

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

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

STATEMENT BY DIRECTORS

6. REPORT OF AUDIT COMMITTEE (CONT'D)

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

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

7. INDEPENDENT AUDITOR

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

8. DIRECTORS' OPINION ON THE ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's risk management systems and internal controls, addressing financial, operational, compliance and information technology risks are adequate and effective as at the end of the reporting year 31 January 2021.

9. SUBSEQUENT DEVELOPMENTS

Other than the subsequent events as disclosed in Note 28 to the financial statements, there are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 1 April 2021, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors,

.....
Chan Chew Leh
Director

.....
Tan Kok Huat
Director

4 May 2021

INDEPENDENT AUDITOR'S REPORT

to the Members of RECLAIMS GLOBAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Reclaims Global Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 January 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 January 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 28 to the financial statements, which indicates that a director of the company has attended an interview with the Corrupt Practices Investigation Bureau ("CPIB") in relation to an investigation conducted by the CPIB on him for offences under Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore. As of the date of this report, the CPIB's investigation is still ongoing.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

to the Members of RECLAIMS GLOBAL LIMITED

KEY AUDIT MATTERS

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

(a) Revenue recognition for contract revenue

The group's main revenue is contract revenue from excavation services amounting to \$11.2 million or 45% of the group's revenue for the current reporting year. The group recognises this revenue over time, using the output method for measuring progress towards complete satisfaction of performance obligations. The stage of completion was largely measured by reference to the physical proportion of the contract work completed. This is a key audit matter because of the significant management judgement required in the estimation of the physical proportion of the contract work completed for the contracts.

Please refer to Note 2A "Revenue recognition" on significant accounting policies and Note 2C "Revenue recognition for contract revenue" on critical judgements, assumptions and estimation uncertainties. Further information in relation to contract revenue is provided in Notes 5 and 19A of the financial statements.

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

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

(b) Impairment allowance on trade receivables and contract assets

Trade receivables and contract assets amounting to \$8.6 million (net of allowance for expected credit loss of \$1.2 million) and \$2.4 million respectively are significant to the group as they represent 32% of the group's assets as at 31 January 2021. The group determines expected credit losses of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for overdue trade receivables, and using a provision matrix for remaining trade receivables and contract assets based on historical credit loss experience, and specific to the debtors and economic environment. This assessment involved significant judgement.

Please refer to Note 2A "Financial instruments" on significant accounting policies and Note 2C "Allowance for trade receivables and contract assets" on critical judgements, assumptions and estimation uncertainties. Further information is provided in Notes 18, 19A and 25D on disclosures related to trade and other receivables, contract assets, and related credit risk.

INDEPENDENT AUDITOR'S REPORT

to the Members of RECLAIMS GLOBAL LIMITED

KEY AUDIT MATTERS (CONT'D)

(b) Impairment allowance on trade receivables and contract assets (cont'd)

As part of our audit, we obtained an understanding of the group's processes and controls relating to management's assessment of the recoverability of trade receivables and contract assets which are past due but not impaired, including the assessment of any allowance from expected credit losses to be made. Our audit procedures included, amongst others, obtaining evidence of receipts subsequent to the year-end, considering available evidence which includes actual or expected significant adverse changes in business, financial or economic condition, including impact from COVID-19 that may cause a significant increase in credit risk. We also considered past payment practices and ongoing business relationship, discussed identified collection issues and enquired on the reasons for the delays in payment on overdue trade receivable with the management.

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

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of RECLAIMS GLOBAL LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of RECLAIMS GLOBAL LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

4 May 2021
Engagement partner effective from financial year ended 31 January 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 January 2021

ANNUAL REPORT 2021

	Notes	Group	
		2021 \$'000	2020 \$'000
Revenue	5	24,722	34,213
Interest income		5	6
Other gains	6	1,027	477
Cost of materials, services and consumables	7	(11,360)	(18,974)
Other losses	6	(520)	-
Finance costs	8	(112)	(190)
Depreciation expense	14	(2,108)	(2,257)
Depreciation of right-of-use-asset	15	(253)	(253)
Employee benefits expense	9	(5,449)	(6,628)
Other expenses	10	(3,251)	(4,302)
Profit before tax from operations		2,701	2,092
Income tax expense	11	(531)	(531)
Profit from operations, net of tax and total comprehensive income		2,170	1,561
Profit, net of tax and total comprehensive income attributable to owners of the company		2,170	1,561
		<u>Cents</u>	<u>Cents</u>
Earnings per share			
Basic and diluted earnings per share	12	1.66	1.21

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

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2021

		Group		Company	
	Notes	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	14	10,374	11,616	-	-
Right-of-use asset	15	3,736	3,989	-	-
Investment in subsidiaries	16	-	-	15,327	15,327
Total non-current assets		14,110	15,605	15,327	15,327
<u>Current assets</u>					
Inventories	17	30	17	-	-
Trade and other receivables	18	8,619	6,884	5,726	4,077
Other assets, current	19	3,298	5,394	8	42
Cash and cash equivalents	20	7,975	4,333	166	782
Total current assets		19,922	16,628	5,900	4,901
Total assets		34,032	32,233	21,227	20,228
<u>EQUITY AND LIABILITIES</u>					
<u>Equity</u>					
Share capital	21	19,388	19,388	19,388	19,388
Retained earnings		4,625	2,953	1,654	784
Other reserve		(1)	-	-	-
Total equity		24,012	22,341	21,042	20,172
<u>Non-current liabilities</u>					
Deferred tax liabilities	11	635	715	-	-
Loans and borrowings	22	2,253	2,351	-	-
Financial liabilities – lease liabilities, non-current	23	258	486	-	-
Total non-current liabilities		3,146	3,552	-	-
<u>Current liabilities</u>					
Income tax payable		868	609	-	-
Loans and borrowings	22	1,127	915	-	-
Financial liabilities – lease liabilities, current	23	599	423	-	-
Trade and other payables	24	4,280	4,393	185	56
Total current liabilities		6,874	6,340	185	56
Total liabilities		10,020	9,892	185	56
Total equity and liabilities		34,032	32,233	21,227	20,228

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 January 2021

Group	Total equity \$'000	Share capital \$'000	Retained earnings \$'000	Other reserve \$'000
Current year:				
Opening balance at 1 February 2020	22,341	19,388	2,953	-
Changes in equity:				
Total comprehensive income for the year	2,170	-	2,170	-
Dividends paid (Note 13)	(498)	-	(498)	-
Foreign currency translation reserve	(1)	-	-	(1)
Closing balance at 31 January 2021	24,012	19,388	4,625	(1)
Previous year:				
Opening balance at 1 February 2019	16,719	15,327	1,392	-
Changes in equity:				
Issuance of new shares (Note 21)	4,370	4,370	-	-
Share issue expenses (Note 21)	(309)	(309)	-	-
Total comprehensive income for the year	1,561	-	1,561	-
Closing balance at 31 January 2020	22,341	19,388	2,953	-

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 January 2021

Company	Total equity \$'000	Share capital \$'000	Retained earnings / (Accumulated losses) \$'000
Current year:			
Opening balance at 1 February 2020	20,172	19,388	784
Changes in equity:			
Total comprehensive income for the year	1,368	-	1,368
Dividends paid (Note 13)	(498)	-	(498)
Closing balance at 31 January 2021	21,042	19,388	1,654
Previous year:			
Opening balance at 1 February 2019	15,275	15,327	(52)
Changes in equity:			
Issuance of new shares (Note 21)	4,370	4,370	-
Share issue expenses (Note 21)	(309)	(309)	-
Total comprehensive income for the year	836	-	836
Closing balance at 31 January 2020	20,172	19,388	784

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 January 2021

	Group	
	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	2,701	2,092
Adjustments for:		
Interest income	(5)	(6)
Interest expense	112	190
Allowance for trade receivables, net	473	-
Depreciation of property, plant and equipment	2,108	2,257
Depreciation of right-of-use-asset	253	253
Gain on disposal of property, plant and equipment	(85)	(177)
Net effect of exchange rate changes in consolidating subsidiary	(1)	-
Operating cash flows before changes in working capital	5,556	4,609
Inventories	(13)	65
Trade and other receivables	(2,208)	(549)
Other assets, current	2,097	(1,071)
Trade and other payables	(312)	1,384
Net cash flows from operations	5,120	4,438
Income taxes paid	(352)	(540)
Net cash flows from operating activities	4,768	3,898
Cash flows from investing activities		
Purchase of plant and equipment (Notes 14 and 20B)	(594)	(2,658)
Proceeds from disposal of plant and equipment	477	746
Interest received	5	6
Net cash flows used in investing activities	(112)	(1,906)
Cash flows from financing activities		
Cash restricted in use (Note 20A)	325	(325)
Dividends paid	(498)	(1,500)
Interest paid	(112)	(190)
Repayment of in bills payable	-	(1,408)
Proceeds from bank borrowings	1,000	-
Repayment of borrowings	(886)	(1,175)
Lease liabilities - principal portion paid	(518)	(341)
Proceeds from issuance of ordinary shares, net of share issue expense	-	4,061
Increase in borrowings	-	756
Net cash flows used in financing activities	(689)	(122)
Net increase in cash and cash equivalents	3,967	1,870
Cash and cash equivalents, statement of cash flows, beginning balance	4,008	2,138
Cash and cash equivalents, statement of cash flows, ending balance (Note 20A)	7,975	4,008

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

1. GENERAL

The company was incorporated in Singapore under the Companies Act, Chapter 50. The company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 March 2019.

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

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

The company is an investment holding company. The principal activities of the subsidiaries are described in Note 16.

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

Restructuring exercise

In connection with the company's initial public offering ("IPO") on SGX-ST, the company implemented a restructuring exercise which involved acquisition and rationalisation of the corporate and shareholding structure pursuant to which the company became the parent company of the group.

Pursuant to a restructuring agreement dated 23 January 2019, the company acquired the entire issued share capital of Reclaims Enterprise Pte. Ltd. from its shareholders. The consideration of \$15,327,000 was based on the unaudited net asset value of Reclaims Enterprise Pte. Ltd. as at 31 July 2018. The consideration was satisfied by the issue of 15,327,084 new ordinary shares of the company, credited as fully paid to the shareholders of Reclaims Enterprise Pte. Ltd.

The group restructuring is considered a business combination involving entity under common control and is accounted for by applying the pooling of interest method. Accordingly, the assets and liabilities of Reclaims Enterprise Pte. Ltd. have been included in the consolidated financial statements at their carrying amounts and the group's consolidated financial statements for the reporting year ended 31 January 2020 have been prepared as if the group has been in existence prior to the restructuring exercise.

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").

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.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

1. GENERAL (CONT'D)

Basis of preparation of the financial statements

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

Basis of presentation

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

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

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The SFRS(I) 15 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 is not be adjusted if the payment for the good or service will be within one year.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

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).

Other income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

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

Government grants

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

Employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Borrowing costs

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

Foreign currency transactions

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

Translation of financial statements of other entities

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

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Subsidiaries

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

Business combinations

There were no business combinations during the reporting year.

The pooling of interest method has been used for accounting for the combining entities or businesses under common control as though the separate entities or businesses were continuing as before. Under the pooling of interest method it is taken that no acquisition has occurred and there has been a continuation of the risks and benefits to the controlling party (or parties) that existed prior to the business combination. The practical effects are that: the net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective.

No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests; and comparative amounts in the financial statements are presented using the principles that the consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented (i.e., including the comparative period) or since the date when the combining entities or businesses first came under the control of the controlling party or parties, where this is a shorter period, regardless of the date of the common control combination. The consolidated statement of income also takes into account the profit or loss attributable to the non-controlling interest recorded in the consolidated financial statements of the controlling party.

Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Property, plant and equipment

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

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

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

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

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

Right-of-use asset

Right-of-use asset is the prepaid land lease and is accounted and presented as if it was owned such as property, plant and equipment. Right-of-use asset are subsequently measured at cost less any accumulated depreciation, any accumulated impairment losses and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use asset is amortised on a straight-line basis over the lease term of 21 years and 9 months. The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired.

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. 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.

Inventories

Inventories are measured at the lower of cost first in first out method and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is 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.

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 instruments

Recognition and derecognition of financial instruments:

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

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").
3. Financial asset that is an equity investment classified as measured at FVTOCI.
4. Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL.

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the 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.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Fair value measurement

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revenue recognition for contract revenue:

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

Allowance for trade receivables and contract assets:

Trade and other receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. There are current uncertainties in the economy caused by the recent COVID-19 outbreak, which may create questions about the recoverability of trade receivables and contract assets.

An assessment is made for the reporting year whether there is any indication that the above mentioned assets may be impacted adversely. If any such indication exists, an estimate is made of the fair value of the account balance. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year are different from assumptions and could require a material adjustment to the carrying amount of the balances affected. The carrying amount is disclosed in the notes on trade and other receivables, and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

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

Significant related party transactions:

	Group	
	2021	2020
	\$'000	\$'000
Related parties: ^(a)		
Sale of goods	(80)	(123)
Purchase of goods	4	52
Rendering of services	(935)	(802)
Receiving of services	90	459
Short term rental expenses	73	221
Others	(15)	6

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

3B. Key management compensation:

	Group	
	2021	2020
	\$'000	\$'000
Salaries and other short-term employee benefits	1,389	1,428

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. Key management compensation: (cont'd)

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

	Group	
	2021	2020
	\$'000	\$'000
Remuneration of directors	1,029	1,122
Remuneration of key management personnel	276	222
Fees to directors	84	84

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

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

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

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

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

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

The segments and the types of products and services are as follows: (cont'd)

(3) The logistics and leasing segment provides transportation services and leasing of machinery and equipment.

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

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

4B. Profit or loss from operations and reconciliations

	Recycling	Excavation services	Logistics and leasing	Unallocated	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2021</u>					
Revenue by segment					
Total revenue	4,440	11,176	8,970	136	24,722
Recurring EBITDA	1,192	349	3,896	(268)	5,169
Depreciation expense	(456)	(1,139)	(258)	(255)	(2,108)
Depreciation of right-of-use-asset	(114)	-	-	(139)	(253)
ORBIT	622	(790)	3,638	(662)	2,808
Interest income					5
Finance costs					(112)
Income tax expense					(531)
Profit from continuing operations					2,170
<u>2020</u>					
Revenue by segment					
Total revenue	4,511	19,668	9,717	317	34,213
Recurring EBITDA	1,054	2,062	2,032	(362)	4,786
Depreciation expense	(479)	(1,179)	(353)	(246)	(2,257)
Depreciation of right-of-use-asset	(114)	-	-	(139)	(253)
ORBIT	461	883	1,679	(747)	2,276
Interest income					6
Finance costs					(190)
Income tax expense					(531)
Profit from continuing operations					1,561

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4C. Assets and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
<u>2021</u>					
Total assets for reportable segments	6,139	11,977	3,046	4,895	26,057
Cash and cash equivalent					7,975
Total group assets					34,032
<u>2020</u>					
Total assets for reportable segments	6,036	14,860	2,122	4,882	27,900
Cash and cash equivalent					4,333
Total group assets					32,233

4D. Liabilities and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
<u>2021</u>					
Total liabilities for reportable segments	2,025	2,591	1,052	2,849	8,517
Deferred tax liabilities					635
Income tax payable					868
Total group liabilities					10,020
<u>2020</u>					
Total liabilities for reportable segments	2,079	3,128	1,220	2,141	8,568
Deferred tax liabilities					715
Income tax payable					609
Total group liabilities					9,892

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4E. Other material items and reconciliations

	Recycling \$'000	Excavation services \$'000	Logistics and leasing \$'000	Unallocated \$'000	Group \$'000
Impairment of assets:					
2021	-	430	43	-	473
2020	-	-	-	-	-
Expenditures for non-current assets:					
2021	458	361	135	304	1,258
2020	56	2,672	337	86	3,151

4F. Geographical information

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

4G. Information about major customers

	Group	
	2021 \$'000	2020 \$'000
Top 1 customer	4,506	4,919
Top 2 customers	7,132	7,240
Top 3 customers	9,203	9,516

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

5. REVENUE

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

	Group	
	2021	2020
	\$'000	\$'000
Sales of goods	4,440	4,511
Excavation services	11,176	19,668
Logistics and leasing services	8,970	9,717
Others	136	317
Total revenue	24,722	34,213

5B. Revenue classified by duration of contract:

	2021	2020
	\$'000	\$'000
Short-term contracts	13,546	14,545
Long-term contracts	11,176	19,668
Total revenue	24,722	34,213

5C. Revenue classified by timing of revenue recognition:

	2021	2020
	\$'000	\$'000
Point in time	13,546	14,545
Over time	11,176	19,668
Total revenue	24,722	34,213

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

6. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2021	2020
	\$'000	\$'000
Gain on disposal of plant and equipment	85	177
Government grants	566	241
Government grant from job support scheme ^(a)	319	-
Allowance for impairment on trade receivables	(520)	-
Reversal of impairment allowance on trade receivables	47	-
Other	10	59
Net	507	477
Presented in profit or loss as:		
Other gains	1,027	477
Other losses	(520)	-
Net	507	477

(a) The purpose of the Job Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty due to COVID-19 pandemic.

7. COST OF MATERIALS, SERVICES AND CONSUMABLES

The major components and other selected components include the following:

	Group	
	2021	2020
	\$'000	\$'000
Cost of materials and disposal	6,709	9,305
Cost of transportation services	2,895	6,509

8. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest expense	112	190

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	2020
	\$'000	\$'000
Short term employee benefits expense	4,935	5,631
Contributions to defined contribution plan	193	213
Other	321	784
Total employee benefits expense	5,449	6,628

10. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2021	2020
	\$'000	\$'000
Audit fees to the independent auditor of the company	60	60
IPO - other related expenses	-	233
Rental expenses (Note 23)	112	115
Repair and maintenance expense	843	1,132
Upkeep of motor vehicles	739	928
Short term rental of equipment and machineries (Note 23)	336	472

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

11. INCOME TAX

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

	Group	
	2021	2020
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	612	489
(Over)/under adjustments to tax in respect of prior periods	(1)	132
Subtotal	611	621
<u>Deferred tax income:</u>		
Deferred tax income	(87)	(38)
Under/(over) adjustments to tax in respect of prior periods	7	(52)
Subtotal	(80)	(90)
Total income tax expense	531	531

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% (2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021	2020
	\$'000	\$'000
Profit before tax	2,701	2,092
Income tax expense at the above rate	459	356
Expenses not deductible for tax purposes	129	127
Income not subject to tax	(46)	-
Under adjustments to tax in respect of prior periods	6	80
Tax exemption and rebates	(17)	(32)
Total income tax expense	531	531

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

11. INCOME TAX (CONT'D)

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

	Group	
	2021	2020
	\$'000	\$'000
Excess of tax depreciation over book on plant and equipment	(80)	(90)

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

	Group	
	2021	2020
	\$'000	\$'000
<u>Deferred tax liabilities:</u>		
Excess of book value of plant and equipment over tax value	(635)	(715)

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

12. EARNINGS PER SHARE

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

	Group	
	2021	2020
	\$'000	\$'000
<u>Numerators</u>		
Profit, net of tax attributable to owners of the parent	2,170	1,561
<u>Denominators: Weighted average number of ordinary shares</u>		
Basic ('000)	131,000	129,126

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

13. DIVIDENDS ON EQUITY SHARES

	Dividend per share		Group and Company	
	2021	2020	2021	2020
	Singapore cents	Singapore cents	\$'000	\$'000
Final tax exempt (1-tier) dividends	0.38	-	498	-

The directors have proposed that a final dividend of 1.00 Singapore cents per share with a total of \$1,310,000 to be paid to shareholders after the annual general meeting to be held subsequent to year-end. There are no income tax consequences on the reporting entity. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 February 2019	5,108	14,737	19,845
Additions	-	3,151	3,151
Disposals	-	(1,162)	(1,162)
At 31 January 2020	5,108	16,726	21,834
Additions	-	1,258	1,258
Disposals	-	(1,348)	(1,348)
At 31 January 2021	5,108	16,636	21,744
<u>Accumulated depreciation:</u>			
At 1 February 2019	680	7,874	8,554
Depreciation for the year	256	2,001	2,257
Disposals	-	(593)	(593)
At 31 January 2020	936	9,282	10,218
Depreciation for the year	256	1,852	2,108
Disposals	-	(956)	(956)
At 31 January 2021	1,192	10,178	11,370
<u>Carrying value:</u>			
At 1 February 2019	4,428	6,863	11,291
At 31 January 2020	4,172	7,444	11,616
At 31 January 2021	3,916	6,458	10,374

The leasehold property is pledged as a security for bank loans (Note 22A).

Certain plant and equipment are under finance lease agreements (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

15. RIGHT-OF-USE ASSET

Land use rights:	Group	
	2021	2020
	\$'000	\$'000
<u>Cost:</u>		
At beginning and end of the reporting year	5,494	5,494
<u>Accumulated depreciation:</u>		
At beginning of the reporting year	1,505	1,252
Depreciation for the year	253	253
At end of the reporting year	1,758	1,505
Carrying value	3,736	3,989
<u>Balance to be depreciated:</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	2,473	2,726
Total	3,736	3,989

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

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares at cost	15,327	15,327
Movements during the year. At cost:		
Balance at beginning of the year	15,327	15,327
Acquisition	–	–*
Cost at the end of the reporting year	15,327	15,327

* Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

The information on the subsidiaries are as follow:

Name of subsidiary, country of incorporation, place of operations and principal activities	Effective equity held	
	2021	2020
	%	%
Reclaims Enterprise Pte. Ltd. ^(a) Singapore Recycling of non-metal waste and refuse disposal including demolition and transportation services	100	100
Reimagine Me Sdn. Bhd. ^{(b)(c)} Malaysia Green technology activities, specifically converting organic waste into economic resources and economic materials/products	100	100

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

(b) The subsidiary is incorporated in 2019 with 1 ordinary share, which amounting to Ringgit Malaysia 1.00 (equivalent to approximately SGD 0.33 as at the date of incorporation).

(c) The subsidiary is audited by RSM Malaysia.

17. INVENTORIES

	Group	
	2021	2020
	\$'000	\$'000
Finished goods and goods for resale	30	17

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade receivables:</u>				
Outside parties	7,776	6,102	-	-
Less allowance for impairment	(1,008)	(748)	-	-
Related parties (Note 3)	381	214	-	-
Retention receivables	1,656	1,302	-	-
Less allowance for impairment	(213)	-	-	-
Net trade receivables - subtotal	8,592	6,870	-	-
<u>Other receivables:</u>				
Other receivables	27	14	-	-
Subsidiaries (Note 3)	-	-	5,726	4,077
Net other receivables - subtotal	27	14	5,726	4,077
Total trade and other receivables	8,619	6,884	5,726	4,077

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Movements in above allowance for trade receivables:				
Balance at the beginning of the year	748	772	-	-
Charge for trade receivables to profit or loss included in other losses (Note 6)	307	-	-	-
Charge for retention receivables to profit or loss included in other losses (Note 6)	213	-	-	-
Reversed for trade receivables to profit or loss included in other gains (Note 6)	(47)	-	-	-
Used	-	(24)	-	-
Balance at the end of the reporting year	1,221	748	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the COVID-19 pandemic. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the COVID-19 pandemic) are analysed. The expected loss ratio ("ELR") and loss allowance was determined as follows for trade receivables. There was no loss allowance for contract assets.

	Gross amount		ELR		Loss allowance	
	2021 \$'000	2020 \$'000	2021	2020	2021 \$'000	2020 \$'000
Trade receivables and contract assets:						
Current	7,377	5,599	-	-	-	-
1 to 60 days past due	3,088	4,063	-	-	-	-
61 to 365 days past due	750	1,421	42%	-	317	-
Over 365 days past due	1,008	832	90%	90%	904	748
Total	12,223	11,915			1,221	748

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is ranging from 7 days to 30 days (2020: 30 days). But some customers take a longer period to settle the amounts.

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 collaterals held as security and other credit enhancements for the trade receivables. The significant increase in the allowance is due to the adverse impact of the COVID-19 pandemic.

The carrying amount of the group's most significant receivable from one customer is \$815,000 (2020: \$965,000) as at the year ended. The group has no other concentration of customers' credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Other 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).

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.

19. OTHER ASSETS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract assets (Note 19A)	2,410	4,297	-	-
Prepayments	112	10	8	9
Deposits	22	67	-	33
Advances paid to suppliers	754	1,000	-	-
Other	-	20	-	-
	3,298	5,394	8	42

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

19. OTHER ASSETS (CONT'D)

19A. Contract assets

	Group	
	2021 \$'000	2020 \$'000
The amount is made up of:		
Consideration for work completed but not billed as at the end of the reporting year	2,410	4,297
The movements in the contract assets are as follows:		
At the beginning of the year	4,297	3,884
Transfer to revenue for performance obligation satisfied	11,176	19,668
Transfer to trade receivables	(13,063)	(19,255)
At the end of the reporting year	2,410	4,297

The contract assets are for group's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional; expected to be recognised as receivables within 1 year.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not restricted in use	7,975	4,008	166	782
Cash pledged for bank facility ^(a)	-	325	-	-
Cash at end of the reporting year	7,975	4,333	166	782

The annual rates of interest for the cash on interest earning balances ranged between 0.025% to 1.4% (2020: 2.1% to 2.6%).

^(a) This is for amounts held by the bankers to cover the bank guarantee issued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

20. CASH AND CASH EQUIVALENTS (CONT'D)

20A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2021 \$'000	2020 \$'000
Amount as shown above	7,975	4,333
Cash pledged for bank facilities	-	(325)
Cash and cash equivalents for statement of cash flows purposes at end of the reporting year	7,975	4,008

20B. Non cash transactions

	Group	
	2021 \$'000	2020 \$'000
Acquisitions of certain assets under property, plant and equipment under lease contracts	466	494
Acquisitions of an asset under property, plant and equipment under trade and other payables	198	-

20C. Reconciliation of liabilities arising from financing activities:

	2020 \$'000	Cash flows \$'000	Non-cash changes \$'000	2021 \$'000
Loans and borrowings	3,266	114	-	3,380
Lease liabilities	909	(518)	466	857
Cash pledged for bank facilities	325	(325)	-	-
Total liabilities from financing activities	4,500	(729)	466	4,237

	2019 \$'000	Cash flows \$'000	Non-cash changes \$'000	2020 \$'000
Loans and borrowings	5,850	(2,584)	-	3,266
Lease liabilities	-	415	494	909
Cash pledged for bank facilities	-	325	-	325
Total liabilities from financing activities	5,850	(1,844)	494	4,500

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

21. SHARE CAPITAL

	Number of shares issued	Share capital \$'000
<u>Group and company:</u>		
Ordinary shares of no. par value:		
Balance at 1 February 2019	15,327,085	15,327
Sub-division of ordinary shares	112,000,000	15,327
Add: Issuance of shares pursuant to IPO	19,000,000	4,370
Less: Share issue expenses capitalised	-	(309)
Balance at 31 January 2020 and 31 January 2021	131,000,000	19,388

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

Capital management:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

21. SHARE CAPITAL (CONT'D)

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

	2021 \$'000	2020 \$'000
Net debt:		
All current and non-current borrowings including finance leases	4,237	4,175
Less: cash and cash equivalents	(7,975)	(4,333)
Net debt	(3,738)	(158)
Adjusted capital:		
Total equity and adjusted capital	24,012	22,341

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

22. LOAN AND BORROWINGS

	Group	
	2021 \$'000	2020 \$'000
<u>Non-current:</u>		
<u>Financial instruments with fixed interest rates:</u>		
Bank loan A (secured) (Note 22A)	1,512	2,351
Bank loan B (secured) (Note 22B)	741	-
Total non-current portion	2,253	2,351
<u>Current:</u>		
<u>Financial instruments with fixed interest rates:</u>		
Bank loan A (secured) (Note 22A)	915	915
Bank loan B (secured) (Note 22B)	212	-
Total current portion	1,127	915
Total	3,380	3,266

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

22. LOAN AND BORROWINGS (CONT'D)

The non-current portion is repayable within 2 to 4 years.

	Group	
	2021	2020
The range of fixed interest rates were as follows:		
Bank loans	2.25% - 2.58% per annum	2.58% to 3.75% per annum

The fair value of the bank loan is a reasonable approximation of the carrying amount due to their short term nature.

22A. Bank loans (secured)

The agreement for the bank loan provides among other matters for the following:-

- (i) Legal mortgage over the subsidiary's leasehold property (Note 14);
- (ii) Assignment of all rights, title and benefits under existing and future tenancy agreements and rental income in respect of the subsidiary's leasehold property;
- (iii) Corporate guarantee from the company;
- (iv) Repayable monthly over 4 years from 18 October 2019, the interest rate for the first two years are fixed at 2.58% per annum, the subsequent years are at prevailing bank rate; and
- (v) Loan-to-value-ratio - All sum owing to the bank shall not, at any time, exceed 105% of the market value of the subsidiary's leasehold property and other securities created in favour of the bank.

22B. Bank loans (secured)

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

- (i) Corporate guarantee from the company; and
- (ii) Repayable monthly over 5 years from 1 October 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

23. LEASE LIABILITIES

	Group	
	2021 \$'000	2020 \$'000
Lease liabilities, current	599	423
Lease liabilities, non-current	258	486
Total	857	909

Movements of lease liabilities for the reporting year are as follows:

	Group	
	2021 \$'000	2020 \$'000
Total lease liabilities recognised at beginning of reporting year	909	-
Additions	466	1,250
Lease payments – principal portion paid	(518)	(341)
Total lease liabilities at end of reporting year	857	909

Lease liabilities are relating to finance the purchases of plant and equipment. The term of the hire-purchase payables is 2 to 3 years and interest rates implicit in the hire-purchase arrangements range from 1.55% to 2.68% per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

The obligations under hire-purchase are secure by:

- (i) The lessors' charge over the leased assets;
- (ii) Corporate guarantee from the company; and
- (iii) Loan-to-value-ratio - All sum owing to the bank shall not at any time exceed 105% of the market value of the subsidiary's leasehold property and other securities created in favour of the bank.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

23. LEASE LIABILITIES (CONT'D)

A summary of the maturity analysis of lease liabilities is disclosed in Note 25E.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets.

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

	Group	
	2021 \$'000	2020 \$'000
Expense relating to short-term leases included in other expenses	448	587
Income from subleasing right-of-use asset	52	57
Total commitments on short-term leases at year end date	61	41

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	4,165	4,311	115	26
Related parties (Note 3)	22	41	-	-
Subtotal	4,187	4,352	115	26
<u>Other payables:</u>				
Other payables and accrued liabilities	93	41	70	30
Subtotal	93	41	70	30
Total trade and other payables	4,280	4,393	185	56

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

25A. Categories of financial assets and liabilities

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	16,594	11,217	5,892	4,859
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	8,517	8,568	185	56

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

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

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

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

The company is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

25C. Fair values of financial instruments

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

25D. 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 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. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL (or lifetime ECL for trade receivables), 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.

25E. 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 (2020: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

25E. Liquidity risk – financial liabilities maturity analysis (cont'd)

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

Group	Less than 1 year \$'000	1 - 5 years \$'000	Total \$'000
<u>2021:</u>			
Gross borrowings commitment	1,178	2,432	3,610
Gross lease liabilities	617	261	878
Trade and other payables	4,280	-	4,280
At end of the reporting year	6,075	2,693	8,768
<u>2020:</u>			
Gross borrowings commitment	915	2,516	3,431
Gross lease liabilities	437	502	939
Trade and other payables	4,393	-	4,393
At end of the reporting year	5,745	3,018	8,763

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

25F. Interest rate risk

	Group	
	2021 \$'000	2020 \$'000
Financial liabilities with interest:		
Fixed rates	4,237	4,175
Financial assets with interest:		
Fixed rates	-	325

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

25G. Foreign currency risk

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

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

26. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

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

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments
Various	The Conceptual Framework for Financial Reporting
SFRS (I) 16	COVID-19 Related Rent Concessions - Amendment to (effective from 30 June 2020)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

27. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework	1 Jan 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use	1 Jan 2022
SFRS (I) 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022

28. SUBSEQUENT EVENT

The company's Executive Chairman and director, Mr Chan Chew Leh ("Mr Chan") attended an interview with the Corrupt Practices Investigation Bureau ("CPIB") in relation to an investigation conducted by the CPIB on him for offences under Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore. The subject matter of the investigation is presently still confidential. Mr Chan has informed that, to the best of his knowledge, the investigation is on him in his personal capacity. At the date of authorisation of these financial statements, the CPIB's investigation is still ongoing. The Board wishes to emphasise that, to the best of its knowledge, the investigation does not involve the company or the group, and accordingly does not affect the business and operations of the company and the group.

STATISTICS OF SHAREHOLDINGS

AS AT 30 APRIL 2021

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

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholdings
1 – 99	0	0.00	0	0.00
100 – 1,000	84	53.17	81,300	0.06
1,001 – 10,000	13	8.23	70,200	0.06
10,001 – 1,000,000	53	33.54	11,964,700	9.13
1,000,001 and above	8	5.06	118,883,800	90.75
	158	100	131,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chan Chew Leh	51,253,997	39.13%	–	–
Tan Kok Huat	50,616,003	38.64%	–	–
Andrew Dekguang Jhou Chew	9,768,000	7.46%	–	–

STATISTICS OF SHAREHOLDINGS

AS AT 30 APRIL 2021

TWENTY LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	Number of Shares	%
1	CHAN CHEW LEH	51,253,997	39.13
2	TAN KOK HUAT	50,616,003	38.64
3	ANDREW DEKGUANG JHOU CHEW	9,768,000	7.46
4	UOB KAY HIAN PRIVATE LIMITED	2,267,000	1.73
5	WAN CHUN HONG HENRY (RUAN JUNHONG HENRY)	1,458,900	1.11
6	TAN LAY SEE	1,300,000	0.99
7	LEE CHER WEE	1,180,000	0.90
8	CHAN BIH TZY	1,039,900	0.79
9	CHAN WENG FITT	979,000	0.75
10	CHNG SIEW HWA	900,000	0.69
11	LOW KOON POH	870,000	0.66
12	LIEW YOW FAH	855,000	0.65
13	LAU EE CHUAN	845,000	0.65
14	CHAN KIN HANG	817,000	0.62
15	GOH CHUN HENG (WU JUNXING)	650,000	0.50
16	CITIBANK NOMINEES SINGAPORE PTE LTD	500,000	0.38
17	LIM PIA BOON	500,000	0.38
18	LIEW YIWEN	451,800	0.34
19	LOH GEOK MUI	389,100	0.30
20	WANG TECK CHENG	328,900	0.25
TOTAL		126,969,600	96.92

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

13.33% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

RECLAIMS GLOBAL LIMITED

(Company Registration No. 201834755M)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Reclaims Global Limited (the "**Company**") will be held by electronic means on Friday, 28 May 2021 at 10.00 a.m. (of which there will be a live webcast) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and the Audited Financial Statements for the financial year ended 31 January 2021 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a one-tier tax exempt final dividend of 1.00 Singapore cents per ordinary share for the financial year ended 31 January 2021. (FY2020: 0.38 Singapore cents per ordinary share). **(Resolution 2)**
3. To re-elect Mr Chan Chew Leh who is retiring pursuant to Regulation 105 of the Constitution of the Company. **(Resolution 3)**
See Explanatory Note (i)
4. To re-elect Mr Jong Voon Hoo who is retiring pursuant to Regulation 105 of the Constitution of the Company. **(Resolution 4)**
See Explanatory Note (ii)
5. To re-elect Ms Chan Bih Tzy who is retiring pursuant to Regulation 115 of the Constitution of the Company. **(Resolution 5)**
See Explanatory Note (iii)
6. To approve the payment of Directors' Fees of S\$84,000 for the financial year ending 31 January 2022, to be paid half yearly in arrears. (FY2021: S\$84,000) **(Resolution 6)**
7. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

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

That pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

- (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

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

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

provided that:

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

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

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

(Resolution 8)

See Explanatory Note (iv)

NOTICE OF ANNUAL GENERAL MEETING

10. Renewal of the General Mandate for Interested Person Transactions

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

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

(Resolution 9)

See Explanatory Note (v)

BY ORDER OF THE BOARD

Tan Da Xun
Wong Yoen Har
Company Secretaries
Singapore, 11 May 2021

Explanatory Notes:

- (i) Ordinary Resolution 3 in item 3 above is to re-elect Mr Chan Chew Leh who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Chan Chew Leh will, upon re-election as Director of the Company, remain as Executive Chairman and will be considered non-independent.
- (ii) Ordinary Resolution 4 in item 4 above is to re-elect Mr Jong Voon Hoo who is retiring pursuant to Regulation 105 of the Constitution of the Company. Mr Jong Voon Hoo will, upon re-election as Director of the Company, remain as Lead Independent Director of the Company, Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
- (iii) Ordinary Resolution 5 in item 5 above is to re-elect Ms Chan Bih Tzy who is retiring pursuant to Regulation 115 of the Constitution of the Company. Ms Chan Bih Tzy will, upon re-election as Director of the Company, remain as Executive Director and Chief Operating Officer of the Company and will be considered non-independent.

Detailed information on the Directors who are proposed to be re-appointed as Directors of the Company can be found under sections “Board of Directors” and “Additional Information on Directors Seeking Re-Election” in the Annual Report for the financial year ended 31 January 2021.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) Ordinary Resolution 8 in item 9 above, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.
- (v) Ordinary Resolution 9 in item 10 above, if passed, will authorise the Entities at Risk to enter into the Mandated Transactions with the Mandated Interested Persons which are recurring in the financial year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company. Please refer to the Appendix for more information on the IPT General Mandate.

Measures to Minimise Risk of Community Spread of COVID-19

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

The proceedings of this AGM will be broadcasted “live” through a live webcast and live audio feed (the “**Live AGM Webcast**” or “**Live AGM Audio Feed**”) which will take place on Friday, 28 May 2021 at 10.00 a.m.. **Shareholders will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

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

Live AGM Webcast and Live AGM Audio Feed:

1. Shareholders may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, shareholders will need to pre-register at <https://reclaimsglobalagm.investor.exchange/> (the “**Registration Link**”) by 10.00 a.m. on 25 May 2021 (the “**Registration Deadline**”) to enable the Company to verify their status.
2. Following verification, authenticated shareholders will receive an email by 5.00 p.m. on 27 May 2021 containing a link to access the Live AGM Webcast or the Live AGM Audio Feed of the AGM proceedings.
3. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast or the Live AGM Audio Feed.
4. Shareholders who have registered by the Registration Deadline but did not receive an email response by 5.00 p.m. on 27 May 2021 may contact the Company by email at agm@reclaims.sg for assistance.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Proxy Forms to Vote:

1. **Shareholders will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.**
2. Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
3. The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
4. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:
 - (a) mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) email to agm@reclaims.sg.

as soon as possible, in either case, to arrive (a) by post to the office of the Company's Share Registrar at the above address, or (b) by email to an email address as mentioned, no later than 10.00 a.m. on 25 May 2021, being 72 hours before the time fixed for the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation and the related safe distancing measures.

5. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 18 May 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 25 May 2021.

Submission of Questions in Advance:

1. **Please note that shareholders will not be able to ask questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.**
2. Shareholders may submit questions relating to the items on the agenda of the AGM by 10.00 a.m. on 25 May 2021:
 - (a) via the Registration Link;
 - (b) in hard copy by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (c) by email to agm@reclaims.sg.

NOTICE OF ANNUAL GENERAL MEETING

3. A shareholder who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
4. The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from shareholders will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act):

1. Such investors (including SRS Investors) who wish to participate in the AGM by:
 - (a) observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;
 - (b) submitting questions in advance of the AGM; and/or
 - (c) voting by appointing the Chairman of the AGM as proxy at the AGM,

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

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

In view of the constantly evolving COVID-19 situation, shareholders should note that the manner of conduct of the AGM may be subject to further changes at short notice. The Company may take any precautionary measures which may be required or recommended by the government agencies to minimise the risk of spread of COVID-19 for conducts of meetings. Shareholders are advised to check SGXNET and the Company's website regularly for updates.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal data privacy:

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

- (a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof);

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chan Chew Leh, Mr Jong Voon Hoo and Ms Chan Bih Tzy are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 May 2021 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors are set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in the Annual Report 2021:

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
Date of appointment	11 October 2018	24 January 2019	23 April 2021
Date of last re-appointment	30 May 2019	30 May 2019	-
Age	59	48	34
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company (the " Board "), having considered, among others, the recommendation of the Nominating Committee (" NC ") and the qualifications, work experience and competencies of Mr Chan Chew Leh, is of the view that he is suitable for re-election as Executive Director of the Company.	The Board, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Jong Voon Hoo, is of the view that he is suitable for re-election as Independent Director of the Company	The Board, having considered, among others, the recommendation of the NC and the qualifications, work experience and competencies of Ms Chan Bih Tzy, is of the view that she is suitable for re-appointment as Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for spearheading the Group's corporate directions	Non-Executive	Executive Responsible for designing, implementing and enhancing the business strategies, plans and procedures across all the Group's business units
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Lead Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees	Executive Director and Chief Operating Officer (" COO ")

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
Professional qualifications	<p>Passed the Skills Evaluation Test in formwork conducted by the Construction Industry Development Board</p> <p>Skills Evaluation Certificate for hydraulic excavator operation issued by Construction Industry Development Board</p>	<p>Bachelor of Accountancy degree from Nanyang Technological University</p> <p>Chartered Accountant of Singapore</p>	<p>Specialist Diploma in Construction Management from the Building and Construction Authority</p> <p>Bachelor of Science (Hon) in Business Management from National University of Ireland</p> <p>Diploma in Multimedia & Infocomm Technology from Nanyang Polytechnic</p>
Working experience and occupation(s) during the past 10 years	<p>March 2019 - Current: Executive Chairman, Reclaims Global Limited</p> <p>February 2009 - Current: Director, Reclaims Enterprise Pte. Ltd.</p> <p>November 2007 - June 2018: Director, New Development Contractors Pte. Ltd.</p> <p>September 2001 - June 2018: Sole Proprietor, New Development Construction</p>	<p>October 2015 - Current: Chief Executive Officer and Executive Director, Global Invest & Advisory Pte Ltd</p> <p>October 2004 - August 2015 - Chief Financial Officer, Green Build Technology Limited</p>	<p>April 2021 - Current: COO, Reclaims Global Limited</p> <p>January 2013 - April 2021: General Manager, Reclaims Enterprise Pte. Ltd.</p> <p>June 2011 - August 2012: Retail Store Manager, Planet Coffee Company</p> <p>July 2010 - September 2011: Sales cum Marketing Manager, Caria Marketing Pte. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries (Note 1)	51,253,997 shares of the Company	Nil	1,039,900 shares of the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Uncle of Ms Chan Bih Tzy (Executive Director and COO)	Nil	<p>Spouse of Mr Tan Kok Huat (Executive Director)</p> <p>Niece of Mr Chan Chew Leh (Executive Chairman)</p>

Note 1 Shareholding interest in the Company as at 30 April 2021

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
Conflict of Interest (including any competing business)	<p>Interested in New Development Construction and New Development Contractors Pte. Ltd., companies involved in building and construction, involving mostly excavation services and civil engineering.</p> <p>Please refer to the section entitled "Potential Conflicts of Interests" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure as well as the mitigation of the potential conflicts of interests.</p>	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other principal commitments* including directorships	<p><u>Directorships:</u> <u>Present:</u> Reclaims Enterprise Pte. Ltd.</p> <p><u>Past 5 years:</u> Dreamfish Incorporated Singapore Pte Ltd Reclaims Transport & Trading Pte. Ltd. (To be struck off - Received First Gazette Notification) New Development Contractors Pte. Ltd.</p>	<p><u>Directorships:</u> <u>Present:</u> Global Invest & Advisory Pte Ltd Sheng Siong Group Ltd. SingAsia Holdings Limited Snack Empire Holdings Limited</p> <p><u>Past 5 years:</u> Nil</p>	Nil

* Excludes the working experience and occupations(s) as listed in the previous section

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or			
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or			
(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 that period when he was so concerned with the entity or business trust?			

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chan Chew Leh	Jong Voon Hoo	Chan Bih Tzy
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	<p>Yes. Please refer to the section entitled "General and Statutory Information - Information on Directors, Executive Officers and Controlling Shareholders" of the Offer Document of the Company dated 1 March 2019 for the relevant disclosure.</p> <p>Mr Chan has recently attended an interview with the Corrupt Practices Investigation Bureau ("CPIB") in relation to an investigation conducted by the CPIB on him for offences under Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore. Please refer to the Company's announcement dated 1 April 2021 for more details.</p>	No	No

RECLAIMS GLOBAL LIMITED

(Company Registration No. 201834755M)

(Incorporated in the Republic of Singapore)

PROXY FORM

*(Please see notes overleaf before completing this Form)***IMPORTANT**

1. The Annual General Meeting ("AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 11 May 2021.
3. **A member will not be able to attend the AGM in person.**
4. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 18 May 2021**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 May 2021.

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

I/We, _____ (Name) _____ (NRIC/Passport No./Registration No.)
of _____ (Address)

being a member/members of Reclaims Global Limited (the "**Company**"), hereby appoint the Chairman of the Meeting, as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the Company (the "**Meeting**" or "**AGM**") to be held by electronic means on Friday, 28 May 2021 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the Meeting in the spaces provided hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.**

No.	Resolutions relating to:	Number of Votes For*	Number of Votes Against*	Number of Votes Abstain*
Ordinary Business				
1	Statement by Directors and Audited Financial Statements of the Company for the financial year ended 31 January 2021			
2	Declaration of proposed final dividend			
3	Re-election of Mr Chan Chew Leh as Director pursuant to Regulation 105 of the Constitution of the Company			
4	Re-election of Mr Jong Voon Hoo as Director pursuant to Regulation 105 of the Constitution of the Company			
5	Re-election of Ms Chan Bih Tzy as Director pursuant to Regulation 115 of the Constitution of the Company			
6	Payment of Directors' Fees of S\$84,000 for the financial year ending 31 January 2022, to be paid half yearly in arrears			
7	Re-appointment of Messrs RSM Chio Lim LLP as Independent Auditor			
Special Business				
8	Authority to allot and issue shares			
9	Renewal of the General Mandate for Interested Person Transactions			

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

Note: Voting will be conducted by poll.

Dated this _____ day of _____ 2021

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
3. The instrument appointing a proxy must be submitted to the Company in the following manner:
 - (a) if submitted by mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted by email to agm@reclaims.sg,

in either case, to arrive, not later than 72 hours before the time set for the AGM, i.e. by 10.00 a.m. on 25 May 2021.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation and the related safe distancing measures.

4. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
5. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
6. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 18 May 2021.**

PERSONAL DATA PRIVACY:

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 May 2021.

GENERAL:

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



RECLAIMS GLOBAL LIMITED

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