



Reclaims Global Limited

绿达环球有限公司

Company Registration No. 201834755M

Registered Address: 10 Tuas South Street 7 Singapore 637114

**Unaudited Full Year Financial Statements and Dividend Announcement
For the Financial Year Ended 31 January 2019**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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Reclaims Global Limited (the "**Company**" and together with its subsidiary, the "**Group**") was listed on the Catalist of the SGX-ST on 11 March 2019, pursuant to an initial public offering (the "**IPO**") exercise. The Group is an eco-friendly integrated service provider in the construction industry, specialising in the recycling of construction and demolition waste, customisation of excavation solutions and operating fleet management. The Group's business is organised into three main business segments as follows: (1) recycling; (2) excavation services; and (3) logistics and leasing. Since 2009, the Group has built an established reputation and a proven track record for effective execution and timely delivery of services of different nature and scales.

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

For the purposes of this announcement, the Group's results for the financial year ended 31 January 2019 ("**FY2019**") and comparative results for the financial year ended 31 January 2018 ("**FY2018**") have been prepared using the pooling-of-interest method, and the consolidated financial statements are presented as if the combination has occurred since the beginning of the earliest period presented. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year (i.e. FY2018) as the Company was incorporated after 31 January 2018.

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

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

	Group		
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000	Increase/ (Decrease) %
Revenue	31,590	27,542	14.7
Interest income	4	3	33.3
Other gains	315	52	505.8
Cost of materials, services and consumables	(17,366)	(14,345)	21.1
Other losses	(381)	(393)	(3.1)
Finance costs	(163)	(234)	(30.3)
Depreciation and amortisation expense	(2,494)	(2,477)	0.7
Employee benefits expense	(4,823)	(3,904)	23.5
Other expenses	(5,888)	(2,603)	126.2
Profit before tax from continuing operations (Note 1)	794	3,641	(78.2)
Income tax expense	(524)	(445)	17.8
Profit from continuing operations, net of tax and total comprehensive income (Note 1)	270	3,196	(91.6)
Profit, net of tax and total comprehensive income attributable to owners of the Company	270	3,196	(91.6)

Note 1:

Excluding listing-related expenses amounting to S\$2.6 million (including an equity-settled share-based payment amounting to S\$1.8 million), profit before tax for FY2019 would have been S\$3.4 million and profit after tax for FY2019 would have been S\$2.9 million.

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

	Group		
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000	Increase/ (Decrease) %
Foreign exchange adjustment loss	(1)	-	N.M.
Interest income	4	3	33.3
Interest expense	(163)	(234)	(30.3)
Share-based payment, equity-settled	(1,830)	-	N.M.
Depreciation of property, plant and equipment	(2,242)	(2,224)	0.8
Amortisation of other assets	(252)	(253)	(0.4)
Allowance for impairment of trade receivables	(380)	(393)	(3.3)
Reversal of impairment of trade receivables	20	-	N.M.
Net adjustments for over/ (under) provision of tax in respect of prior years	11	(22)	N.M.
Gain on disposal of plant and equipment	137	18	661.1

N.M. = Not meaningful

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

	Group		Company
	Unaudited As at 31 January 2019 S\$'000	Audited As at 31 January 2018 S\$'000	Unaudited As at 31 January 2019 S\$'000
ASSETS			
Non-current assets			
Investment in subsidiary	-	-	15,327
Property, plant and equipment	11,291	11,024	-
Other asset, non-current	3,989	4,241	-
Total non-current assets	15,280	15,265	15,327
Current assets			
Inventories	82	-	-
Trade and other receivables	6,335	6,062	-
Other assets, current	4,576	1,191	-
Cash and cash equivalents	2,138	4,946	-
Total current assets	13,131	12,199	-
Total assets	28,411	27,464	15,327
EQUITY AND LIABILITIES			
Equity			
Share capital	15,327	1,000	15,327
Retained earnings	1,392	15,619	(52)
Total equity	16,719	16,619	15,275
Non-current liabilities			
Deferred tax liabilities	805	740	-
Other financial liabilities, non-current	3,142	4,441	-
Total non-current liabilities	3,947	5,181	-
Current liabilities			
Income tax payable	528	342	-
Trade and other payables	4,509	4,022	52
Other financial liabilities, current	2,708	1,300	-
Total current liabilities	7,745	5,664	52
Total liabilities	11,692	10,845	52
Total equity and liabilities	28,411	27,464	15,327

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

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

	Group			
	Unaudited As at 31 January 2019		Audited As at 31 January 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	1,300	-	1,300	-
Bills payable to bank	1,408	-	-	-
	2,708	-	1,300	-

Amount repayable after one year:

	Group			
	Unaudited As at 31 January 2019		Audited As at 31 January 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	3,142	-	4,441	-
Bills payable to bank	-	-	-	-
	3,142	-	4,441	-

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

Bank loans and bills payable to bank

The bank loans are relating to bank borrowings drawn down to finance the land acquisition and construction of the Group's corporate headquarters at 10 Tuas South Street 7 Singapore 637114 ("**Tuas Property**") and are repayable by equal monthly instalments over 5 years from June 2017.

Bills payable to bank are relating to bank borrowings drawn down to pay for purchases of goods and services and repayable within 120 days.

Bank loans and bills payable are covered by:

- a) Joint and several guarantees from certain directors of the Company;
- b) First legal mortgage over the leasehold Tuas Property; and
- c) Assignment of all rights, title and benefits under existing and future tenancy agreements and rental income in respect of the leasehold Tuas Property.

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

	Group	
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
Cash flows from operating activities		
Profit before tax	794	3,641
Adjustments for:		
Interest income	(4)	(3)
Interest expense	163	234
Share-based payment, equity-settled	1,830	-
Depreciation of property, plant and equipment	2,242	2,224
Amortisation of other assets	252	253
Gain on disposal of plant and equipment	(137)	(18)
Operating cash flows before changes in working capital	5,140	6,331
Inventories	(82)	-
Trade and other receivables	(773)	4,276
Other assets, current	(3,385)	(355)
Trade and other payables	671	(2,777)
Net cash flows from operations	1,571	7,475
Income taxes paid	(273)	(1,120)
Net cash flows from operating activities	1,298	6,355
Cash flows from investing activities		
Purchase of plant and equipment	(2,198)	(1,146)
Proceeds from disposal of plant and equipment	154	86
Interest received	4	3
Net cash flows used in investing activities	(2,040)	(1,057)
Cash flows from financing activities		
Dividends paid	(2,500)	(1,830)
Interest paid	(163)	(234)
Increase in bills payable	1,408	-
Proceeds from borrowings	-	6,500
Repayment of borrowings	(1,299)	(7,556)
Net movements in amounts due to directors	(12)	179
Net movements in amount due to a related party	500	-
Net cash flows used in financing activities	(2,066)	(2,941)
Net (decrease)/ increase in cash and cash equivalents	(2,808)	2,357
Cash and cash equivalents, beginning balance	4,946	2,589
Cash and cash equivalents, ending balance	2,138	4,946

1(d)(i) Statement (for the issuer and group) showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000	Share-based payment reserves (Note 1) S\$'000
FY2019 (Unaudited):				
Balance at 1 February 2018	16,619	1,000	15,619	-
Total comprehensive income for the year	270	-	270	-
Share-based payment, equity-settled	1,830	-	-	1,830
Transfer from share-based payment reserves	-	-	1,830	(1,830)
Dividends (Note 2)	(2,000)	-	(2,000)	-
Issuance of share on incorporation date	-*	-*	-	-
Issuance of shares for acquisition of subsidiary	15,327	15,327	-	-
Effect from restructuring exercise	(15,327)	(1,000)	(14,327)	-
Balance at 31 January 2019	16,719	15,327	1,392	-
FY2018 (Audited):				
Balance at 1 February 2017	17,253	1,000	16,253	-
Total comprehensive income for the year	3,196	-	3,196	-
Dividends (Note 2)	(3,830)	-	(3,830)	-
Balance at 31 January 2018	16,619	1,000	15,619	-

COMPANY	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
FY2019 (Unaudited):			
At date of incorporation on 11 October 2018	-*	-*	-
Total comprehensive income for the year	(52)	-	(52)
Issuance of shares for acquisition of subsidiary	15,327	15,327	-
Balance at 31 January 2019	15,275	15,327	(52)

* Amount less than S\$1,000.

1(d)(i) Statement (for the issuer and group) showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Note 1:

There is share-based payment arrangement. Based on an agreement entered between the Executive Directors, namely Chan Chew Leh, Tan Kok Huat and Andrew Chew, in January 2018, Andrew Chew is engaged to map out the strategy for the listing of the Group. Pursuant to the agreement, each of Chan Chew Leh and Tan Kok Huat transferred 2.5% of the issued share capital of Reclaims Enterprise Pte. Ltd. to Andrew Chew in April 2018. A further 2.5% of the issued share capital of Reclaims Enterprise Pte. Ltd. each from Chan Chew Leh and Tan Kok Huat is transferred to Andrew Chew during the share swap in connection with the Restructuring Exercise.

The fair value of the share-based payment totalling S\$1,830,000 has been estimated based on the Guideline Public Company Model (GPCM), and was recognised in profit or loss during FY2019 and correspondingly recorded in a share-based payment reserve account. Balance in the share-based payment reserve was transferred to retained earnings as at the end of FY2019.

Note 2:

Dividends on equity shares declared by the Group's subsidiary	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
Final tax-exempt (1-tier): S\$2.00 (FY2018: S\$3.83) per share on 1,000,000 ordinary shares	2,000	3,830

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on

Number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Company	
	Number of ordinary shares '000	Share capital S\$'000
Issued and paid-up share capital as at date of incorporation on 11 October 2018	-*	-*
Issuance of shares pursuant to the Restructuring Exercise (before sub-division of shares)	15,327	15,327
Issued and paid-up share capital after the Restructuring Exercise (before sub-division of shares) and as at 31 January 2019	15,327	15,327

* Amount less than S\$1,000.

The Company was incorporated on 11 October 2018 with an issued and paid up capital of S\$1 comprising one ordinary share. Pursuant to the Restructuring Exercise on 23 January 2019, the Company has an issued and paid up capital of S\$15,327,085 comprising 15,327,085 ordinary shares.

Subsequent to the current financial year ended 31 January 2019, the following took place:

- (i) On 26 February 2019, the 15,327,085 ordinary shares in the issued and paid up capital of the Company were subdivided into 112,000,000 ordinary shares; and
- (ii) On 8 March 2019, the Company issued 19,000,000 new shares pursuant to the IPO. As at the date of this announcement, the issued and paid-up capital (before capitalisation of qualifying share issue expenses) of the Company is S\$19,697,085 comprising 131,000,000 Shares.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 January 2019. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 11 October 2018.

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

The total number of issued ordinary shares (excluding treasury shares) of the Company as at 31 January 2019 was 15,327,085. The Company did not have any treasury shares as at 31 January 2019. There are no comparative figures as at the end of 31 January 2018 as the Company was incorporated on 11 October 2018.

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

Not applicable. The Company did not have treasury shares during FY2019 and as at 31 January 2019.

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

Not applicable. There were no subsidiary holdings during FY2019 and as at 31 January 2019.

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

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

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

Not applicable.

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

The Group adopted the new and/or revised Singapore Financial Reporting Standards (International) (the “SFRS(I)s”) that are effective for reporting periods beginning on or after 1 February 2017. Changes to the Group’s accounting policies and methods of computation, including any required by the SFRS(I)s, would be made in accordance with the transition provisions in the respective SFRS(I)s. The adoption of the new and/or revised SFRS(I)s did not result in any substantial changes or significant impact on the Group’s financial statements.

Except for the above, the Group has adopted the same accounting policies and methods of computation as presented in the audited combined financial statements of the Group for FY2018.

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

There was no substantial change in the Group’s accounting policies required by the SFRS(I)s.

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

	Group	
	Unaudited FY2019	Audited FY2018
Profit attributable to owners of the Company (S\$'000)	270	3,196
Weighted average number of ordinary shares ('000)	112,000	112,000
EPS (Basic and diluted) (cents)	0.24	2.85

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

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

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

	Group		Company
	31 January 2019	31 January 2018	31 January 2019
NAV attributable to owners of the Company (S\$'000)	16,719	16,619	15,275
Total number of issued shares excluding treasury shares ('000)	112,000	112,000	112,000
NAV per ordinary share (cents)	14.93	14.84	13.64

For comparative and illustrative purposes, the NAV per ordinary share as at 31 January 2018 and 31 January 2019 was computed based on pre-invitation number of shares of 112,000,000.

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

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

Revenue

For FY2019, the Group registered a revenue of S\$31.6 million compared to S\$27.5 million during FY2018.

Revenue generated was mainly from the business segments below:

Recycling

Revenue from the recycling segment was generated from the sale of recycled concrete aggregates such as recycled graded stone, recycled quarry dust and 20-mm recycled aggregate. As part of our recycling activities, we may from time to time provide reinstatement works, demolition works, backfilling, compaction and turfing, and disposal of construction and demolition ("C&D") waste.

Revenue from the recycling segment decreased by S\$6.0 million or 52.2% from S\$11.5 million in FY2018 to S\$5.5 million in FY2019 mainly due to lesser reinstatement and demolition works undertaken by the Group, resulting in lesser amount of C&D waste being recycled and sold.

Excavation services

Our excavation services mainly include earth moving, mass excavation, deep basement excavation, foundation and pile cap excavation.

Revenue from the excavation services segment increased by S\$6.1 million or 74.5% from S\$8.3 million in FY2018 to S\$14.4 million in FY2019 mainly due to increase in the number of excavation projects secured via referrals from our existing customers.

Logistics and leasing

Revenue from the logistics and leasing segment is generated from the provision of material transportation and disposal services using our fleet of tipper trucks. From time to time, we lease our equipment such as excavators, tipper trucks, breakers, articulated dump trucks, mobile crushers and mobile screeners.

Revenue from the logistics and leasing segment increased by S\$3.7 million or 47.6% from S\$7.8 million in FY2018 to S\$11.5 million in FY2019 mainly due to increase in demand for the Group's logistics services on the back of higher level of construction activities in the market.

Interest income

Our interest income for FY2019 and FY2018 pertains to interest received from our interest-bearing bank account.

Other gains

Other gains increased by S\$0.2 million or 505.8% from S\$52,000 in FY2018 to S\$0.3 million in FY2019 mainly due to: (a) an increase in government grants by S\$0.1 million; (b) a gain on disposal of property, plant and equipment amounting to S\$0.1 million (FY2018: S\$18,000); and (c) a reversal of impairment on trade receivables amounting to S\$20,000 (FY2018: Nil).

Cost of materials, services and consumables

Cost of materials, services and consumables increased by S\$3.0 million or 21.1% from S\$14.3 million in FY2018 to S\$17.3 million in FY2019 mainly due to increase in transportation services received, disposal costs and diesel costs.

Other losses

Other losses for FY2019 and FY2018 amounting to S\$0.4 million for each of both financial periods pertain to allowances made for impairment on trade receivables.

The management regularly assesses the collectability of trade receivables, considering various factors such as financial status of the customers and age of their debts. Impairment allowance on the specific trade receivables would be made if the chance of recovery is very low. Where recovery is remote, the specific trade receivables would be written-off. Our Group typically does not trade with customers whose trade receivables had been previously impaired or written-off. In addition, expected credit losses model is also being applied to determine the loss allowance for trade receivables based on historical observed default rates adjusted for forward-looking estimates in accordance with SFRS(I) 9 effective from 1 February 2018.

Finance costs

Finance costs decreased by S\$0.1 million or 30.3% from S\$0.2 million in FY2018 to S\$0.1 million in FY2019 mainly due to lower interest paid on bank loan after the loan was re-financed in June 2017. The decrease was also due to reduction in outstanding principal balance of the bank loan during FY2019.

Depreciation and amortisation expense

Depreciation and amortisation expense for FY2019 and FY2018 amounted to S\$2.5 million for each of both financial periods. Although additions in plant and equipment is higher in FY2019 compared to FY2018, depreciation and amortisation expense for FY2019 and FY2018 are comparable as more plant and equipment were fully depreciated at the beginning of FY2019 as compared to FY2018.

Employee benefits expense

Employee benefits expense increased by S\$0.9 million or 23.5% from S\$3.9 million in FY2018 to S\$4.8 million in FY2019 mainly due to increase in headcount and salary increments during FY2019. As at 31 January 2019, the Group had 125 employees as compared to 97 employees as at 31 January 2018.

Other expenses

Other expenses increased by S\$3.3 million or 126.2% from S\$2.6 million in FY2018 to S\$5.9 million in FY2019. The increase was mainly due to listing-related expenses amounting to S\$2.6 million (including an equity-settled share-based payment amounting to S\$1.8 million) incurred during FY2019.

Profit before tax

As a result of the above, profit before tax for FY2019 amounted to S\$0.8 million compared to S\$3.6 million for FY2018. Excluding listing-related expenses amounting to S\$2.6 million, profit before tax for FY2019 would have been S\$3.4 million.

Income tax expense

The Group operates in Singapore and is subject to Singapore corporate tax. Our effective tax rates for FY2019 and FY2018 were 66.0% and 12.2% respectively. The income tax expense was high in proportion to profit before tax for FY2019 as the listing-related expenses are not tax-deductible. Excluding listing-related expenses of S\$2.6 million, profit before tax for FY2019 was S\$3.4 million and the effective tax rate would have been 15.2%. Effective tax rate for FY2018 is lower than the Singapore statutory corporate tax rate of 17.0% mainly as a result of enhanced productivity and innovation credit tax benefits for automated equipment and machinery.

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

Financial Position Review

Non-current assets

Non-current assets was S\$15.3 million as at 31 January 2019 and 31 January 2018.

Property, plant and equipment increased by S\$0.3 million or 2.4% from S\$11.0 million as at 31 January 2018 to S\$11.3 million as at 31 January 2019. The increase was mainly due to addition of plant and equipment amounting to S\$2.6 million during FY2019 which was partially offset by depreciation expense amounting to S\$2.3 million during FY2019.

Other assets comprise the non-current portion of land lease prepaid to Jurong Town Corporation for land parcel at 10 Tuas South Street 7 Singapore 637114. The decrease by S\$0.2 million or 5.9% from S\$4.2 million as at 31 January 2018 to S\$4.0 million as at 31 January 2019 was due to amortisation during FY2019.

Current assets

Current assets increased by S\$0.9 million or 7.6% from S\$12.2 million as at 31 January 2018 to S\$13.1 million as at 31 January 2019. The increase was mainly due to increase in inventories, trade and other receivables and other assets by S\$0.1 million, S\$0.2 million and S\$3.4 million respectively. These increases were partially offset by decrease in cash and cash equivalents by S\$2.8 million.

Trade receivables' turnover days was 73 as at 31 January 2019 compared to 74 as at 31 January 2018.

Other assets as at 31 January 2019 mainly comprise contract assets pertaining to work performed but not billed amounting to S\$3.9 million (31 January 2018: S\$0.7 million). The increase in contract assets during FY2019 was due to the Group undertaking more project-based contracts during FY2019 where payment by customers are subject to their payment certification procedures which typically take a longer time to process.

Non-current liabilities

Non-current liabilities decreased by S\$1.2 million or 23.8% from S\$5.1 million as at 31 January 2018 to S\$3.9 million as at 31 January 2019. The decrease was mainly due to repayment of bank loans amounting to S\$1.3 million and partially offset by an increase in deferred tax liabilities amounting to S\$0.1 million.

Current liabilities

Current liabilities increased by S\$2.1 million or 36.7% from S\$5.6 million as at 31 January 2018 to S\$7.7 million as at 31 January 2019. The increase was due to increase in income tax payable, trade and other payables and other financial liabilities by S\$0.2 million, S\$0.5 million and S\$1.4 million respectively. The increase in other financial liabilities was due to the increase in bills payable to bank.

Trade payables' turnover days was 63 as at 31 January 2019 compared to 51 as at 31 January 2018.

Cash Flow Review

In FY2019, net cash flows from operating activities was S\$1.3 million due to operating cash inflows before changes in working capital of S\$5.1 million, partially offset by net cash outflows from working capital changes of S\$3.5 million and income tax paid of S\$0.3 million. The net cash flows from working capital changes was mainly due to increase in other assets amounting of S\$3.4 million.

Net cash flows used in investing activities amounting to S\$2.0 million was mainly attributable to cash outflows for purchase of plant and equipment of S\$2.2 million. This was partially offset by proceeds from disposal of plant and equipment of S\$0.2 million.

Net cash flows used in financing activities amounting to S\$2.1 million was mainly attributable to dividend paid, repayment of bank loans and interest paid of S\$2.5 million, S\$1.3 million and S\$0.2 million respectively. These outflows were partially offset by increase in bills payable and repayment of amount due from a related party of S\$1.4 million and S\$0.5 million respectively.

As a result of the above, there was a net decrease of S\$2.8 million in cash and cash equivalents for FY2019. Cash and cash equivalents as at 31 January 2019 stood at S\$2.1 million.

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

The Group's financial results for FY2019 are in line with the Company's disclosure on its trends and prospects previously disclosed in the Offer Document.

10 Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Based on projection by the Building and Construction Authority of Singapore ("BCA"), construction demand in 2019 is expected to reach between S\$27.0 billion and S\$32.0 billion, with about 60% contributed by the public sector construction demand. The sustained public sector construction demand would mainly be driven by major infrastructure projects and a pipeline of major industrial building projects.

From 2020 to 2023, BCA expects that public sector construction demand will continue to propel overall demand. Other than public housing developments, public sector construction demand over the medium term is expected to be supported by major infrastructure projects such as Changi Airport Terminal 5, the Cross Island MRT Line and developments at the Jurong Lake District. In view of the consistent pipeline of public sector projects and the creditworthiness of government agencies, the Group will continue to focus on public sector projects as they tend to be larger in scale and longer in duration.

The Group remains vigilant to market changes and alert to take on any opportunities locally and overseas to grow our business.

11 Dividend

(a) Dividend declared for the current financial period

No dividend has been declared for FY2019.

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

Not applicable as the Company was incorporated on 11 October 2018.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for FY2019 as the Group wishes to conserve cash for business growth.

13 Interested Person Transactions (“IPTs”)

In FY2019, the Group entered into the following IPTs:

Name of Interested Persons and nature of transactions	Aggregate value of all IPTs during FY2019 (excluding transactions less than S\$100,000)	
	Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000	Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000
New Development Construction (“NDC”):		
Rendering of logistics services to NDC	1,884	-
Receipt of excavation services from NDC	1,647	-
Disposal costs paid to NDC	340	-
Reclaims Transport & Trading Pte. Ltd. (“RT&T”):		
Receiving of services from RT&T	158	-

The Group does not have a general mandate from shareholders for IPTs.

14 Confirmation that the issuer has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15 Use of IPO Proceeds

The Company raised gross proceeds of S\$4.4 million from the IPO. As at the date of this announcement, the utilisation of the gross proceeds are as follows:

Use of proceeds (as set out in the Offer Document)	Amount allocated S\$'000	Amount utilised S\$'000	Amount unutilised S\$'000
Expansion of operational capacity	600	-	600
Expansion of recycled product range	500	-	500
Expansion through acquisition, joint ventures and/or strategic alliances	300	-	300
General working capital purposes	1,363	-	1,363
Net proceeds	2,763	-	2,763
Share issue and listing expenses	1,607	(1,239)	368
Gross proceeds	4,370	(1,239)	3,131

The above utilisation of gross proceeds is in line with the intended use and allocation of gross proceeds as set out in the Offer Document.

Part II Additional Information Required for Full Year Announcement

16 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business segments

FY2019	Group				
	Recycling S\$'000	Excavation services S\$'000	Logistics and leasing S\$'000	Unallocated S\$'000	Total S\$'000
Revenue by segment					
Total revenue	5,504	14,422	11,466	198	31,590
Recurring EBITDA[#]	1,358	2,266	2,240	(2,417)	3,447
Depreciation and amortisation expense	(756)	(726)	(683)	(329)	(2,494)
ORBIT[^]	602	1,540	1,557	(2,746)	953
Interest income					4
Finance costs					(163)
Income tax expense					(524)
Profit, net of tax					270
As at 31 January 2019					
Assets and reconciliations					
Segment assets	6,598	9,871	4,458	5,346	26,273
Cash and cash equivalents					2,138
Total assets					28,411
Liabilities and reconciliations					
Segment liabilities	2,706	1,951	1,533	4,169	10,359
Deferred tax liabilities					805
Income tax payable					528
Total liabilities					11,692
Other material items and reconciliations					
Impairment of assets, net allowance	-	-	360	-	360
Expenditure for non-current assets	288	1,264	768	206	2,526

[#] Earnings before interest, tax, depreciation and amortisation

[^] Operating results before interest and tax

Business segment (Cont'd)

FY2018	Group				
	Recycling S\$'000	Excavation services S\$'000	Logistics and leasing S\$'000	Unallocated S\$'000	Total S\$'000
Revenue by segment					
Total revenue	11,505	8,264	7,769	4	27,542
Recurring EBITDA#	2,090	2,142	2,173	(56)	6,349
Depreciation and amortisation expense	(786)	(689)	(677)	(325)	(2,477)
ORBIT ^	1,304	1,453	1,496	(381)	3,872
Interest income					3
Finance costs					(234)
Income tax expense					(445)
Profit, net of tax					3,196
As at 31 January 2018					
Assets and reconciliations					
Segment assets	7,783	4,757	4,140	5,838	22,518
Cash and cash equivalents					4,946
Total assets					27,464
Liabilities and reconciliations					
Segment liabilities	3,442	447	433	5,441	9,763
Deferred tax liabilities					740
Income tax payable					342
Total liabilities					10,845
Other material items and reconciliations					
Impairment of assets, net allowance	349	-	44	-	393
Expenditure for non-current assets	201	541	389	15	1,146

Earnings before interest, tax, depreciation and amortisation

^ Operating results before interest and tax

Geographical information

The Group's activities are located primarily in Singapore. The geographical locations of the Group's customers and assets are primarily in Singapore.

17 Review of segmental performance - Factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to commentaries in Item 8(a).

18 Breakdown of sales and operating profit/loss are as follow:

	Group		
	FY2019 S\$'000	FY2018 S\$'000	Increase/ (Decrease) %
Sales reported for:			
- First half year	13,110	13,978	(6.2)
- Second half year	18,480	13,564	36.2
Operating profit after tax reported for:			
- First half year	(92)	684	N.M.
- Second half year	362	2,512	(85.6)

Excluding non-recurring listing expenses recognised in the first half of FY2019 amounting S\$1.1 million and in the second half of FY2019 amounting to S\$1.5 million, operating profits after tax reported for the first half and second half of FY2019 were S\$1.0 million and S\$1.9 million respectively.

There was no non-controlling interests during FY2019 and FY2018.

19 Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

No dividend has been declared/ recommended for FY2019 as the Group wishes to conserve cash for business growth.

Not applicable for FY2018 as the Company was incorporated on 11 October 2018.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chan Bih Tzy	32	Niece of Executive Chairman, Chan Chew Leh	<p>Current position: General Manager</p> <p>First appointment date: February 2018</p> <p>Duties: Oversees the planning and coordination of the operations, administration and human resource departments</p>	Not applicable

BY ORDER OF THE BOARD

Andrew Dekguang Jhou Chew
Executive Director and CEO

1 April 2019