Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Reclaims Global Limited

Stock code: NEX

Meeting details:
Date: 26 May 2023
Time: 10.00 a.m.
Venue: <<live webcast>>

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Q1. Revenue for FY2023 was $26.8 million, a 26.7% decrease from the prior year ended 31 January 2022 ("FY2022"). Management has attributed it to the pent-up demand after the easing of the COVID-19 lockdowns and stoppages in FY2022. Nevertheless, it is noted that, pre-COVID, the group recognised revenue for the financial years ended 31 January 2019 and 2020 ranged from $32 million to $34 million, averaging $32.9 million.

(i) **Recycling segment:** The segment revenue experienced an increase from $8.0 million in FY2022 to $8.9 million in FY2023. **Is there heightened awareness or demand for the reclamation and recycling of construction and demolition (C&D) waste, driven by growing environmental concerns? Does management monitor the group's market share in this sector? If so, what is the current market share held by the group?**

(ii) **Excavation services:** The segment revenue for excavation services experienced a 19% decline to $10.75 million in FY2023, marking the lowest point since the group's listing in FY2019. As illustrated in Note 4B (Profit or loss from operations and reconciliations), the recurring EBITDA (earnings before depreciation, amortisation, interest, and income taxes) amounted to $(228,000). **Can management provide further insight into the factors contributing to the revenue decrease? Has the group maintained/improved its competitiveness within this segment? Additionally, what is the group's current market share in Singapore, and what are the management's priorities in FY2024 to restore its profitability?**

(iii) **Fleet:** In the 2021 annual report, the group last reported a fleet size consisting of 48 tipper trucks and 81 units of various construction and recycling equipment, including articulated dump trucks, excavators, mobile screeners, and mobile jaw crushers. Prior to the IPO, as at 31 January 2019, the group had 46 tipper trucks and 47 units of other construction and recycling equipment. **What is the current fleet size, and what were the utilisation rates in FY2023? Does management plan to provide shareholders with regular updates on fleet size in the annual report and/or half-yearly financial results? Additionally, what factors contributed to the 70% increase in other construction and recycling equipment from 47 to 81 units in 2021, while the number of tipper trucks only increased from 46 to 48?**

(iv) **Green technologies/initiatives:** In March 2022, the group terminated its collaboration with the Malaysian Palm Oil Board to develop technology for producing strandboards from palm biomass waste, specifically empty fruit bunch fiber. The AR2021 report indicated that the company had successfully developed a technology process that transforms palm biomass waste into a panel/board, serving as a direct replacement for conventional plywood. **What were the reasons behind the termination of this collaboration, and what insights has management gained from this experience? How does this impact the group's growth strategy and new product development approach?**

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Q2. At the annual general meeting scheduled to be held on 26 May 2023, the company is seeking shareholders' approval to diversify its businesses to include the business of property development, property investment and property management.

The circular can be found here:
https://links.sgx.com/FileOpen/Reclaims%20Global%20-%20Circular%20to%20Shareholders.ashx?App=Announcement&FileID=758294

(i) **Can management help shareholders better understand its experience and track record, if any, in the areas of property development, investment and management?**

(ii) **What is board/management's view of the local property market and what is the group's competitive advantage, if any?**

(iii) **What is the group's market entry strategy? Furthermore, what level of due diligence has been conducted by the board/management, and in which segment does the company perceive the most attractive opportunities, such as residential, commercial, industrial, hospitality, etc.?**

(iv) As at 31 January 2023, the group is in a net cash position of $8.2 million and total equity amounts to $29.6 million. **Can management provide more details on how they plan to finance any property development or investment projects? Are there plans for a rights issue?**

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Q3. The attendance of directors at board and board committee meetings is shown on page 40 of the annual report and reproduced below.

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

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

By invitation

(Source: company annual report)

(i) **Can the board help shareholders understand if it is the usual practice for non-board committee members (i.e. the executive directors) to attend board committee meetings?**

(ii) Such board committee meetings would have included agenda items on interested party transactions, performance assessment and remuneration of the executive directors and on the audit/financial reporting/internal controls of the group. **What is the dynamic of the board committee meetings when the board committee members may be reviewing and discussing matters that are related to or affect the executive directors?**

(iii) **Specifically, would the board committee meetings be turned into "standard" board meetings and thus negating the purpose of having independent board committees?**

(iv) **Are the committees able to make decisions objectively and independently?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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