CIRCULAR DATED 23 MARCH 2021

THIS CIRCULAR IS ISSUED BY TRANSIT-MIXED CONCRETE LTD (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Company has opted for electronic dissemination of this Circular. Please note that no printed copies of this Circular will be despatched to Shareholders. Only printed copies of the notice regarding the electronic dissemination of this Circular will be despatched to Shareholders.

This Circular 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 Circular, including the accuracy, completeness or correctness of any of the statements made, reports contained or opinions expressed in this Circular.



TRANSIT-MIXED CONCRETE LTD

TRANSIT-MIXED CONCRETE LTD
(Company Registration No.: 197902587H)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

LEE SAI SING

to acquire all the issued and paid-up ordinary shares in the capital of the Company excluding treasury shares and those already owned, controlled or agreed to be acquired by the Offeror

Independent Financial Adviser to the Directors of the Company

XANDAR CAPITAL PTE. LTD.
(Company Registration No.: 200002789M)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 6 APRIL 2021. THE OFFEROR (AS DEFINED HEREIN) DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON 6 APRIL 2021 OR TO REVISE THE TERMS OF THE OFFER.

THE OFFEROR HAS GIVEN NOTICE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 6 APRIL 2021 AND WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. (SINGAPORE TIME) ON 6 APRIL 2021 AND THE TERMS OF THE OFFER WILL NOT BE REVISED.

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

"**Acquisition**"	:	Has the meaning ascribed to it in **Section 1.1** of the Letter to Shareholders in this Circular
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**Business Days**"	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 23 March 2021 issued by the Company to the Shareholders in relation to the Offer
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 6 April 2021, being the last day for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act (Cap. 50) of Singapore
"**Company**"	:	Transit-Mixed Concrete Ltd
"**Company Securities**"	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of Shares or securities which carry voting rights in the Company
"**Consideration**"	:	Has the meaning ascribed to it in **Section 1.1** of the Letter to Shareholders in this Circular
"**Constitution**"	:	The memorandum and articles of association of the Company, as amended from time to time up to the Latest Practicable Date
"**CPF**"	:	Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**Directors**"	:	The directors of the Company (all of whom are considered independent for the purpose of making a recommendation to Shareholders in respect of the Offer) as at the Latest Practicable Date, namely Mr. Tan Kok Hiang, Mr. Khoo Ho Tong, and Mr. Low Wing Hong
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document

"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares, which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document
"**FY2018**"		Financial year ended 28 February 2018
"**FY2019**"		Financial year ended 28 February 2019
"**FY2020**"		Financial year ended 29 February 2020
"**FY2020 Results**"		The audited consolidated financial statements of the Group for FY2020, as set out in the annual report of the Company published on the SGXNET on 7 August 2020 and reproduced in Appendix III to this Circular
"**Group**"	:	The Company and its subsidiaries
"**HY2021**"	:	Half year ended 31 August 2020
"**HY2021 Results**"	:	The unaudited consolidated financial statements of the Group for HY2021, as set out in the half year financial statement and dividend announcement of the Company published on the SGXNET on 13 October 2020 and reproduced in Appendix IV to this Circular
"**IFA**"	:	Xandar Capital Pte. Ltd., the independent financial adviser to the Directors
"**IFA Letter**"	:	The letter dated 23 March 2021 from the IFA to the Directors containing its advice in relation to the Offer, as set out in Appendix I to this Circular
"**Interested Person**"	:	As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above

		together (directly or indirectly) have an interest of 30% or more
"**Latest Practicable Date**"	:	17 March 2021, being the latest practicable date prior to the dissemination of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST
"**Offer**"	:	The mandatory unconditional cash offer made by the Offeror to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be)
"**Offer Announcement**"	:	The announcement relating to the Offer released by the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	20 February 2021, being the date of the Offer Announcement
"**Offer Document**"	:	The offer document dated 9 March 2021, including the FAA or FAT (as the case may be) and any other documents which may be issued by the Offeror, to amend, revise, supplement or update this document from time to time
"**Offer Price**"	:	S$0.14 in cash for each Offer Share
"**Offer Shares**"	:	All of the Shares in issue (excluding any Shares held in treasury and the Sale Shares) as at the date of the Offer
"**Offeror**"	:	Lee Sai Sing
"**Overseas Shareholders**"	:	Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be)
"**Register**"	:	The register of holders of the Shares, as maintained by the Registrar
"**Registrar**"	:	M & C Services Private Limited in its capacity as the share registrar of the Company
"**Sale Shares**"	:	Has the meaning ascribed to it in **Section 1.1** of the Letter to Shareholders in this Circular
"**SFA**"	:	The Securities and Futures Act (Cap. 289) of Singapore
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to SGX-ST or any other system networks prescribed by the SGX-ST
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company

"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under SRS
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to SRS
"**Statements of Prospects**"	:	Statements issued by the Company before the commencement of the Offer which are deemed as statements of prospects under Rule 25 of the Code
"**Substantial Shareholder**"	:	A person who has an interest in not less than five per cent (5%) of the total number of issued voting Shares
"**VWAP**"	:	Volume weighted average price
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**%**" or "**per cent.**"	:	Per centum or percentage

Unless otherwise defined, the terms "**acting in concert**", "**associates**" and "**associated company**" shall have the meanings ascribed to them in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Appendices. Reference to any Appendix shall refer to the Appendices of this Circular, unless otherwise specified.

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Offer Document, the IFA Letter, and the Constitution shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter, and the Constitution respectively, unless otherwise specified.

Depositors, etc. The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings as ascribed to them respectively in Section 81SF of the SFA.

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

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to the Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them in Section 5 and Section 6 of the Companies Act.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, respectively, unless otherwise stated.

Total number of Shares and Percentage as at the Latest Practicable Date. In this Circular, unless the context otherwise requires, (a) any reference to the total number of Shares is a reference to a total number of 69,590,800 Shares in issue as at the Latest Practicable Date, and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 69,590,800 Shares in the issued share capital of the Company as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**aim**", "**seek**", "**expect**", "**anticipate**", "**estimate**", "**believe**", "**intend**", "**project**", "**plan**", "**potential**", "**strategy**", "**forecast**", "**possible**", "**probable**" and similar expressions or future or conditional verbs such as "**if**", "**will**", "**would**", "**should**", "**could**", "**may**" or "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements and information. Neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of dissemination of the Offer Document	:	9 March 2021
Date of dissemination of this Circular	:	23 March 2021
Closing Date	:	5.30 p.m. (Singapore time) on 6 April 2021
Settlement of consideration for valid acceptances of the Offer	:	Within seven (7) Business Days after receipt of acceptances of the Offer which are complete and valid in all respects and which are received by 5.30 p.m. (Singapore time) on the Closing Date. Please refer to Section 2 of Appendix A to the Offer Document for further information.

TRANSIT-MIXED CONCRETE LTD

(Company Registration No.: 197902587H)
(Incorporated in the Republic of Singapore)

Board of Directors:

MR. TAN KOK HIANG
(*Chairman and Independent Non-Executive Director*)
MR. KHOO HO TONG
(*Independent Non-Executive Director*)
MR. LOW WING HONG
(*Non-independent Non-Executive Director*)

Registered Office:

150 Changi Road
#03-05 Guthrie Building
Singapore 419973

23 March 2021

To: The Shareholders of Transit-Mixed Concrete Ltd

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 20 February 2021, the Offeror announced that he had on 19 February 2021 purchased from Kheng Leong Company (Private) Limited, Hee Geok Lin (as the administrator of the estate of Chua Eng Him (deceased)), and Yap Boh Lim an aggregate of 49,658,774 Shares (the "**Sale Shares**"), representing approximately 71.36% of the total number of the issued Shares (excluding treasury shares), for an aggregate consideration of S$6,952,228.36 (the "**Consideration**"), being S$0.14 for each Sale Share (the "**Acquisition**").

The Acquisition was made pursuant to a sale and purchase agreement dated 19 February 2021 and entered into between the Offeror and Kheng Leong Company (Private) Limited, Hee Geok Lin (as the administrator of the estate of Chua Eng Him (deceased)), and Yap Boh Lim, for the sale and purchase of the Sale Shares, and was effected by way of an off-market transfer of securities. The Consideration was satisfied by cash and prior to the Acquisition, the Offeror did not own or control any Shares.

As a consequence of the Acquisition, the Offeror is required to make the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and Rule 14 of the Code.

An electronic copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should by now have received a copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 **Independent Financial Adviser**

The Company has appointed Xandar Capital Pte. Ltd. as the independent financial adviser to advise the Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.4 **Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, and to set out the recommendation of the Directors and the advice of the IFA to the Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Directors and the advice of the IFA to the Directors in respect of the Offer before deciding on whether to accept or reject the Offer.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 **Terms of the Offer**

The Offer is made by the Offeror on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

2. THE OFFER

2.1 Mandatory Offer. *As a result of the Acquisition and subject to the terms and conditions set out in this Offer Document, the Offeror hereby makes the Offer to acquire all the Offer Shares in accordance with Section 139 of the SFA and Rule 14 of the Code.*

2.2 Offer Price.

For each Offer Share: S$0.14 in cash (the "Offer Price")

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

Offer Shares. *The Offer is extended, on the same terms and conditions, to all the Shares, excluding treasury shares and those owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"). For the avoidance of doubt, the Offer is also extended to all Shares owned, controller or agreed to be acquired by the parties acting or presumed to be acting in concert with the Offeror.*

2.3 No Encumbrances. *The Offer Shares are to be acquired (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, the "**Distributions**") (if any), the Record Date for which falls on or after the Announcement Date. For the purpose of this Offer Document, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be*

registered with the Company or with CDP, as the case may be, in order to participate in such Distributions.

2.4 Adjustment for Distributions.

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution, the Record Date for which falls on or after the Offer Announcement Date.

*Accordingly, in the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (the "**Accepting Shareholder**") may be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer (the "**Offer Settlement Date**") falls:*

(i) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and

(ii) if the Offer Settlement Date falls after the Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

2.5 Unconditional Offer.** Pursuant to the completion of the Acquisition, the Offeror and parties acting in concert with him hold more than 50% of the voting rights attributable to the Shares (excluding treasury shares). As such, the Offer is **unconditional in all respects.

***2.6 Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to have unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up, (b) free from all Encumbrances and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.*

2.2 **Duration of the Offer**

The duration of the Offer is set out in Section 2.9 and Paragraph 1 of Appendix A of the Offer Document, extracts of which are set out below.

2.9 No Extension of Closing Date.

This Offer is open for acceptance by the Shareholders for 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on 6 April 2021, being the Closing Date. Notice is hereby given that the Offer will not be extended, revised or open for acceptance beyond 5.30 p.m (Singapore time) on the Closing Date.

APPENDIX A

FURTHER DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1. First Closing Date. *Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least twenty-eight (28) days after the Despatch Date.*

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 6 April 2021, being the Closing Date. Notice is hereby given that the Offer will not be extended, revised or open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date.

1.2. Revision. *Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least fourteen (14) days from the date of despatch of the written notification of the revision to the Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to the Shareholders, including those who had previously accepted the Offer. However, as set out in* ***Section 2.2*** *of the Letter to Shareholders in this Offer Document, the Offeror does not intend to revise the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.*

2.3 **Details of the Offer**

The details of the Offer relating to (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (c) the right of the withdrawal of acceptances of the Offer, are set out in Paragraphs 2 to 4 of Appendix A of the Offer Document, extracts of which are set out below.

APPENDIX A

FURTHER DETAILS OF THE OFFER

2. SETTLEMENT OF THE OFFER

Subject to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document, the FAA, the FAT and/or the terms and conditions for Electronic Acceptance (as the case may be), and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to him that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time(s), remittances in the form of S$ cheques drawn on a bank in Singapore for the appropriate amounts will be despatched (or by such other manner as the Accepting Shareholders may have agreed with CDP for the payment of any cash distributions), pursuant to Rule 30 of the Code, to the Accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the Accepting Shareholders, as soon as practicable, and in any event within seven (7) Business Days of the date of receipt of such valid acceptances.

3. ANNOUNCEMENTS

3.1 ***Timing and Contents.*** *Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day (the "**Relevant Day**") immediately after the day on which the Offer is due to expire, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

(a) for which valid acceptances of the Offer have been received;

(b) held by the Offeror and any party acting in concert with the Offeror before the Offer Period; and

(c) acquired or agreed to be acquired by the Offeror and any party acting in concert with the Offeror during the Offer Period,

and will specify the percentages of the total number of issued Shares represented by such numbers.

3.2 ***Suspension.*** *Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of **paragraph 3.1** of this **Appendix A**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 ***Valid Acceptances for Offer Shares.*** *Under Rule 28.1 of the Code, subject to **Section 12.1** of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects. Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.*

4. ***RIGHT OF WITHDRAWAL***

4.1 ***Acceptances Irrevocable.*** *Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable and may not be withdrawn.*

4.2 ***Right of Withdrawal.*** *If the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:*

*(a) Depositors holding Offer Shares which are deposited with CDP and who have accepted the Offer will be entitled to withdraw their acceptance by written notice to **Lee Sai Sing c/o The Central Depository (Pte) Limited**; and*

*(b) Shareholders holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to **Lee Sai Sing c/o M & C Services Private Limited**.*

Such notice of withdrawal shall be effective only if signed by the Accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

2.4 **Procedures for Acceptance**

The procedures for acceptance are set out in Appendix B to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

2.5 **Closing Date**

Shareholders should note the Closing Date of **5.30 p.m. (Singapore time) on 6 April 2021.**

Shareholders should note that the Offeror has no intention of extending the Offer beyond 5.30 p.m. on 6 April 2021 and the Offer will not be open for acceptances beyond 5.30 p.m. on 6 April 2021. Accordingly, the Offeror has given notice that the Offer will not be extended, revised or be open for acceptance beyond 5.30 p.m. (Singapore time) on 6 April 2021.

3. INFORMATION ON THE OFFEROR

Section 3 of the Offer Document sets out certain information on the Offeror, the full extract of which is set out below.

> ***3. INFORMATION ON THE OFFEROR***
>
> ***The Offeror.*** *The Offeror is currently the Executive Director of Maxi-Harvest Group Pte Ltd, which is engaged in the business of investments, corporate loans, equities underwriting and consultancy services. He has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructuring, pre-initial public offerings and initial public offerings. The Offeror has worked in the fund management industry for many years in major financial institutions, such as the Government of Singapore Investment Corporation, BNP Paribas Private Bank and Maybank-Kim Eng. He is currently an Independent Director of Maxi-Cash Financial Services Corporation Ltd.*

4. NO UNDERTAKING

Section 8.3 of the Offer Document sets out the intentions of the Shareholders to provide no undertaking in favour of the Offeror in relation to their acceptance of the Offer, extracts of which are set out below.

> ***8.3*** ***No Undertakings.*** *As at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable undertaking from any other party to accept or reject the Offer. None of the Shareholders of the Company has provided or will be providing any undertaking in favour of the Offeror in relation to their acceptance of the Offer.*

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Section 5 of the Offer Document sets out certain information on the rationale for the Offer and the Offeror's intentions in relation to the Company, the full extract of which is set out below. Shareholders are advised to read the extract below carefully.

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

5.1 ***Compliance with the Code.*** *As a result of the Acquisition as set out in* ***Section 1.1*** *of the Letter to Shareholders in this Offer Document, the Offeror is making the Offer in compliance with the requirements of the Code.*

5.2 ***Intentions for the Company.*** *Following the close of the Offer, the Offeror intends to undertake a comprehensive review of the businesses of the Group and such review will help the Offeror to determine the optimal business strategy for the Company. It is the intention of the Offeror to carry on the existing business of the Company, and the Offeror presently has no intention to (a) introduce any major changes to the existing business of the Company, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Offeror and/or the Company.*

5.3 ***Opportunity for Shareholders to Realise their Investment in Cash at a Premium.*** *As set out in paragraph 7 of this Offer Document, the Offer Price represents a premium of approximately 85.92%, 88.93%, 75.00% and 77.66% over the VWAP per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Trading Date.*

The Offer therefore presents Shareholders with an opportunity to realise up to their entire investment in the Shares in cash at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

6. LISTING STATUS AND COMPULSORY ACQUISITION

Section 6 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and its rights of compulsory acquisition in respect of the Company, the full extract of which is set out below. Shareholders are advised to read the extract below carefully.

6. LISTING STATUS AND COMPULSORY ACQUISITION

6.1 ***Listing Status.*** *Under Rule 1105 of the Listing Manual, upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and the parties acting in concert with him to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time as it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.*

Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3)

months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

6.2 ***Compulsory Acquisition****. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury shares and other than those already held by the Offeror, his related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.*

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, his related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. *Accordingly, the Offeror, if and when entitled, does* ***not*** *intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Listing Manual. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.* ***However, the Offeror retains the flexibility to assess his options in the event that the public float falls below 10%.***

7. FINANCIAL EVALUATION OF THE OFFER

Section 7 of the Offer Document sets out certain information on the financial evaluation of the Offer, the full extract of which is set out below.

7. ***FINANCIAL EVALUATION OF THE OFFER***

The Offer Price represents the following ***premium over*** *the historical transacted prices of the Shares on the SGX-ST:*

Description	Benchmark Price (S$)	Premium over the Benchmark Price (%)[3]
Last transacted price per Share as quoted on the SGX-ST on 18 February 2021 (being the last full day of trading in the Shares prior to the trading halt by the Company on 19 February 2021) (the "**Last Trading Date**")	0.080[1]	75.00

VWAP per Share for the 1-month period upto and including the Last Trading Date	0.0753[(2)]	85.92
VWAP per Share for the 3-month period upto and including the Last Trading Date	0.0741[(2)]	88.93
VWAP per Share for the 6-month period upto and including the Last Trading Date	0.0800[(2)]	75.00
VWAP per Share for the 12-month periodup to and including the Last Trading Date	0.0788[(2)]	77.66

Notes:

(1) Based on data extracted from Bloomberg L.P. and with the figure rounded to the nearest three (3) decimal places.

(2) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest four (4) decimal places.

(3) Percentage figures have been rounded to the nearest two (2) decimal places.

8. DISCLOSURES OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

Section 8, Appendix D and Paragraph 1 of Appendix E to the Offer Document set out certain information relating to disclosures of holdings, dealings and other arrangements, extracts of which are set out below.

8. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

8.1 Holdings and Dealings in Relevant Securities. *As at the Latest Practicable Date, based on the latest information available to the Offeror,* ***Appendix D*** *to this Offer Document sets out details of:*

*(a) the number of Relevant Securities owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror in connection with the Offer (the "**Relevant Persons**"); and*

(b) the dealings in Relevant Securities by the Relevant Persons during the Reference Period.

As at the Latest Practicable Date, the Relevant Persons hold in aggregate 49,658,774 Shares, representing approximately 71.36% of the total number of issued Share (excluding treasury shares).

8.2 No other Holdings and Dealings. *Save as disclosed in* ***Appendix D*** *to this Offer Document and based on the latest information available to the Offeror, none of the Relevant Persons owns, controls or has agreed to acquire any Relevant Securities as at the Latest Practicable Date, and none of the Relevant Persons has dealt for value in any Relevant Securities during the Reference Period.*

8.3 No Undertakings. *As at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable undertaking from any other party to accept or reject the Offer. None of the Shareholders of the Company has provided or will be providing any undertaking in favour of the Offeror in relation to their acceptance of the Offer.*

8.4 ***Other Arrangements.*** *Save as disclosed in this Offer Document, as at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Relevant Persons has:*

(a) *entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Company which might be material to the Offer;*

(b) *granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;*

(c) *borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or*

(d) *lent any Relevant Securities to another person.*

8.5 ***Further Disclosures.***

Appendix E *to this Offer Document sets out further disclosures required to be made in connection with the Offer.*

APPENDIX D

DISCLOSURE OF HOLDINGS AND DEALINGS

1. HOLDINGS OF SHARES

As at the Latest Practicable Date, based on the latest information available to the Offeror, the details of the number of Shares owned, controlled or agreed to be acquired by the Relevant Persons are set out below:

Shares

Name	Direct Interest		Deemed interest		Total Interest	
	No. of Shares	%(1) (2)	No. of Shares	%(1) (2)	No. of Shares	%(1) (2)
Offeror	49,658,774	71.36	-	-	49,658,774	71.36

Notes:

(1) *Based on 69,590,800 Shares (excluding treasury shares) in issue as at the Latest Practicable Date.*

(2) *Percentage figures have been rounded to the nearest two (2) decimal places.*

2. DEALINGS IN SHARES

As at the Latest Practicable Date, based on information available to the Offeror, the details of the dealings in Shares by the Relevant Persons during the Reference Period are set out below:

Name	*Dealing Date*	*No. of Shares*	*Price per Share (S$)(2)*	*No. of Shares Disposed*
Offeror	*19 February 2021*	*49,658,774(1)*	*0.14*	*–*

Notes:

(1) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.

(2) The figures have been rounded to the nearest two (2) decimal places.

APPENDIX E

ADDITIONAL GENERAL INFORMATION

1. ADDITIONAL DISCLOSURE OF INTERESTS

1.1 ***Indemnity Arrangements and other Arrangements.*** *As at the Latest Practicable Date, save as publicly disclosed, to the best knowledge of the Offeror, none of the Relevant Persons has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any arrangement or understanding, formal or informal, of whatever nature, relating to the Relevant Securities, which may be an inducement to deal or refrain from dealing in the Relevant Securities.*

1.2 ***No Agreement having any Connection with or Dependence upon the Offer.*** *As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) any of the Relevant Persons, and (b) any of the present or recent directors of the Company, or any of the present or recent Shareholders, having any connection with or dependence upon the Offer.*

1.3 ***Agreements Conditional upon Outcome of the Offer.*** *As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Offeror, and (b) any of the directors of the Company or any other person, in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.*

1.4 ***Transfer of Offer Shares.*** *As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person.*

1.5 ***No Payment or Benefit to Directors of the Company.*** *As at the Latest Practicable Date, based on information available to the Offeror, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or to any director of any corporation which is, by Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.*

1.6 ***No Material Change.*** *Save as disclosed in this Offer Document or otherwise publicly disclosed, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.*

9. CONFIRMATION OF FINANCIAL RESOURCES

Section 9 of the Offer Document sets out certain information on the confirmation of financial resources, the full extract of which is set out below.

> ***9. CONFIRMATION OF FINANCIAL RESOURCES***
>
> *The Bank of East Asia, Limited, as bankers to the Offeror in connection with the Offer, confirms that the Offeror has sufficient financial resources to satisfy full acceptances of the Offer on the basis of the Offer Price.*

10. DIRECTORS' INTERESTS

10.1 Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities as at the Latest Practicable Date, are set out in Section 5.1 of Appendix II to this Circular.

10.2 As disclosed under Section 1.1 of this Circular, the Offeror made the Offer following the acquisition of 49,658,774 Shares in the capital of the Company from Kheng Leong Company (Private) Limited, Hee Geok Lin (as the administrator of the estate of Chua Eng Him (deceased)), and Yap Boh Lim. Low Wing Hong, the Non-Independent Non-Executive Director of the Company, is an investment manager with Kheng Leong Company (Private) Limited and he is its nominee on the Company's Board of Directors.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 General

Shareholders should read and carefully consider the recommendation of the Directors as set out in Section 12.2 of this Circular and the advice of the IFA to the Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer.

11.2 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Directors in respect of the Offer are set out in paragraph 7 of the IFA Letter.

Shareholders should read and carefully consider the key factors relied upon by the IFA in arriving at its advice to the Directors in conjunction with, and in the context of, the full text of the IFA Letter.

11.3 Advice of the IFA to the Directors

The advice of the IFA to the Directors in respect of the Offer is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has given its advice to the Directors as set out in paragraph 8 of the IFA Letter, an extract of which is reproduced below.

Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

> *"Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the*

considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Offer:

(a) *Save for the period after the Offer Announcement Date up to the Latest Practicable Date, the closing prices of the Shares on the SGX-ST have been below the Offer Price for the period from end June 2019 to the Last Market Day;*

(b) *the Offer Price represents premia of 37.9%, 77.7%, 75.0%, 88.9%, 85.9% and 75.0% to the VWAPs of the Shares respectively for the 24-month, 12-month, 6-month, 3-month, 1-month periods prior to and including the Last Market Day and on 10 February 2021;*

(c) *the Offer Price of S$0.14 per Share represents a slight discount of 0.4% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date. We note that this was due to a total of 305,500 Shares which were transacted at a high of S$0.145 on 22 February 2021. Had these trades been excluded, the Offer Price of S$0.14 per Share will represent a premium of 0.2% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date;*

(d) *the Offer Price of S$0.14 per Share represents a premium of 0.7% to the VWAP of the Shares on 12 March 2021, being the day on which the Shares were last traded prior to the Latest Practicable Date;*

(e) *the P/NAV ratio implied by the Offer Price and the latest unaudited NAV per Share of 0.93 times is above or equal to the trailing traded P/NAV ratio of the Shares for the period between March 2019 and the Latest Practicable Date;*

(f) *the EV/Adjusted EBITDA ratio of the Company as implied by the Offer Price of 9.29 times is within the range and above the mean and median EV/Adjusted EBITDA ratio of the Comparable Companies;*

(g) *the P/NAV ratio (and the P/NTA ratio) of the Company as implied by the Offer Price and the unaudited NAV (and NTA) of the Group as at 31 August 2020 of 0.93 times is within the range and above the mean and median P/NAV ratio (and the P/NTA ratio) of the Comparable Companies;*

(h) *the ex-cash Offer Price to ex-cash NAV per Share ratio of the Company of 0.86 times is also above the mean and median P/NAV ratio of the Comparable Companies; and*

(i) *while the P/NAV ratios as implied by the Offer Price is below the mean and media P/NAV (or P/RNAV) ratios of the Non-Privatisation Transactions, the premia of the Offer Price over the corresponding VWAPs of the Shares are above the mean and median premia/discounts of the Non-Privatisation Transactions. Had the statistics for Mary Chia Holdings Limited (2017) been excluded, the premia of the Offer Price over the 1-month VWAP, 3-month VWAP and 6-month VWAP will be higher than the comparable premia of the Non-Privatisation Transactions.*

We set out below a summary of the key factors we have taken into our consideration when assessing the "reasonableness" of the Offer:

(i) *the Shares has underperformed the Small Cap Index for the period between*

19 February 2019 and the Latest Practicable Date;

(ii) the Group has reported losses for FY2018, FY2019, FY2020 and HY2021 and the measures on safe distancing, testing and re-testing of workers, streamlining of workers' dormitories is expected to continue to disrupt the operations of the Group;

(iii) the trading volume of the Shares on the SGX-ST had been low in the past 24 months prior to the Last Market Day;

(iv) the Group has not declared and paid dividends for FY2019 and FY2020; and

(v) other relevant considerations as set out in paragraph 7.7 of this IFA Letter.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Directors to recommend Shareholders to accept the Offer.*"*

12. RECOMMENDATION OF THE DIRECTORS

12.1 Independent Directors

As at the Latest Practicable Date, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

12.2 Directors' Recommendation

The Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, **concur** with the advice of the IFA in respect of the Offer, and accordingly, recommend that Shareholders should **ACCEPT** the Offer.

Shareholders should note that the IFA's advice and the recommendation of the Directors should not be relied upon as the sole basis for deciding whether to accept or reject the Offer. The IFA in giving its advice and the Directors in making their recommendation have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE DIRECTORS AND THE ADVICE OF THE IFA TO THE DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.

Shareholders should also be aware and note that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

13. OVERSEAS SHAREHOLDERS

Section 10 of the Offer Document sets out information in relation to Overseas Shareholders, the full extract of which is set out below.

10. OVERSEAS SHAREHOLDERS

10.1 ***Overseas Jurisdictions.*** *This Offer Document shall not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law. The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.*

*Copies of this Offer Document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and the Offer will not be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons (including custodians, nominees and trustees) receiving such documents must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

10.2 ***Overseas Shareholders.*** *The availability of the Offer to Shareholders whose mailing addresses are outside Singapore, as appearing on the Register or, as the case may be, in the records of CDP ("**Overseas Shareholder**", and each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself of, and observe, any applicable legal requirements in the relevant overseas jurisdictions. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction.* ***Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, the Offeror, CDP and the Receiving Agent cum Share Registrar each reserves the right not to send this Offer Document, the FAA and/or the FAT to Overseas Shareholders in any such overseas jurisdiction. For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Offer Document, the FAA and/or the FAT have not been, or will not be, sent.***

It is the responsibility of an Overseas Shareholder who wishes to (a) request for this Offer Document, the FAA and/or the FAT, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, CDP, the Receiving Agent cum Share Registrar and/or any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, CDP, the Receiving Agent cum Share Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for this Offer Document, the FAA and/or the FAT and any related

documents, and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP and/or the Receiving Agent cum Share Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all the necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

10.3 ***Copies of the Offer Document, the FAA and the FAT.*** *Subject to compliance with applicable laws, any Overseas Shareholders may, nonetheless, attend in person and obtain copies of this Offer Document, the FAA and/or the FAT (as the case may be) and/or any related documents, during normal business hours and up to on the Closing Date, from (a) CDP (if he is a Depositor) at by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such documents, or (b)* ***the Receiving Agent cum Share Registrar*** *(if he is a Scripholder) at 112 Robinson Road, #05-01, Singapore 068902, as the case may be.*

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws and regulations, write in to the Offeror ***at Lee Sai Sing c/o The Central Depository (Pte) Limited*** *at Robinson Road Post Office P.O. Box 1984 (if he is a Depositor), or (b)* ***Lee Sai Sing c/o M & C Services Private Limited*** *(if he is a Scripholder) at* ***112 Robinson Road, #05-01, Singapore 068902****, to request for this Offer Document, the FAA and/or the FAT (as the case may be) and/or any related documents be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.*

Electronic copies of this Offer Document, the FAA and/or the FAT are available on the website of the SGX-ST at https://www.sgx.com.

10.4 ***Notice.*** *The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published or circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement, notice or advertisement.*

Due to potential restrictions on sending this Circular to overseas jurisdictions, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may nonetheless (subject to compliance with applicable laws) download electronic copies of this Circular from the SGXNET announcement page of the Company at the following URL: https://www.sgx.com/securities/company-announcements?value=TRANSIT-MIXED%20CONCRETE%20LTD&type=company.

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 11 of the Offer Document sets out information in relation to CPFIS Investors and SRS Investors, the full extract of which is set out below.

11. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than **5.30 p.m. (Singapore time) on the Closing Date**, abiding by the procedures for the acceptance of the Offer as set out in Appendix B to the Offer Document, the FAA and/or the FAT, as the case may be.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

(a) by CDP (in respect of the FAA); or

(b) by the Registrar (in respect of the FAT),

as the case may be, not later than **5.30 p.m. (Singapore time) on the Closing Date**.

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document, the FAA and/or the FAT, as the case may be, which have been sent to them.

16. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Directors in relation to the Offer, the IFA Letter in Appendix I to this Circular, the letter from the IFA dated 23 March 2021 in relation to the Statements of Prospects in Appendix V of this Circular, and all references thereto in the form and context in which they appear in this Circular.

KPMG LLP, named as the independent auditor of the Company for FY2020, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the independent auditor's report in relation to the audited financial statements of the Group for FY2020 in Appendix III to this Circular, and the letter from the independent auditors dated 23 March 2021 in relation to the Statements of Prospects in Appendix VI of this Circular.

CNPLaw LLP, named as the legal adviser to the Company as to Singapore law in relation to the Offer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular are fair and accurate and that no material information has been omitted in this Circular.

In respect of the IFA Letter, the letter from the Independent Auditors dated 23 March 2021 in relation to the Statements of Prospects in Appendix VI of this Circular, and the letter from the IFA dated 23 March 2021 in relation to the Statements of Prospects in Appendix V of this Circular, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

In respect of the information from the Offer Announcement and the Offer Document, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly reproduced in this Circular.

Where information has been extracted from published or otherwise publicly available sources, the Directors have ensured that such information has been accurately and correctly extracted from these sources.

The Directors jointly and severally accept responsibility accordingly.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company's Secretary, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 during normal business hours, from the date of this Circular up to and including the Closing Date:

(a) the Constitution;

(b) the annual reports of the Company for FY2018, FY2019 and FY2020;

(c) the IFA Letter as set out in Appendix I to this Circular;

(d) the audited consolidated financial statements of the Group for FY2020, as set out in Appendix III to this Circular;

(e) the unaudited consolidated financial statements of the Group for HY2021, as set out in Appendix IV to this Circular; and

(f) the letter from the IFA dated 23 March 2021 in relation to the Statements of Prospects, as set out in Appendix V of this Circular;

(g) the letter from the independent auditors dated 23 March 2021 in relation to the Statements of Prospects, as set out in Appendix VI of this Circular;

(h) the bases and assumptions of the Statements of Prospects as set out in Appendix VII of this Circular; and

(i) the letters of consent referred to in Section 16 of this Circular.

19. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
TRANSIT-MIXED CONCRETE LTD

Tan Kok Hiang
Non-Executive Chairman

23 March 2021

TRANSIT-MIXED CONCRETE LTD
150 Changi Road
#03-05 Guthrie Building
Singapore 419973

Attention: The Directors

MANDATORY UNCONDITIONAL CASH OFFER (THE "OFFER") BY LEE SAI SING (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE "SHARES") IN THE CAPITAL OF TRANSIT-MIXED CONCRETE LTD (THE "COMPANY") EXCLUDING TREASURY SHARES AND THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE "OFFER SHARES")

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular to shareholders of Transit-Mixed Concrete Ltd dated 23 March 2021 in connection with the Offer (the "**Circular**").*

1. INTRODUCTION

On 20 February 2021 (the "**Offer Announcement Date**"), the Offeror announced that he had on 19 February 2021 entered into a sale and purchase agreement with Kheng Leong Company (Private) Limited, Hee Geok Lin (as the administrator of the estate of Chua Eng Him (deceased)) and Yap Boh Lim (the "**Sellers**") pursuant to which, the Offeror will purchase 49,658,774 Shares (the "**Sale Shares**") from the Sellers (the "**Acquisition**"). The aggregate cash consideration for the Sale Shares is S$6,952,228.36, being S$0.14 for each Sale Share and the total Sale Shares represents 71.36% of the total number of 69,590,800 Shares (excluding treasury Shares) in the share capital of the Company.

Prior to the Acquisition, the Offeror did not own or control any Shares. As a result of the Acquisition, the Offeror owns or controls 71.36% of the total number of Shares.

As a consequence of the Acquisition, the Offeror is required to make the Offer for all the Offer Shares in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

In connection with the Offer, the Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to the directors of the Company (the "**Directors**") all of whom are considered independent for the purposes of the Offer, to assess the terms of the Offer and advise whether the terms of the Offer are fair and reasonable.

This letter sets out, *inter alia*, our evaluation and advice of the terms of the Offer (this "**IFA Letter**"), and forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendation of the Directors in respect thereof.

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2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Directors on whether the terms of the Offer are fair and reasonable.

Our evaluation is limited to the terms of the Offer and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Offer. We have not relied on any financial projections or forecasts in respect of the Company and any of its subsidiaries (collectively, the "**Group**"). We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group. We are also not expressing any view herein as to the prices at which the Shares may trade after the close of the Offer. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer or any other offers, if any. We are not required nor authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares, and therefore are not able to, and will not compare the Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future. We have also not conducted any review of the business, operations or financial condition of the Company and the Group.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group and the Company did not commission any independent market valuation on any assets for the purpose of the Offer.

In the course of our evaluation, we have held discussions with certain Directors and management of the Company and have examined publicly available information as well as information provided and representations made to us by the aforesaid parties, including information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy and reliability of such information. The Directors have jointly and severally accepted full responsibility for the accuracy, completeness and adequacy of all such information and representations as provided and made by the aforesaid parties as contained herein.

The Directors (including those who may have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in the Circular are fair and accurate and that no material information has been omitted in this Circular. In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate. In respect of the information from the Offer Announcement and the Offer Document, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly reproduced in this Circular. Where information in the Circular has been extracted from published or otherwise publicly available sources, the Directors have ensured

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that such information has been accurately extracted and correctly extracted from those sources. The Directors jointly and severally accepted responsibility accordingly.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information provided to us as at the 17 March 2021 being the Latest Practicable Date (the "**Latest Practicable Date**"). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders of the Company ("**Shareholders**") should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their Shares, investment objectives or portfolios should consult his or their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This IFA Letter is for the use and benefit of the Directors in connection with and for the purpose of their consideration of the Offer and the recommendation made by the Directors shall remain their responsibility.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter and our letter dated 23 March 2021 on the statements of prospects made by the Company set out in Appendix V to the Circular (the "Statements of Prospects IFA Letter")). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter and the Statements of Prospects IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter and the Statements of Prospects IFA Letter).

Our advice in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Directors advise the Shareholders to read these pages carefully.

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3. THE OFFER

The Offer is a mandatory unconditional cash offer in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Code. The detailed terms and conditions of the Offer are set out in Section 2 of, and Appendix A to, the Offer Document dated 9 March 2021 (the "**Offer Document**"). The principal terms and conditions of the Offer are set out below for your reference.

3.1 Offer Price

For each Offer Share: S$0.14 in cash (the "Offer Price").

The Offer Price is final and the Offeror has given notice that the terms of the Offer will not be revised.

3.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all Offer Shares. For the avoidance of doubt, the Offer is also extended to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror.

3.3 No Encumbrances

The Offer Shares are to be acquired:

(i) fully paid;

(ii) free from all claims, charges, equities, mortgages, assignments, hypothecations, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any natures whatsoever; and

(iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, the "**Distributions**") (if any), the record date (the "**Record Date**") for which falls on or after the Offer Announcement Date. For the purpose of the offer announcement dated 20 February 2021, Record Date means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited, as the case may be, in order to participate in such Distributions.

3.4 The Offer is unconditional in all respects

Pursuant to the completion of the Acquisition, the Offeror and parties acting in concert with him will hold more than 50% of the voting rights attributable to the Shares (excluding treasury Shares). As such, the Offer is **unconditional in all respects.**

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4. INFORMATION ON THE OFFEROR

Information on the Offeror, as set out below in *italics*, has been extracted from Section 3 of the Offer Document. All terms and expressions used in the extract below shall have the same meaning as those defined in the Offer Document, unless otherwise stated.

The Offeror is currently the Executive Director of Maxi-Harvest Group Pte Ltd, which is engaged in the business of investments, corporate loans, equities underwriting and consultancy services. He has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructuring, pre-initial public offerings and initial public offerings. The Offeror has worked in the fund management industry for many years in major financial institutions, such as the Government of Singapore Investment Corporation, BNP Paribas Private Bank and Maybank-Kim Eng. He is currently an Independent Director of Maxi-Cash Financial Services Corporation Ltd.

5. INFORMATION ON THE COMPANY

Information on the Company, as set out below in *italics*, has been extracted from Appendix II to the Circular. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated.

The Group is principally engaged in the business of supplying concrete pumping services and waste management services.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$11,190,764, comprising 69,590,800 Shares. As at the Latest Practicable Date, the Company has no treasury shares. The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

The names and designations of the Directors as at the Latest Practicable Date are as follows:

(a) Tan Kok Hiang (Chairman and Independent Non-Executive Director);

(b) Khoo Ho Tong (Independent Non-Executive Director); and

(c) Low Wing Hong (Non-Independent Non-Executive Director).

6. RATIONALE FOR THE OFFER, THE OFFEROR'S INTENTIONS FOR THE COMPANY, LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the rationale for the Offer, the Offeror's intention relating to the Company, the listing status and compulsory acquisition are set out in Sections 5 and 6 of the Offer Document.

6.1 Rationale for the Offer

The Offer is made in compliance with the requirements of the Code following the Acquisition which has resulted in the Offeror obtaining majority control of the Company.

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The Offer represents an opportunity for Shareholders to realise up to their entire investment in the Shares in cash at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

6.2 Offeror's intention for the Company

It is the intention of the Offeror to carry on the existing business of the Company, and the Offeror presently has no intention to (i) introduce any major changes to the existing business of the Company, (ii) re-deploy the fixed assets of the Group, or (iii) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Offeror and/or the Company.

It is the current intention of the Offeror to maintain the listing status of the Company on the Singapore Exchange Securities Trading Limited (the "SGX-ST") following completion of the Offer. Accordingly, the Offeror, if and when entitled, does **not** intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Listing Manual of the Mainboard of the SGX-ST (the "**Listing Manual**"). In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted. **However, the Offeror retains the flexibility to assess his options in the event that the public float falls below 10%.**

7. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have taken into account the following factors:

(a) market performance of the Shares;

(b) financial performance of the Group;

(c) financial position of the Group;

(d) comparison of the valuation ratios of the Company implied by the Offer Price against those of comparable companies;

(e) comparison with completed non-privatisation transactions for companies listed on the SGX-ST;

(f) dividend track record of the Company; and

(g) other relevant considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

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7.1 MARKET PERFORMANCE OF THE SHARES

7.1.1 Historical closing price of the Shares

For the purpose of our analysis of trading performance of the Shares in respect of the Offer, we have compared the Offer Price against the historical market price performance of the Shares for the two (2) years period prior to the Offer Announcement Date from 19 February 2019 to 18 February 2021 (being the last market day prior to the trading halt announced by the Company on 18 February 2021 ("**Last Market Day**")), and up to the Latest Practicable Date.



Source: Bloomberg L.P.

Based on the chart above, we observed the closing prices of the Shares have been trading below the Offer Price of S$0.14 for the period from end June 2019 to the Last Market Day. The closing prices of the Shares were above the Offer Price for the period between 19 February 2019 and 11 April 2019 and the period between 14 May 2019 and 21 June 2019.

We note that the closing price on 10 February 2021, being the last market day where the Shares were transacted prior to the Offer Announcement Date, was S$0.08 (the "**Last Transacted Price**"). The Offer Price represents a premium of 75.0% to the Last Transacted Price.

We further note that the closing prices of the Shares trended upwards after the Offer Announcement Date, presumably supported by the Offer. However, there is no assurance that the market prices of the Shares would remain at the current prevailing level after the close of the Offer.

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7.1.2 Trading statistics of the Shares

In addition to the share price chart above, we have tabulated selected statistical information on the share price and trading liquidity of the Shares commencing from 19 February 2019, being the last 24 months prior to the Last Market Day, and ending on the Latest Practicable Date in the following table:

	VWAP [1] (S$)	Premium/ (Discount) of Offer Price to VWAP (%)	Highest trading price (S$)	Lowest trading price (S$)	Average daily traded volume [2]	Average daily traded volume as percentage of free float [3] (%)
Periods up to and including Last Market Day						
Last 24 months	0.1015	37.9	0.200	0.059	24,740	0.12
Last 12 months	0.0788	77.7	0.110	0.060	29,267	0.15
Last 6 months	0.0800	75.0	0.085	0.061	27,905	0.14
Last 3 months	0.0741	88.9	0.085	0.061	17,880	0.09
Last 1 month	0.0753	85.9	0.085	0.067	26,917	0.14
10 February 2021, being the day on which the Shares were last traded prior to the Last Market Day [4]	0.0800	75.0	0.080	0.080	1,000	0.01
Periods after the Offer Announcement Date						
Up to and including the Latest Practicable Date	0.1406	(0.4)	0.145	0.139	208,944	1.05
12 March 2021, being the day on which the Shares were last traded prior to the Latest Practicable Date [5]	0.1390	0.72	0.139	0.139	35,000	0.18

Source: Bloomberg L.P.

Notes:

(1) "VWAP" means volume weighted average price. Rounded to four (4) decimal places.

(2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total days where the Shares were traded ("**Trading Days**") during that period.

(3) Calculated based on the difference between (i) the Company's total number of 69,590,800 Shares; and (ii) the 49,658,774 Shares purchased by the Offeror.

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(4) The VWAP of the Shares traded on 10 February 2021 is shown instead as there were no trades for the Shares for the period from 11 February 2021 to the Last Market Day.

(5) The VWAP of the Shares traded on 12 March 2021 is shown instead as there were no trades for the Shares for the period from 13 March 2021 to the Latest Practicable Date.

We note the following with regard to the trading prices of the Shares:

(a) the Offer Price of S$0.14 per Share is above the range of traded prices of the Shares over the 12 months period up to the Last Market Day, which is between a low of S$0.060 per Share and a high of S$0.110 per Share;

(b) the Offer Price represents premia of 37.9%, 77.7%, 75.0%, 88.9%, 85.9% and 75.0% to the VWAPs of the Shares respectively for the 24-month, 12-month, 6-month, 3-month, 1-month periods prior to and including the Last Market Day and on 10 February 2021;

(c) the Offer Price of S$0.14 per Share represents a slight discount of 0.4% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date. We note that this was due to a total of 305,500 Shares which were transacted at a high of S$0.145 on 22 February 2021. Had these trades been excluded, the Offer Price of S$0.14 per Share will represent a premium of 0.2% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date; and

(d) the Offer Price of S$0.14 per Share represents a premium of 0.7% to the VWAP of the Shares on 12 March 2021, being the day on which the Shares were last traded prior to the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

(a) the average daily traded volume of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Market Day and on the Last Market Day represents less than 0.2% of the free float, respectively. Average daily traded volume during the aforesaid periods was less than 30,000 Shares;

(b) as mentioned in footnote (2) to the table, the average daily traded volumes of the Shares are calculated based on the total number of Trading Days. The average daily traded volumes of the Shares will be lower if it is calculated based on the number of days which the SGX-ST is open for trading of securities ("**Market Days**") during that period. We set out the number of Trading Days and Market Days for the same periods as follows:

	Number of Trading Days	Number of Market Days
Periods up to the Last Market Day		
Last 24 months	96	521
Last 12 months	36	261
Last 6 months	21	131

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	Number of Trading Days	Number of Market Days
Last 3 months	10	65
Last 1 month	6	23
Periods after the Offer Announcement Date		
Up to and including the Latest Practicable Date	9	18

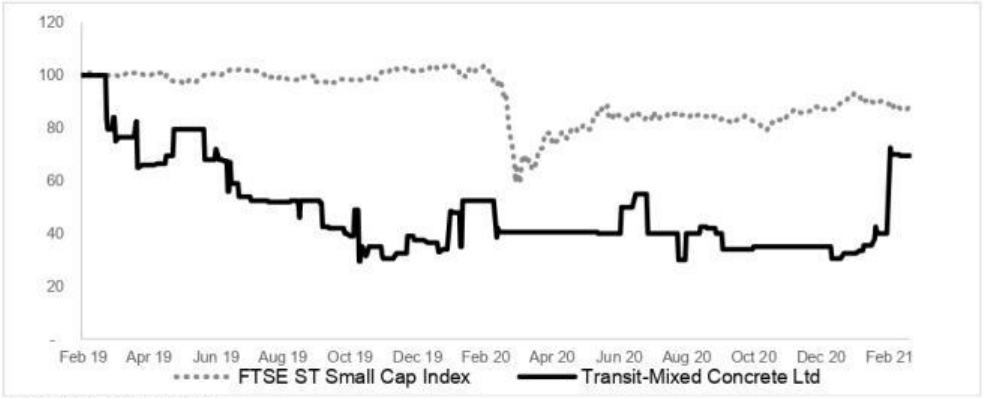
As set out in the table above, the Shares were traded on less than 30.0% of the Market Days for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to the Last Market Day; and

(c) for the period after the Offer Announcement Date and up to the Latest Practicable Date, the Shares were traded on nine (9) Trading Days out of the total of 18 Market Days (or 50.0% of the total number of Market Days during the aforesaid period) with an average daily traded volume of 208,944 Shares which represents 1.05% of the free float. It would appear that the increase in trading volume after the Offer Announcement Date and up to the Latest Practicable Date is being supported by the Offer. However, there is no assurance that trading volume of the Shares will be maintained at the prevailing level after the close of the offer.

Based on the above, the historical trading volume of the Shares is thin and the Shares are illiquid.

7.1.3 Market performance of the Shares versus the FTSE ST Small Cap Index

In addition, to assess the relative performance of the Shares versus the Singapore equity market, we compare the relative returns of the Shares against the FTSE ST Small Cap Index ("**Small Cap Index**"), which is a market capitalisation-weighted stock market index that tracks the performance of companies listed on the SGX-ST that are within the top 98% (by market capitalisation), save for those included in the Straits Times Index and FTSE ST Mid Cap Index, as follows:



Source: Bloomberg L.P.

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We note that the closing price of the Shares underperformed the Small Cap Index for the period between 19 February 2019 and the Latest Practicable Date.

Shareholders should, however, note that the historical trading performance of the Shares is not indicative of the future price performance of the Shares, which may be affected by factors beyond the scope of our evaluation.

7.2 FINANCIAL PERFORMANCE OF THE GROUP

We set out below a summary of the key financial information of the Group for the last three financial years ended 28 February 2018 ("**FY2018**"), 28 February 2019 ("**FY2019**") and 29 February 2020 ("**FY2020**") and the unaudited financial information of the Group for the six months period ended 31 August 2019 ("**HY2020**") and 31 August 2020 ("**HY2021**") (collectively, the "**Review Period**").

S$'000	Audited FY2018	Audited FY2019	Audited FY2020	Unaudited HY2020	Unaudited HY2021
Revenue from continuing operations	11,061	8,981	9,091	4,225	1,644
Loss from continuing operations	(4,376)	(3,528)	(1,827)	(733)	(835)
(Loss)/Gain from discontinued operations (net of tax)	(383)	(2,059)	172	(136)	(8)
Loss for the period	(4,760)	(5,587)	(1,655)	(869)	(843)

We note that in FY2019, in order to streamline procedures and improve operational efficiency, the Group ceased its ready-mixed concrete operations in Malaysia comprising two subsidiaries. This resulted in discontinued operations in the ready-mixed concrete segment. The revenue from continuing operations set out in the table were contributed from two principal business segments being supply of concrete pumping services and waste management services.

We note the following:

(a) The Group's revenue from continuing operations decreased from S$11.1 million in FY2018 to S$9.0 million in FY2019, and increased slightly from S$9.0 million in FY2019 to S$9.1 million in FY2020. The Group's revenue from continuing operations decreased from S$4.2 million in HY2020 to S$1.6 million in HY2021.

The Group posted a 18.8% decrease in revenue from continuing operations for FY2019 mainly attributable to (i) a slowdown in construction activities in Singapore and Malaysia in FY2019; and (ii) the increased use of prefabricated concrete and heightened competition within the industry.

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The Group's revenue from continuing operations for FY2020 increased marginally by 1.2% from FY2019, driven by higher revenue contribution from the waste management services segment in Singapore which was offset by a decrease in the concrete pumping services segment.

The Group's revenue from continuing operations for HY2021 decreased by 61.1% from HY2020 mainly due to measures imposed by the Singapore and Malaysian government to curb the spread of the Covid-19 pandemic. The Group's construction projects in Singapore were suspended during the circuit breaker implemented by the Singapore government between 7 April 2020 and 1 June 2020 (the "**Circuit Breaker**"). The Group's construction projects in Malaysia were also suspended during the movement control order (the "**MCO**") implemented by the Malaysian government in the first half of 2020. After the Circuit Breaker and the MCO periods, the Group's construction projects continued to be affected by manpower usage measures which have delayed the progress of the Group's construction projects in both Singapore and Malaysia.

(b) The Group's loss from continuing operations decreased from S$4.4 million in FY2018 to S$3.5 million in FY2019, and further decreased to S$1.8 million in FY2020.The Group's loss from continuing operations increased from S$0.7 million in HY2020 to S$0.8 million in HY2021.

The Group's loss from continuing operations for FY2019 decreased by 19.4% from FY2018 mainly due to a decrease in operating expenses from a lower impairment loss on plant and equipment for the concrete pumping services segment.

The Group's loss from continuing operations for FY2020 decreased by 48.2% from FY2019, mainly due to (i) a decrease in depreciation resulting from lower asset values for FY2020 after substantial impairment charges in FY2019; and (ii) lower impairment loss on plant and equipment of S$1.7 million in FY2020 as compared to S$2.3 million in FY2019.

The Group's loss from continuing operations for HY2021 increased by 13.9% from HY2020 mainly due to a decrease in revenue by S$2.6 million. The decrease in revenue was mitigated by (i) corresponding decrease in labour cost and variable overheads; (ii) a reduction of depreciation from S$1.2 million in HY2020 to S$0.5 million in HY2021; and (iii) support grants from the Singapore government in respect of the Covid-19 pandemic.

(c) The Group's loss for the period increased from S$4.8 million in FY2018 to S$5.6 million in FY2019. The Group's loss for the period decreased from S$5.6 million in FY2019 to S$1.7 million in FY2020. The Group's loss for the period decreased from S$869,000 in HY2020 to S$843,000 in HY2021.

The Group's loss for the period for FY2019 increased by 17.4% from FY2018 mainly due to an increase in loss from discontinued operations from S$383,000 in FY2018 to S$2.1 million in FY2019. The increase in loss from discontinued operations was due to (i) operational loss of S$557,000; (ii) impairment loss of trade receivables of S$684,000; and (iii) impairment loss on plant and equipment of S$476,000.

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The Group's loss for the period for FY2020 decreased by 70.4% from FY2019 mainly due to the absence of the significant loss from discontinued operations of S$2.1 million for FY2019. In addition, the Group also had (i) lower depreciation cost; (ii) lower impairment loss on plant and equipment; and (iii) recovery of debts of S$345,000 in FY2020.

The Group's loss for the period for HY2021 decreased by 3.0% from HY2020 due to an increase in other income of S$250,000 which consists receipts of co-funding of monthly wages for every local worker in employment from the Government Job Support Scheme provided by the Singapore government but was partially offset by a decrease in loss from discontinued operations from S$128,000 in HY2021 and share of loss of joint venture of S$44,000.

Historical price-earnings ratio ("**P/E**") implied by the Offer Price

P/E illustrates the valuation ratio of the current market value of a company's shares relative toits consolidated basic earnings per share as stated in its financial statements. The P/E is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical P/E is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As the Group reported losses during the Review Period, the P/E of the Group (which will be negative) is not meaningful for comparison.

7.2.1 Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")

We note that impairment losses on plant and equipment and right-of-use assets of the Group amounted to S$4.0 million, S$2.8 million and S$1.7 million for FY2018, FY2019 and FY2020, respectively. As a result, the Group had negative EBITDA for FY2018, FY2019, FY2020 and the last 12 months ("**LTM**") ended 31 August 2020 as the Group was significantly affected by the impairment losses during the aforementioned periods.

Accordingly, we have considered analysing the financial ratio of the Group based on its EBITDA after adding back impairment losses on plant and equipment and right-of-use assets (the "**Adjusted EBITDA**"), on the basis that these impairment losses were one-off and non-recurring. As such, we calculate the enterprise value ("**EV**") implied by the Offer Price and the Adjusted EBITDA of the Group for LTM ended 31 August 2020 as follows:

EV	S$'000
Market capitalisation	9,743
Add: Non-controlling interest	374
Less: Cash and cash equivalents	(5,336)
	4,781

Adjusted EBITDA	S$'000
Loss before tax	(1,896)
Add: Depreciation	883
Add: Interest expense	(2)
Add: Impairment losses	1,664
Less: Interest income	(44)
	609

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Based on the above, the EV/Adjusted EBITDA ratio of the Group as implied by the Offer Price is 7.85 times.

7.2.2 Impact of Covid-19 pandemic on the financial performance and outlook of the Group

As set out in the analysis above, the Group's financial performance, which is dependent on the construction industry in Singapore and Malaysia, was badly affected by the Covid-19 pandemic in the first half of 2020.

We extract in italics the following statements from the Company's results announcement for HY2021 published on 13 October 2020:

"*The ongoing challenges and uncertainties posed by Covid-19 pandemic such as delayed infrastructure projects and private construction projects are expected to weigh heavily on the construction industry including our business. Strict measures on safe distancing, testing and re-testing of workers, streamlining of workers' dormitories have resulted in significant interruptions in deployment and scheduling of workers thus adding to more inefficiencies.*"

The Company expects these conditions to continue over the next several months, although there are indications that the circumstances are stabilizing due to the stringent steps taken by the Government to control the pandemic."

We extract in *italics* the following commentary from the press release made by the Ministry of Trade and Industry, Singapore ("**MTI**") on 15 February 2021 ("**MTI Press Release**"):

"***While the construction*** *and marine & offshore engineering* ***sectors are projected to recover from the low base last year, activity levels at construction worksites*** *and shipyards* ***will continue to be dampened by the requirement for safe management measures. The recovery in output in these two sectors is also expected to be slow due to the plunge in contracts awarded for construction works in 2020*** *and the weakness in the global oil & gas market respectively.*"

7.3 FINANCIAL POSITION OF THE GROUP

7.3.1 The net asset value ("NAV") of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the group, and after deducting net assets attributable to non-controlling interests. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group and the balance proceeds, if any, be distributed to all shareholders.

Shareholders should note that such an analysis provides only an estimate of the value of the Group based on a hypothetical scenario, which does not take into account factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers for the assets, which would have an impact on the realisable value of the NAV.

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A summary of the latest audited financial position of the Group as at 29 February 2020 and the latest unaudited financial position of the Group as at 31 August 2020 is set out below:

S$'000	Audited as at 29 February 2020	Unaudited as at 31 August 2020
Current assets	8,871	7,832
Non-current assets	4,888	4,282
Total assets	**13,759**	**12,114**
Current liabilities	(1,681)	(1,114)
Non-current liabilities	(205)	(94)
Total liabilities	**(1,887)**	**(1,208)**
NAV including non-controlling interest	**11,872**	**10,906**
Less: Non-controlling interests	(376)	(374)
NAV attributable to owners of the Company	**11,496**	**10,532**
Less: Intangible assets	-	-
Net tangible assets ("NTA") attributable to owners of the Company	**11,496**	**10,532**
Number of Shares	69,590,800	69,590,800
NAV per Shares (S$)	**0.17**	**0.15**
Discount of the Offer price over the NAV per Shares (%)	**15.3**	**7.5**
Price-to-NAV ("P/NAV") ratio as implied by Offer Price (times)	**0.85**	**0.93**

Based on the Company's issued share capital of 69,590,800 Shares as at the Latest Practicable Date:

(a) the audited NAV per Share as at 29 February 2020 was S$0.17. The Offer Price represents a discount of S$0.03 or 15.3% to the audited NAV per Share, or a P/NAV ratio of 0.85 times; and

(b) the unaudited NAV per Share as at 31 August 2020 was S$0.15. The Offer Price represents a discount of S$0.01 or 7.5% to the unaudited NAV per Share, or a P/NAV ratio of 0.93 times.

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We note that since the Company does not have any intangible assets as at 31 August 2020, its NAV is equivalent to its NTA.

In our evaluation of the financial terms of the Offer, we have also considered whether there are any other tangible assets which should be valued at an amount that is materially different from that which was recorded in the statement of financial position as at 29 February 2020 and 31 August 2020, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the audited and unaudited NAV as at 29 February 2020 and 31 August 2020 respectively.

7.3.2 Assets and liabilities of the Group

Assets of the Group

We set out in the table below, the assets which each accounted for more than 5.0% of the NAV of the Group as at the end of the respective financial periods:

	As at 29 February 2020		As at 31 August 2020	
	S$'000 (Audited)	As a percentage of the Group's NAV	S$'000 (Unaudited)	As a percentage of the Group's NAV
Cash and cash equivalents	4,836	42.1%	5,336	50.7%
Plant and equipment	2,739	23.8%	2,281	21.7%
Investment in joint venture	2,127	18.5%	1,979	18.8%
Trade and other receivables	3,217	28.0%	1,674	15.9%
Inventories	633	5.5%	684	6.5%

(i) Cash and cash equivalent

As at 29 February 2020 and 31 August 2020, the Group's cash and cash equivalents comprised cash at bank and in hand as well as fixed deposits. The Group's cash and cash equivalents increased by S$500,000 or 10.3% from S$4.8 million as at 29 February 2020 to S$5.3 million as at 31 August 2020 mainly due to cash inflows from a decrease in trade and other receivables of S$1.5 million, which was partially offset by cash outflow from a decrease in trade and other payables of S$567,000.

(ii) Plant and equipment

As at 29 February 2020 and 31 August 2020, the Group's plant and equipment comprised mainly concrete pumps, plant and machinery as well as motor vehicles. The plant and equipment of the Group decreased by S$458,000 or 16.7% from S$2.7 million as at 29 February 2020 to S$2.3 million as at 31 August 2020. This was mainly

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attributable to depreciation of plant and equipment of S$515,000 which was slightly offset by purchase of plant and equipment of S$59,000.

(iii) Investment in joint venture

As at 29 February 2020 and 31 August 2020, the Group's carrying value of its investment in joint venture comprised its 45.0% interests in PT ATMC Pump Services. The investment in joint venture decreased by S$148,000 or 7.0% from S$2.1 million as at 29 February 2020 to S$2.0 million as at 31 August 2020 due to the share of loss from the joint venture of S$44,000 and currency translation loss of S$104,000.

(iv) Trade and other receivables

We calculate the trade receivables' turnover days of the Group to be 181 days, 190 days, 145 days, 254 days for FY2018, FY2019, FY2020 and HY2021 respectively. The trade receivables' turnover days of the Group for HY2021 is higher than the trade receivables' turnover days for FY2018, FY2019 and FY2020 mainly due to the delayed projects leading to a slowdown in business activities as a result of the Covid-19 pandemic. We note that delays in infrastructure projects and private construction projects had a negative impact on the Company's revenue in HY2021 which directly affected the trade receivables' turnover days of the Group.

(v) Inventories

As at 29 February 2020 and 31 August 2020, the Group's inventories consisted of spare parts and accessories. We calculate the inventory turnover days of the Group (based on the Group's cost of sales as the denominator) to be 35 days, 31 days, 30 days and 55 days for FY2018, FY2019, FY2020 and HY2021 respectively. The inventory turnover days of the Group for HY2021 is higher than the inventory turnover days for FY2018, FY2019 and FY2020 mainly due to the impact of the Covid-19 pandemic as the Group saw a significant drop in sales volume from delayed projects which resulted the build-up of inventory levels.

Liabilities of the Group

We set out in the table below, the liabilities which accounted for more than 5.0% of the NAV of the Group as at the end of the respective financial periods:

	As at 29 February 2020		As at 31 August 2020	
	S$'000 (Audited)	As a percentage of the Group's NAV	S$'000 (Unaudited)	As a percentage of the Group's NAV
Trade and other payables	1,581	13.8%	1,014	9.6%

Trade and other payables decreased by S$567,000 or 35.9% from S$1.6 million as at 29 February 2020 to S$1.0 million as at 31 August 2020 mainly due to lower volume of business activities attributed to the impact of the Covid-19 pandemic.

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The Directors confirm that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

(1) there is no event subsequent to 31 August 2020 which would materially affect the NAV of the Group;

(2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV of the Group as at 31 August 2020; and

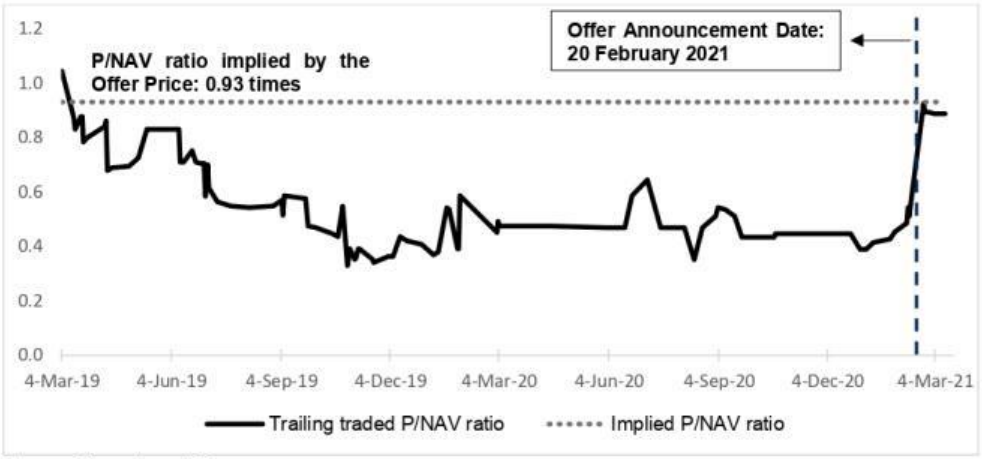
(3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 31 August 2020.

In addition, we note from Section 6.2 of the Offer Document that, in relation to the assets and liabilities of the Group, the Offeror has no current intention to introduce major changes to the existing business of the Group, or re-deploy the Group's fixed assets.

As such, no adjustment to the NAV per Share is required.

7.3.3 Historical P/NAV ratio of the Shares

We have compared the trailing traded P/NAV ratio of the Shares against the P/NAV ratio of the Shares (as implied by the Offer Price and the unaudited NAV per Share as at 31 August 2020) over the 24 months prior to the Latest Practicable Date, as shown below:



Source: Bloomberg L.P.

As set out in the chart above, the P/NAV ratio implied by the Offer Price of 0.93 times has been above the trailing traded P/NAV ratio for the period between March 2019 and the Last Market Day.

We further note that the P/NAV ratio implied by the Offer Price of 0.93 times has been above or equal to the trailing traded P/NAV ratio for the period between the Offer Announcement

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Date and the Latest Practicable Date. It would appear that the trailing traded P/NAV ratio, which trended upward significantly after the Offer Announcement Date is being supported by the Offer.

7.3.4 Ex-cash Offer Price versus ex-cash NAV per Share

The cash and cash equivalents of the Group as at 31 August 2020 was S$5.3 million, representing 50.7% of the Group's unaudited NAV.

Given that cash and cash equivalents represent more than 50.0% of the NAV of the Group as at 31 August 2020, we have deducted the cash and cash equivalents from the NAV to compare the Offer Price vis-à-vis the NAV of the Group, both on an ex-cash basis, as follows:

Aggregate cash per Share as at 31 August 2020	S$0.08
Ex-cash Offer Price	S$0.06
Ex-cash NAV per Share	S$0.07
Ex-cash Offer Price to ex-cash NAV per Share ratio	0.86 times

7.4 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST THOSE OF COMPARABLE COMPANIES

The Group recognises revenue from two principal business segments being concrete pumping services (in Singapore and Malaysia) and waste management services (in Singapore). Comparison is therefore made to companies listed on the SGX-ST and Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") whose business is broadly comparable to the Group ("**Comparable Companies**") to assess the Offer Price in relation to the valuation of the Comparable Companies as implied by their last traded prices as at the Latest Practicable Date. For a more meaningful comparison, we have selected Comparable Companies with a market capitalisation of up to S$50 million.

In our selection of the Comparable Companies, we have included companies which provide construction equipment rental services. We wish to highlight that the list of Comparable Companies is not exhaustive and none of the Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in their accounting policies. Our analysis has not adjusted for such differences. The valuation statistics of Comparable Companies listed on overseas stock exchanges may be affected by the different investor profiles and investor sentiments of the overseas stock exchanges. Shareholders should also note that the prices at which shares trade include factors other than historical financial performance, and some of these, *inter alia*, include prospects real or perceived of the financial performance, the historical share price performance, the demand/supply conditions of the shares, the relative liquidity of the shares, the relative sentiments of the market for the shares, as well as the market capitalisation. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

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For the comparison of Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

Valuation Measure	General Description
P/NAV	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/NTA	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies.
EV/Adjusted EBITDA	EV is the sum of a company's market capitalisation, preferred equity, non-controlling interest, consolidated short and long-term borrowings, less its consolidated cash and cash equivalents. Adjusted EBITDA refers to earnings before interest, taxation, depreciation and amortisation expenses and impairment losses relating to property, plant and equipment and right-of-use assets. The EV/Adjusted EBITDA ratio illustrates the ratio of the market value of a company's business relative to its latest full year or last 12 months pre-tax operating cashflow performance, without regard to its capital structure. In our analysis, we have considered the EV/Adjusted EBITDA ratios of the Comparable Companies based on their respective market capitalisation as at the Latest Practicable Date, their latest available balance-sheet financials and the LTM Adjusted EBITDA.

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We set out in the table below the list of Comparable Companies, together with a brief description of their business activities which are considered **broadly** comparable to the Group:

Comparable Companies	Brief business description
B.I.G Industries Bhd ("**B.I.G**") *Listed on Bursa Malaysia*	B.I.G is an investment holding company. Through its subsidiaries, B.I.G manufactures, distributes, and markets ready-mixed concrete, cement products, and industrial gases. B.I.G also has operations in marketing of welding equipment, quarrying, and transporting bulk cement.
Hiap Tong Corporation Ltd ("**Hiap Tong**") *Listed on the SGX-ST*	Hiap Tong is a leasing and trading provider of hydraulic lifting and haulage equipment services primarily to the marine, petrochemical, and construction industries in Singapore.
MS Holdings Ltd ("**MS Holdings**") *Listed on the SGX-ST*	MS Holdings operates as a crane rental company in Singapore. MS Holdings offers mobile cranes and lorry cranes, easy to deploy and set-up.
Sin Heng Heavy Machinery Ltd ("**Sin Heng**") *Listed on the SGX-ST*	Sin Heng is a heavy lifting services provider, servicing the infrastructure and geotechnic, construction, offshore and marine, oil and gas industries. Sin Heng's business activities are renting and trading cranes and aerial lifts. Sin Heng also sells and distributes spare parts for cranes and aerial lifts.

Source: Bloomberg L.P.

The statistics of the Comparable Companies are computed based on the last traded prices as at the Latest Practicable Date and latest publicly available financial results. We set out in the table below the financial ratios of the Comparable Companies as at the Latest Practicable Date.

Comparable Companies	Market Capitalisation [1] (S$'m)	Adjusted EBITDA [2] (S$'m)	NAV [2] (S$'m)	EV/Adjusted EBITDA ratio (times)	P/NAV ratio (times)
B.I.G	9.5 [3]	0.6 [3]	9.0 [3]	14.58	1.06
Hiap Tong	17.9	12.4	75.6	1.81	0.24
MS Holdings	7.5	2.9	24.6	8.76	0.30
Sin Heng	41.0	9.3	112.5	0.91	0.37

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Comparable Companies	Market Capitalisation [1] (S$'m)	Adjusted EBITDA [2] (S$'m)	NAV [2] (S$'m)	EV/Adjusted EBITDA ratio (times)	P/NAV ratio (times)
Maximum				14.58	1.06
Minimum				0.91	0.24
Mean				6.52	0.49
Median				5.28	0.33
The Company (implied by the Offer Price and the NAV per Share as at 31 August 2020)	9.7	0.6	10.5	7.85	0.93

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

(1) Based on last traded prices of the respective counters as at the Latest Practicable Date.

(2) Based on LTM Adjusted EBITDA and latest NAV attributable to owners as announced by the respective companies. The Adjusted EBITDA for B.I.G is based on the LTM ended 31 December 2020. The Adjusted EBITDA for Hiap Tong is based on the LTM ended 30 September 2020. The Adjusted EBITDA for MS Holdings is based on the LTM ended 31 October 2020. The Adjusted EBITDA for Sin Heng is based on the latest full year period ended 31 December 2020.

(3) Market capitalisation is calculated based on the closing exchange rate of S$1.00 to MYR3.062 as at the Latest Practicable Date, Adjusted EBITDA was calculated based on the average month-end exchange rate of S$1.00 to MYR3.048 for B.I.G's financial year ended 31 December 2020 and the NAV was calculated based on the closing exchange rate of S$1.00 to MYR3.043 on 31 December 2020 as extracted from Bloomberg L.P. The currency translations were made for reference only. The P/NAV ratio of B.I.G was calculated based on its original numbers in Malaysian Ringgit ("**MYR**").

We note that the NTA of the Comparable Companies are the same as their NAV. Accordingly, the P/NTA ratios of the Comparable Companies are the same as their P/NAV ratios.

The EV/Adjusted EBITDA ratio of the Company as implied by the Offer Price of 7.85 times is within the range and above the mean and median EV/Adjusted EBITDA ratio of the Comparable Companies.

As set out in the table above, the P/NAV ratio (and the P/NTA ratio) of the Company as implied by the Offer Price of 0.93 times is within the range and above the mean and median P/NAV ratio (and P/NTA ratio) of the Comparable Companies.

As set out in paragraph 7.3.4 of this IFA Letter, the ratio of the ex-cash Offer Price to the ex-cash NAV per Share is 0.86 times. This is also above the mean and median P/NAV ratio of the Comparable Companies. We calculate that the latest reported cash and cash equivalents

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of the Comparable Companies represent less than 50% of the respective NAV of the Comparable Companies.

7.5 COMPARISON WITH COMPLETED NON-PRIVATISATION TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in Section 6.2 of the Offer Document, the Offeror has stated its intention to maintain the listing status of the Company and does not intend to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, except that the Offeror retains the flexibility to assess his options in the event that the public float falls below 10%.

Accordingly, we have compared the financial terms of the Offer with those of selected mandatary unconditional general offers for companies listed on the SGX-ST that were announced since January 2017 and completed as at the Latest Practicable Date, where the offeror has indicated similar intentions to maintain the listing status of the offeree company ("**Non-Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs prior to the announcement of the respective Non-Privatisation Transactions.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in Non-Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Non-Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

		Premium / (Discount) of offer price over/(to):				
Name of companies	**Date of announcement**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**P/NAV or P/RNAV ratio[1] (times)**
Lum Chang Holdings Limited	17-Nov-2020	8.6	8.6	8.7	8.8	0.52
Blumont Group Ltd	16-Nov-2020	(80.0)	(79.4)	(80.6)	(80.0)	1.13

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		Premium / (Discount) of offer price over/(to):				
Name of companies	Date of announcement	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	P/NAV or P/RNAV ratio[1] (times)
Axington Inc.	1-Jun-2020	43.4	40.1	41.3	78.6	1.27
DLF Holdings Limited	20-Sep-2019	(56.2)	(54.4)	(54.4)	(56.2)	18.41 [2]
Ying Li International Real Estate Limited	3-Apr-2019	0.7	5.7	10.5	17.8	0.32
Chew's Group Limited	8-Oct-2018	26.2	30.9	33.4	37.7	1.23
CH Offshore	26-Jul-2018	0.0	(11.0)	(11.6)	(21.7)	0.55
TMC Education Corporation Ltd.	14-Dec-2017	68.8	50.0	29.8	29.8	1.53
Mary Chia Holdings Limited	24-Aug-2017	68.2	93.0	96.1	99.6	2.85
Blumont Group Limited	24-Aug-2017	(81.8)	(87.9)	(86.0)	(90.4)	0.57
Cityneon Holdings Limited	12-May-2017	(5.4)	0.6	3.9	0.3	3.21
CMC Infocomm Limited	7-May-2017	18.8	34.6	30.5	9.5 [3]	1.25
International Healthway Corporation	16-Feb-2017	0.0	14.0	20.5	32.5	0.91
Maximum		68.6	93.0	96.1	99.6	3.21
Minimum		(81.8)	(87.9)	(86.0)	(90.4)	0.32
Mean [2]		0.9	3.4	3.2	(5.1)	1.28
Median [2]		0.7	8.6	10.5	9.5	1.18
The Company (Implied by Offer Price)	20-Feb-21	75.0	85.9	88.9	75.0	0.93

Notes:

(1) Based on the NAV per share or adjusted/revalued NAV ("**RNAV**") per share, where available, as published in the respective circulars of the companies.

(2) Excludes DLF Holdings Limited as statistical outlier in the computation of mean and median offer price-to-NAV ratio.

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(3) Based on the volume-weighted closing price which had been weighted based on the closing prices of the shares of CMC Infocomm Limited and its traded volume for the trading days of the six months period, as published in the circular of CMC Infocomm Limited dated 5 June 2017.

Based on the above, we note that:

(i) the premium of 85.9%, 88.9%, 75.0% for the Company as implied by the Offer Price over the 1-month VWAP, 3-month VWAP and 6-month VWAP respectively are within the range and above the mean and median premia/discounts of the Non-Privatisation Transactions. Had the statistics for Mary Chia Holdings Limited (2017) been excluded, the premia of the Offer Price over the 1-month VWAP, 3-month VWAP and 6-month VWAP will be higher than the comparable premia of the Non-Privatisation Transactions;

(ii) the premium of 75.0% for the Company as implied by the Offer Price over the Last Transacted Price is above the range of the Non-Privatisation Transactions; and

(iii) the P/NAV ratio of 0.93 times for the Company is within the range and lower than the mean and median P/NAV (or P/RNAV) ratios of the Non-Privatisation Transactions.

7.6 DIVIDEND TRACK RECORD OF THE COMPANY

We note the Company's dividend policy as stated in their latest annual report:

"*The Company does not have a formal dividend policy. No dividend has been declared over the year in review. Any declaration and payment of dividends in future will depend on underlying net profit for each financial year.*"

We set out below the information on the dividend per Share as declared by the Company for the last five (5) financial years from FY2016 to FY2020:

Dividend declared	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**
Interim dividend per Share (S$)	0.020	0.015	0.010	-	-
Final dividend per Share (S$)	0.020	0.010	-	-	-
Total	0.040	0.025	0.010	-	-
Average share price (S$) (1)	0.529	0.662	0.596	0.311	0.109
Dividend yield (2)	7.57%	3.77%	1.68%	-	-

Notes:

(1) Average daily closing prices for the Shares.

(2) Computed based on total dividend per Share divided by the average share price.

We note that the Company has a consistent record of paying annual dividends since its transfer on the Mainboard of the SGX-ST in 2009, save that the Company did not declare dividends for FY2019 and FY2020 as the Company incurred losses in those years.

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Solely for illustration purposes, the interest/dividend yield for selected alternative investments as at the Latest Practicable Date are set out below:

Alternative investments	Interest/dividend yield (%)
One-year Singapore government treasury bill	0.37 (1)
12-month S$ fixed deposit (below S$20,000)	0.10 - 1.15 (2)
12-month S$ fixed deposit (S$20,000 to S$999,999)	0.05 - 0.15 (2)

Notes:

(1) Being the yield of one-year Singapore government treasury bill on the Latest Practicable Date as extracted from the website of the Monetary Authority of Singapore.

(2) The rates offered by DBS Bank Ltd, United Overseas Bank Limited and Overseas-Chinese Banking Corporation on the Latest Practicable Date as extracted from their respective websites.

As there was no dividend declared by the Company for FY2019 and FY2020, Shareholders who accept the Offer and re-invest the proceeds may potentially increase their investment income, depending on the type of alternative investments selected.

We wish to highlight that the above dividend analysis of the Company serves as an illustrative guide and not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods. The information set out in the table above is not an indication of future fixed deposit interest rates or future Singapore government treasury bill yield.

7.7 OTHER CONSIDERATIONS

7.7.1 Control over the Company by the Offeror

As a result of the Acquisition, the Offeror holds 49,658,774 Shares representing 71.36% of the total number of issued Shares and is the single largest Shareholder of the Company with statutory control over the Company. Such statutory control allows the Offeror to significantly influence any corporate actions such as mergers and takeover attempts in a manner which may not be in line with the interests of the Shareholders. The Offeror will also have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where the Offeror is required by rules or authorities to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change of control of the Company which may not benefit the Shareholders.

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7.7.2 Likelihood of competing offers

Since the Offeror has statutory control over the Company, the likelihood of a competing offer from any third party is remote.

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

7.7.3 No revision of the Offer Price

We note that the Offeror has given notice that the terms of the Offer will not be revised save that the Offeror reserves the right to do so in a competitive situation. Shareholders should note that in accordance with Rule 20.2 of the Code, except in a competitive situation, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price in any way.

7.7.4 Offeror's intention for the Company

It is the Offeror's current intention to maintain the listing status of the Company on the SGX-ST. However, in the event that the percentage of Shares held in public hands falls below 10.0% and the SGX-ST suspends trading of the Shares, the Offeror reserves the flexibility to assess its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. **There is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10%.**

7.7.5 Listing status of the Company and suspension risk

Under Rule 1105 of the Listing Manual of the SGX-ST, upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and the parties acting in concert with him to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time as it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

In addition, Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

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However, the Offeror retains the flexibility to assess his options in the event that the public float falls below 10%.

7.7.6 No compulsory acquisition by the Offeror

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Shares from the date of despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the issued Shares (excluding treasury Shares), the Offeror would have the right to compulsory acquire all the Shares of the Shareholders who have not accepted the Offer at the Offer Price.

The Offeror does not intend to exercise any right of compulsory acquisition under Section 215(1) of the Companies Act in the event that it receives acceptances pursuant to the Offer representing 90% or more of the Offer Shares. However, the Offeror reserves the right to re-evaluate its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market condition at the relevant time.

7.7.7 Transaction costs in connection with the disposal of the Shares

Given the low liquidity of the Shares (in terms of volume traded and the number of days which the Shares were traded) for the periods set out in paragraph 7.1.2 of this IFA Letter, the Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

8. OUR ADVICE

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Offer:

(a) Save for the period after the Offer Announcement Date up to the Latest Practicable Date, the closing prices of the Shares on the SGX-ST have been below the Offer Price for the period from end June 2019 to the Last Market Day;

(b) the Offer Price represents premia of 37.9%, 77.7%, 75.0%, 88.9%, 85.9% and 75.0% to the VWAPs of the Shares respectively for the 24-month, 12-month, 6-month, 3-month, 1-month periods prior to and including the Last Market Day and on 10 February 2021;

(c) the Offer Price of S$0.14 per Share represents a slight discount of 0.4% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest

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Practicable Date. We note that this was due to a total of 305,500 Shares which were transacted at a high of S$0.145 on 22 February 2021. Had these trades been excluded, the Offer Price of S$0.14 per Share will represent a premium of 0.2% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date;

(d) the Offer Price of S$0.14 per Share represents a premium of 0.7% to the VWAP of the Shares on 12 March 2021, being the day on which the Shares were last traded prior to the Latest Practicable Date;

(e) the P/NAV ratio implied by the Offer Price and the latest unaudited NAV per Share of 0.93 times is above or equal to the trailing traded P/NAV ratio of the Shares for the period between March 2019 and the Latest Practicable Date;

(f) the EV/Adjusted EBITDA ratio of the Company as implied by the Offer Price of 7.85 times is within the range and above the mean and median EV/Adjusted EBITDA ratio of the Comparable Companies;

(g) the P/NAV ratio (and the P/NTA ratio) of the Company as implied by the Offer Price and the unaudited NAV (and NTA) of the Group as at 31 August 2020 of 0.93 times is within the range and above the mean and median P/NAV ratio (and the P/NTA ratio) of the Comparable Companies;

(h) the ex-cash Offer Price to ex-cash NAV per Share ratio of the Company of 0.86 times is also above the mean and median P/NAV ratio of the Comparable Companies; and

(i) while the P/NAV ratios as implied by the Offer Price is below the mean and media P/NAV (or P/RNAV) ratios of the Non-Privatisation Transactions, the premia of the Offer Price over the corresponding VWAPs of the Shares are above the mean and median premia/discounts of the Non-Privatisation Transactions. Had the statistics for Mary Chia Holdings Limited (2017) been excluded, the premia of the Offer Price over the 1-month VWAP, 3-month VWAP and 6-month VWAP will be higher than the comparable premia of the Non-Privatisation Transactions.

We set out below a summary of the key factors we have taken into our consideration when assessing the "reasonableness" of the Offer:

(i) the Shares has underperformed the Small Cap Index for the period between 19 February 2019 and the Latest Practicable Date;

(ii) the Group has reported losses for FY2018, FY2019, FY2020 and HY2021 and the measures on safe distancing, testing and re-testing of workers, streamlining of workers' dormitories is expected to continue to disrupt the operations of the Group;

(iii) the trading volume of the Shares on the SGX-ST had been low in the past 24 months prior to the Last Market Day;

(iv) the Group has not declared and paid dividends for FY2019 and FY2020; and

(v) other relevant considerations as set out in paragraph 7.7 of this IFA Letter.

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Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Directors to recommend Shareholders to accept the Offer.

This IFA Letter is addressed to the Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Offer, but the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

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1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Tan Kok Hiang	c/o 150 Changi Road #03-05 Guthrie Building Singapore 419973	Chairman and Independent Non-Executive Director
Khoo Ho Tong	c/o 150 Changi Road #03-05 Guthrie Building Singapore 419973	Independent Non-Executive Director
Low Wing Hong	c/o 150 Changi Road #03-05 Guthrie Building Singapore 419973	Non-Independent Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Company is 150 Changi Road, #03-05 Guthrie Building, Singapore 419973.

3. PRINCIPAL ACTIVITIES

The Company was incorporated on 31 August 1979. The principal activities of the Company are those of an investment holding company, the supply of ready-mixed concrete and the manufacture and sale of ready-mixed concrete.

The Group is principally engaged in the business of supplying concrete pumping services and waste management services.

4. SHARE CAPITAL

4.1 Issued Share Capital

The Company has one (1) class of shares, being ordinary shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$11,190,764, comprising 69,590,800 Shares. As at the Latest Practicable Date, the Company has no treasury shares. The issued Shares are listed and quoted on the Main Board of the SGX-ST.

4.2 Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of, *inter alia*, capital, dividends and voting are set out in Appendix VIII to this Circular.

4.3 New Issues

As at the Latest Practicable Date, no new Shares have been issued by the Company since 28 February 2021, being the end of the last financial year.

4.4 Convertible Securities

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting the Shares.

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 Interests of the Directors in Company Securities

As at the Latest Practicable Date, none of the Directors have any direct or deemed interests in any Company Securities.

5.2 Dealings in Company Securities by the Directors

Save as disclosed in Sections 1.1 and 10 of this Circular, none of the Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.3 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/ or its related corporations on a discretionary basis owns or controls any Company Securities.

5.4 Dealing in Company Securities by the IFA

During the period commencing six (6) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/ or its related corporations on a discretionary basis has dealt for value in the Company Securities.

5.5 Interests of the Company in Offeror Securities

Not applicable as the Offeror is an individual.

5.6 Dealings in Offeror Securities by the Company

Not applicable as the Offeror is an individual.

5.7 Interests of the Directors in Offeror Securities

Not applicable as the Offeror is an individual.

5.8 Dealings in Offeror Securities by the Directors

Not applicable as the Offeror is an individual.

5.9 Intentions of the Directors in respect of the Company Securities

Not applicable as none of the Directors have any direct or indirect interest in the Company Securities.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and

(b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period

commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit be made or given to any Director or to any director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) there is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) saved as disclosed in this Circular, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with persons who are Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole, and the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

10.1 Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statements of comprehensive income of the Group for FY2018, FY2019 and FY2020, and the unaudited consolidated statement of comprehensive income for the Group for HY2021 is set out below.

	HY2021 Unaudited[(1)] (S$)	**2020 Audited (S$)**	**2019 Audited (S$)**	**2018 Audited (S$)**
Continuing operations				
Revenue	1,644,000	9,091,171	8,981,321	11,060,677
Cost of sales	(2,173,000)	(8,104,664)	(9,460,290)	(9,987,083)
Gross profit/(loss)	(529,000)	986,507	(478,969)	1,073,594
Other income	276,000	32,836	95,762	63,530
Selling, general and administrative expenses	(660,000)	(1,467,311)	(1,466,030)	(1,780,709)
Impairment loss on trade receivables	-	(208,211)	(230,463)	-
Other operating expenses	-	(1,663,620)	(2,286,000)	(3,985,000)
Finance income	-	42,766	-	-
Finance costs	-	(2,012)	-	-
Net finance income	25,000	-	24,929	(32,577)

Share of profit of joint venture, net of tax	(44,000)	135,665	121,924	120,551
Loss before tax from continuing operations	(932,000)	(2,143,380)	(4,218,847)	(4,540,611)
Tax credit	97,000	316,056	690,522	164,361
Loss from continuing operations	(835,000)	(1,827,324)	(3,528,325)	(4,376,250)
Discontinued operations				
Loss from discontinued operations (net of tax)	(8,000)	172,222	(2,058,798)	(383,492)
Loss for the period/year	(843,000)	(1,655,102)	(5,587,123)	(4,759,742)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations				
- Continuing operations	(109,000)	32,940	(48,961)	(140,982)
- Discontinued operations	(15,000)	81	(28,939)	186,421
	(124,000)	33,021	(77,900)	45,439
Total comprehensive income for the period/year	(967,000)	(1,622,081)	(5,665,023)	(4,714,303)
Loss for the period/year attributable to:				
Continuing operations				
- Owners of the Company	(835,000)	(1,827,324)	(3,528,325)	(4,376,250)
Discontinued operations				
- Owners of the Company	(11,000)	73,310	(1,211,379)	(226,101)
- Non-controlling interests	3,000	98,912	(847,419)	(157,391)
	(8,000)	172,222	(2,058,798)	(383,492)
Loss for the period/year	(843,000)	(1,655,102)	(5,587,123)	(4,759,742)
Total comprehensive income attributable to:				
Continuing operations				
- Owners of the Company	(965,000)	(1,794,384)	(3,577,286)	(4,517,232)
Discontinued operations				
- Owners of the Company	-	71,885	(1,225,882)	(102,497)
- Non-controlling interests	(2,000)	100,418	(861,855)	(94,574)
	(967,000)	172,303	(2,087,737)	(197,071)
Total comprehensive income for the year	(967,000)	(1,622,081)	(5,665,023)	(4,714,303)
Loss per share (cents)				
Continuing operations				
- basic and fully diluted	(1.20)	(2.63)	(5.07)	(6.29)
Discontinued operations				
- basic and fully diluted	(0.01)	0.11	(1.74)	(0.32)

Note:

(1) Consolidated statements of comprehensive income of the Group were rounded off to the nearest thousand in HY2021 Results.

The above summary of the audited consolidated statements of comprehensive income of the Group for FY2018, FY2019 and FY2020 should be read together with the annual reports of the Company and the audited consolidated financial statements of the Group for the relevant years and the related notes thereto, and the above summary for HY2021 should be read in conjunction with the HY2021 Results and the accompanying notes as set out in the financial statements. Copies of the audited consolidated financial statements of the Group for the relevant financial periods and the HY2021 Results are available for inspection as set out under Section 18 of this Circular.

The FY2020 Results and the HY2021 Results are set out in Appendices III and IV to this Circular respectively.

10.2 Consolidated Statements of Financial Position

A summary of the audited consolidated statements of financial position of the Group for FY2018, FY2019 and FY2020, and the unaudited consolidated statement of comprehensive income for the Group for HY2021 is set out below.

	HY2021 Unaudited[(1)] (S$)	**2020 Audited (S$)**	**2019 Audited (S$)**	**2018 Audited (S$)**
Non-current assets				
Plant and equipment	2,281,000	2,739,107	6,089,027	13,317,908
Right-of-use assets	22,000	21,773	-	-
Investment in joint venture	1,979,000	2,127,121	1,957,896	1,857,054
Deferred tax asset	-	-	-	465,554
Total non-current assets	4,282,000	4,888,001	8,046,923	15,640,516
Current assets				
Inventories	684,000	632,637	701,459	903,888
Trade and other receivables	1,674,000	3,217,243	3,886,120	5,823,975
Cash and cash equivalents	5,336,000	4,835,843	3,459,893	3,086,937
	7,694,000	8,685,723	8,047,472	9,814,800
Assets held for sale	138,000	185,431	698,890	-
Total current assets	7,832,000	8,871,154	8,746,362	9,814,800
Total assets	12,114,000	13,759,155	16,793,285	25,455,316
Equity attributable to owners of the Company				
Share capital	11,191,000	11,190,764	11,190,764	11,190,764
Reserves	(659,000)	305,494	1,994,456	6,797,624
Total equity attributable to owners of the Company	10,532,000	11,496,258	13,185,220	17,988,388
Non-controlling interests	374,000	376,391	147,259	1,009,114
Total equity	10,906,000	11,872,649	13,332,479	18,997,502
Non-current liabilities				
Deferred tax liabilities	87,000	198,329	618,543	1,818,324
Lease liabilities	7,000	7,400	-	44,856

Total non-current liabilities	94,000	205,729	618,543	1,863,180
Current liabilities				
Trade and other payables	1,014,000	1,581,099	2,797,675	4,461,604
Contract liabilities	-	-	34,203	-
Current tax liabilities	83,000	83,000	854	18,417
Lease liabilities	17,000	16,678	9,531	114,613
Total current liabilities	1,114,000	1,680,777	2,842,263	4,594,634
Total liabilities	1,208,000	1,886,506	3,460,806	6,457,814
Total equity and liabilities	12,114,000	13,759,155	16,793,285	25,455,316

Note:

(1) Consolidated statements of financial position of the Group were rounded off to the nearest thousand in HY2021 Results.

The above summary of the audited consolidated statements of financial position of the Group as at 28 February 2018, 28 February 2019 and 29 February 2020 should be read together with the annual reports of the Company and the audited consolidated financial statements of the Group for the relevant years and the related notes thereto, and the above summary for HY2021 should be read together with the HY2021 Results and the accompanying notes as set out in the financial statements. Copies of the audited consolidated financial statements of the Group for the relevant financial periods and the HY2021 Results are available for inspection as set out under Section 18 of this Circular.

The FY2020 Results and the HY2021 Results are set out in Appendices III and IV to this Circular respectively.

10.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in Note 3 to the audited consolidated financial statements of the Group for FY2020, which is reproduced in Appendix III to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group, there are no other significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

10.4 Changes in Accounting Policies

As set out in the audited financial statements of the Group for FY2020, on 1 March 2019, the Group has adopted the applicable new or amended Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for the accounting periods beginning on or after 1 March 2019.

In FY2020, the Group has adopted SFRS(I) 16, the accounting standard for leases effective from 1 March 2019. Details of the adoption of SFRS(I) 16 Leases are set out in Note 2.5 to the audited financial statements of the Group for FY2020, which are reproduced in Appendix III to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group, as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Company and in this Circular, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 29 February 2020, being the date to which the Company's last published audited accounts were made up. However, the ongoing Covid-19 pandemic has had an effect on the global economy, and the Group's operations may accordingly be affected.

10.6 Material Changes in Information

Save as disclosed in publicly available information relating to the Group and the Offer and in this Circular, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

11. COST AND EXPENSES

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

The audited consolidated financial statements of the Group for FY2020 which are set out below have been reproduced from the Company's annual report for FY2020, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2020 set out below shall have the same meanings given to them in the annual report of the Company for FY2020.

A copy of the annual report of the Company for FY2020 is available for inspection at the office of the Company's Secretary, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902*, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.*

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 29 February 2020.

In our opinion:

(a) the financial statements set out on pages 37 to 107 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this 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 has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Yap Boh Lim
Tan Kok Hiang
Low Wing Hong
Yap Eng Ching (Alternate to Yap Boh Lim)
Khoo Ho Tong

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Company				
Ordinary shares				
Yap Boh Lim	14,252,104	14,252,104	–	–
Yap Eng Ching	500,000	500,000	–	–

DIRECTORS' STATEMENT

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Subsidiaries				
Crescent Concrete Sdn. Bhd.				
Ordinary shares of RM1.00 each fully paid				
Yap Boh Lim	–	–	1,330,000	1,330,000

By virtue of Section 7 of the Act, Yap Boh Lim is deemed to have interests in all wholly-owned subsidiaries of Transit-Mixed Concrete Ltd at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 March 2020.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement comprise two independent directors and a non-executive director as follows:

Tan Kok Hiang	(Chairman, independent and non-executive director)
Khoo Ho Tong	(Independent and non-executive director)
Yap Boh Lim	(Non-executive director)
Yap Eng Ching	(Non-executive director, alternate to Yap Boh Lim)

The Audit Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual); and
- the significant matters impacting the financial statements and the accounting principles and judgement of items as adopted by management for these significant matters.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and associated company, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Yap Boh Lim
Director

Tan Kok Hiang
Director

28 July 2020

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Transit-Mixed Concrete Ltd (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 29 February 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 107.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position 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)) 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 29 February 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Concrete Pumping Services Segment Valuation of non-financial assets	
The key audit matter	*How the matter was addressed in our audit*
Risk The Group identified indicators of impairment in the concrete pumping services segment ("CPS Segment"). Due to weak market conditions and intense competition, the profitability of the CPS Segment continues to incur losses in the current year. The outbreak of the coronavirus pandemic compounded the uncertainties over timing of cash flows derived from the customer projects. As part of their analysis, the Group estimated the future cash flows of the CPS Segment based on latest available data and expected market conditions. Using their estimates of future cash flows, the Group computed the value-in-use ("VIU") of the CPS Segment. The Group performed further analysis to estimate the fair value less costs to sell ("FVLCS") of the CPS Segment. The fair value less costs to sell was estimated using the market approach applying relevant market multiples derived using market comparable data. On the basis that the FVLCS of the CPS Segment is higher than its VIU, the Group adopted the FVLCS as the recoverable amount of the non-financial assets. Judgement and estimates are used to determine the appropriateness of the market multiple adopted and the reasonableness of forecast inputs used in the computation of the FVLCS amount. Consequently, the valuation of non-financial assets in the concrete pump service segment is a key audit matter.	Our response We considered the result of our retrospective review of the prior year's cash flow forecasts against actual achieved to assess the reasonableness of the Group's estimates of the future cash flows attributable to the operations in the CPS Segment. We assessed the Group's VIU estimate as follow: • We challenged the Group's projected future cash forecasts of the CPS Segment taking into consideration the results of our retrospective review and the existing market condition of the construction sector. • We reviewed the reasonableness of the discount rate applied in the current year and assessed if it was derived based on comparable market data and contains relevant factors reflecting the current uncertainties in the construction sector. We assessed the Group's FVLCS estimate as follow: • We obtained valuation specialists assistance to review the appropriateness of the valuation methodology and market multiple adopted by the Group. • We cross-checked management's revenue forecasts to our work performed over the Group's projected future cash forecasts as described above. We found the Group's assessment that FVLCS is higher than VIU to be appropriate. Based on our procedures, we found the valuation methodology applied to be appropriate and valuation inputs used are within range.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Valuation of trade receivables	
The key audit matter	*How the matter was addressed in our audit*
Risk The Group's credit exposure is concentrated with customers in the construction sector in Singapore and Malaysia, which is subject to business cycles. The current COVID-19 pandemic outbreak exerted additional pressures on the construction sector which may negatively impact the financial health of the Group's customers. The recovery of trade receivables is dependent on the progress and performance of the construction projects subject to operational and other risks faced by customers. Judgement is required in determining when a trade receivable is credit-impaired which includes consideration of customers past payment trends, relevant industry conditions and observable data such as significant financial difficulty of the customer and breach of contract by the customer. In estimating expected credit losses for trade receivables, judgement is made to determine if past credit loss information reflect the appropriate levels of credit risk of the trade receivables and if additional adjustments are required to be made to the ECL estimate.	Our response We tested the trade receivables ageing profile prepared by management for the purpose of placing reliance on the trade receivables ageing profile for our analysis. We reviewed management's identification of credit-impaired trade receivables including the bases adopted by management in the identification. We challenged the identified trade receivables by taking into account past payment trends, industry data and observable data specific to the relevant customers. We reviewed management's assessment of the recoverability of individually significant credit-impaired trade receivables by challenging management's estimates taking into account historical payment records and subsequent receipts after year end. We tested the Group's measurement of the expected credit losses (ECL) arising from trade receivables by obtaining an understanding on the data and assumptions of the ECL model adopted by management. As part of our test, we compared the inputs used to derive the expected credit loss rates against historical receivables collection data and considered if the loss rates derived reflects the Group's credit risk exposure. We reviewed the Group's estimate of the forward looking overlay applied to the ECL model taking into account our understanding of the Group's sector exposures and historical market loss factors of comparable credit loss events. We found management's estimate of impairment loss on trade receivables, which has incorporated the relevant factors in forming the estimate to be within range.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the Annual Report other than the financial statements and our auditors' report thereon. Other than the Directors' Statement, which we have obtained prior to the date of this auditors' report, the other sections included in the Annual Report are expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

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

- 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 controls.

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

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 those subsidiary corporations 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 auditors' report is Loo Kwok Chiang, Adrian.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

28 July 2020

STATEMENTS OF FINANCIAL POSITION

As at 29 February 2020

	Note	Group 2020 $	Group 2019 $	Company 2020 $	Company 2019 $
Non-current assets					
Plant and equipment	4	2,739,107	6,089,027	475,356	1,035,118
Right-of-use assets	5	21,773	–	–	–
Investment in subsidiaries	6	–	–	5,178,060	10,810,060
Investment in joint venture	8	2,127,121	1,957,896	2,135,507	2,135,507
Total non-current assets		4,888,001	8,046,923	7,788,923	13,980,685
Inventories	9	632,637	701,459	–	–
Trade and other receivables	10	3,217,243	3,886,120	117,872	115,886
Cash and cash equivalents	11	4,835,843	3,459,893	3,494,966	2,471,381
		8,685,723	8,047,472	3,612,838	2,587,267
Assets held for sale	12	185,431	698,890	–	–
Current assets		8,871,154	8,746,362	3,612,838	2,587,267
Total assets		13,759,155	16,793,285	11,401,761	16,567,952
Equity attributable to owners of the Company					
Share capital	13	11,190,764	11,190,764	11,190,764	11,190,764
Reserves	14	305,494	1,994,456	(5,449,574)	280,048
Total equity attributable to owners of the Company		11,496,258	13,185,220	5,741,190	11,470,812
Non-controlling interests	7	376,391	147,259	–	–
Total equity		11,872,649	13,332,479	5,741,190	11,470,812
Non-current liabilities					
Deferred tax liabilities	15	198,329	618,543	–	–
Lease liabilities	16	7,400	–	–	–
Total non-current liabilities		205,729	618,543	–	–
Current liabilities					
Trade and other payables	17	1,581,099	2,797,675	5,660,571	5,097,140
Contract liabilities	18	–	34,203	–	–
Current tax liabilities		83,000	854	–	–
Lease liabilities	16	16,678	9,531	–	–
Total current liabilities		1,680,777	2,842,263	5,660,571	5,097,140
Total liabilities		1,886,506	3,460,806	5,660,571	5,097,140
Total equity and liabilities		13,759,155	16,793,285	11,401,761	16,567,952

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 February 2020

	Note	Group 2020 $	2019 $
Continuing operations			
Revenue	18	9,091,171	8,981,321
Cost of sales		(8,104,664)	(9,460,290)
Gross profit/(loss)		986,507	(478,969)
Other income		32,836	95,762
Selling, general and administrative expenses		(1,467,311)	(1,466,030)
Impairment loss on trade receivables		(208,211)	(230,463)
Other operating expenses		(1,663,620)	(2,286,000)
Finance income	21	42,766	24,929
Finance costs		(2,012)	–
Share of profit of joint venture, net of tax	8	135,665	121,924
Loss before tax from continuing operations		(2,143,380)	(4,218,847)
Tax credit		316,056	690,522
Loss from continuing operations		(1,827,324)	(3,528,325)
Discontinued operations			
Loss from discontinued operations (net of tax)	12	172,222	(2,058,798)
Loss for the year		(1,655,102)	(5,587,123)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations			
- Continuing operations		32,940	(48,961)
- Discontinued operations		81	(28,939)
		33,021	(77,900)
Total comprehensive income for the year		(1,622,081)	(5,665,023)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 February 2020

	Note	Group 2020 $	2019 $
Loss for the year attributable to:			
Continuing operations			
- Owners of the Company		(1,827,324)	(3,528,325)
Discontinued operations			
- Owners of the Company		73,310	(1,211,379)
- Non-controlling interests	7	98,912	(847,419)
		172,222	(2,058,798)
Loss for the year		(1,655,102)	(5,587,123)
Total comprehensive income attributable to:			
Continuing operations			
- Owners of the Company		(1,794,384)	(3,577,286)
Discontinued operations			
- Owners of the Company		71,885	(1,225,882)
- Non-controlling interests	7	100,418	(861,855)
		172,303	(2,087,737)
Total comprehensive income for the year		(1,622,081)	(5,665,023)
Loss per share (cents)			
Continuing operations			
- basic and fully diluted	23	(2.63)	(5.07)
Discontinued operations			
- basic and fully diluted	23	0.11	(1.74)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 29 February 2020

	Share capital $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non-controlling interests $	Total $
Group						
2019						
At 1 March 2018	11,190,764	(606,326)	7,403,950	17,988,388	1,009,114	18,997,502
Total comprehensive income for the year						
Loss for the year	–	–	(4,739,704)	(4,739,704)	(847,419)	(5,587,123)
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	–	(63,464)	–	(63,464)	(14,436)	(77,900)
Total other comprehensive income for the year	–	(63,464)	–	(63,464)	(14,436)	(77,900)
Total comprehensive income for the year	–	(63,464)	(4,739,704)	(4,803,168)	(861,855)	(5,665,023)
At 28 February 2019	11,190,764	(669,790)	2,664,246	13,185,220	147,259	13,332,479

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 29 February 2020

	Note	Share capital $	Capital reserve $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non-controlling interests $	Total $
Group								
2020								
At 1 March 2019		11,190,764	–	(669,790)	2,664,246	13,185,220	147,259	13,332,479
Total comprehensive income for the year								
Loss for the year		–	–	–	(1,754,014)	(1,754,014)	98,912	(1,655,102)
Other comprehensive income, net of tax								
Foreign currency translation differences for foreign operations		–	–	31,515	–	31,515	1,506	33,021
Total other comprehensive income for the year		–	–	31,515	–	31,515	1,506	33,021
Total comprehensive income for the year		–	–	31,515	(1,754,014)	(1,722,499)	100,418	(1,622,081)
Transactions with owners, record directly in equity								
Changes in ownership interests in subsidiary								
Waiver of loans from a non-controlling interest shareholder	14	–	162,252	–	–	162,252	–	162,252
Acquisition of non-controlling interests without a change in control	28	–	–	–	(128,715)	(128,715)	128,714	(1)
Total transactions with owners		–	162,252	–	(128,715)	33,537	128,714	162,251
At 29 February 2020		11,190,764	162,252	(638,275)	781,517	11,496,258	376,391	11,872,649

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 29 February 2020

	Note	Group 2020 $	2019 $
Cash flows from operating activities			
Loss before tax		(1,983,658)	(6,248,645)
Adjustments for:			
Depreciation of plant and equipment	4	1,592,730	3,332,644
Depreciation of right-of-use assets	5	20,307	–
Write-off of plant and equipment	19	–	47,752
Impairment loss on plant and equipment	19	1,661,541	2,761,856
Impairment loss on right-of-use assets	19	2,079	–
Loss on disposal of plant and equipment	19	81,761	58,869
Loss on disposal of certain assets held for sale	19	37,637	–
Interest income	21	(41,145)	(22,210)
Interest expense	21	2,777	15,574
Impairment loss on trade receivables	19	216,441	914,245
Bad debts written off	19	39,597	10,396
Bad debts recovered	19	(392,979)	–
Share of profit of joint venture	8	(135,665)	(121,924)
		1,101,423	748,557
Changes in:			
Inventories		68,822	202,429
Trade and other receivables		805,818	1,251,293
Trade and other payables		(1,054,324)	(1,663,929)
Contract liabilities		(34,203)	34,203
Cash generated from operations		887,536	572,553
Income taxes paid		(9,512)	(90,268)
Net cash from operating activities		878,024	482,285
Cash flows from investing activities			
Interest received		41,145	22,210
Purchase of plant and equipment		(37,208)	(232,635)
Proceeds from disposal of plant and equipment		49,888	283,867
Proceeds from disposal of assets held for sale		475,822	–
Net cash from investing activities		529,647	73,442
Cash flows from financing activities			
Interest expense paid		(2,777)	(15,574)
Payment of lease liabilities (2019: payment of finance lease liabilities)		(29,612)	(149,938)
Net cash used in financing activities		(32,389)	(165,512)
Net increase in cash and cash equivalents		1,375,282	390,215
Cash and cash equivalents at beginning of the year		3,459,893	3,086,937
Effects of exchange rate fluctuations on cash held		668	(17,259)
Cash and cash equivalents at end of the year	11	4,835,843	3,459,893

Significant non-cash transactions:

During the year, the non-controlling interests shareholder waived the requirement for a subsidiary to repay loan amount of $162,252. The Group recognised the waiver of loan as a transaction with owners in equity.

In prior year, the Group disposed of plant and equipment for a total consideration of $521,946 which $238,079 remains as outstanding receivable as at the reporting date.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 July 2020.

1. Domicile and activities

Transit-Mixed Concrete Ltd (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 150 Changi Road #03-05, Guthrie Building, Singapore 419973.

The principal activities of the Company are those of an investment holding company, supply of ready-mixed concrete and the manufacture and sale of ready-mixed concrete. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The financial statements of the Group as at and for the year ended 29 February 2020 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities), and the Group's investment in joint venture.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)).

This is the first set of the Group's annual financial statements in which SFRS(I) 16 Leases has been applied. The related changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except when stated otherwise.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

2. Basis of preparation (Cont'd)

2.4 Use of estimates and judgements (Cont'd)

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Valuation of non-financial assets

The Group evaluates whether there are any indicators of impairment for its non-financial assets at each reporting date. If there are indicators of impairment, the Group evaluates the impairment loss to be recognised. An impairment loss is recognised when the recoverable amount of non-financial assts is less than its carrying amount as at the reporting date. The recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

The Group applied judgement in determining the valuation methodology to be applied to estimate the value in use and fair value less costs to sell. Forecasts of future cash flows are used as input into the relevant valuation methodologies and such forecasts contains the use of judgement and estimates. In the Group's computation of value in use and fair value less costs to sell, these forecasts of future cash flows are used.

In the current financial year, the outbreak of the global Coronavirus (COVID-19) pandemic has affected the Group's operations significantly. The Group's revenue projects were delayed as government measures, such as safe distancing and limitations on physical movements, were imposed to curtail the spread of COVID-19 virus. As the extent and duration of these developments remain uncertain as at the issue date of this report, the Group's future cash flows used in determining recoverable amount contains significant estimation uncertainties. The outcome of the COVID-19 pandemic is likely to continue to evolve and may result in changes to the estimates used by management.

Adverse developments in market conditions increases the risk of additional impairment losses on the carrying amount of plant and equipment.

Valuation of trade receivables

Trade receivable balances are subjected to the expected credit losses (ECL) impairment model. Measurement of ECL allowance for trade receivables and key assumptions in determining the weighted-average loss rates is disclosed in Note 26.

Management measures loss allowances on trade receivables at amounts equal to lifetime ECL using a provision matrix which involved significant management judgement in estimating loss rates. In addition, the COVID-19 pandemic (as mentioned above) has also increased the credit risks of the Group's debtors. Judgement is exercised to determine the appropriate forward-looking factors to be used as an input into the ECL model.

Management's assessment of individually significant credit-impaired balances are based on currently available information and the actual recovery of these balances may defer from the estimates and judgements exercised.

2. Basis of preparation (Cont'd)

2.4 Use of estimates and judgements (Cont'd)

Valuation of assets held for sale

Non-financial assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs. Estimates of fair value less costs are made based on information currently available to the Group which may deviate from actual realisation.

Valuation of investment in subsidiaries

The Group determines whether there is impairment on the investments in subsidiaries where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Group on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities. Actual events that result in deviations from management's estimation may result in higher impairment losses on the investments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

2. Basis of preparation (Cont'd)

2.5 Changes in significant accounting policies

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 March 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Other than SFRS(I) 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 March 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 March 2019.

2. Basis of preparation (Cont'd)

2.5 Changes in significant accounting policies (Cont'd)

As a lessee

As a lessee, the Group leases many assets including staff accommodations and workshop. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property-related assets the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified leases of staff accommodations and workshop leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 March 2019. The Group elected to measure the right-of-use assets at 1 March 2019 at an amount equal to the lease liabilities determined.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Leases classified as finance leases under SFRS(I) 1-17

The Group leases its motor vehicle previously classified as finance leases under SFRS(I) 1-17. For this finance lease, the carrying amount of the right-of-use asset and the lease liability at 1 March 2019 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

2. Basis of preparation (Cont'd)

2.5 Changes in significant accounting policies (Cont'd)

Impact on financial statements

Impact on transition

The Group has elected not to recognise a right-of-use assets and lease liabilities for leases which the lease term ends within 12 months of the date of initial application. There is no extension options under these lease arrangements. As these leases, previously accounted as operating leases, have lease term of less than 12 months as at 1 March 2019, hence there is no right-of-use assets and lease liabilities have been recognised as at 1 March 2019.

The Group discounted lease payments using its incremental borrowing rate at 1 March 2019. The weighted-average rate applied is 6.25%.

	1 March 2019 $
Operating lease commitments at 28 February 2019 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	571,596
Discounted using the incremental borrowing rate at 1 March 2019	557,511
Recognition exemption for leases with less than 12 months of lease term at transition	(557,511)
Lease liabilities recognised at 1 March 2019	–

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes in significant accounting policies adopted in the current year as stated in Note 2.5.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments that the Group incurs in connection with a business combination, are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from intra-group transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

Subsidiaries and joint venture in the separate financial statements

Investments in subsidiaries and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised costs

A financial asset is measured at amortised cost: if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the respective financial assets is evaluated and reported to the Group's Management;
- the risks that affect the performance of the business model and how those risks are managed; how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of disposals of investments in prior periods, the reasons for such disposals and its expectations about future activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial assets contains a contractual term that could change the timing and amount of contractual cash flows that would not meet this condition. In making this assessment, the Group considers:

- terms that features contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest (Cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised costs

The assets are subsequently measured at amortised costs using the effective interest method. The amortised costs is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade and other payables and lease liabilities.

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.4 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Plant and machinery	2 to 10 years
Office equipment, furniture and fittings	5 to 10 years
Motor vehicles	5 to 10 years
Computers	1 to 2 years
Trucks and mixers	5 to 10 years
Concrete pumps	5 to 10 years
Renovation and electrical installations	1 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3. Significant accounting policies (Cont'd)

3.5 Leases

The Group applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4.

Policy applicable from 1 March 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 March 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.5 Leases (Cont'd)

As a lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

Where applicable, the Group elects not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The election for short-term leases shall be made by classes of assets to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in an entity's operations. The election for leases for which the underlying asset is of low value is made on a lease-by-lease basis.

3. Significant accounting policies (Cont'd)

3.5 Leases (Cont'd)

Leases - Policy applicable before 1 March 2019

For contracts entered into before 1 March 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined based on the first-in first-out principle or on weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.7 Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group generally applies the simplified approach to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3. Significant accounting policies (Cont'd)

3.7 Impairment (Cont'd)

Non-derivative financial assets (Cont'd)

General approach (Cont'd)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.7 Impairment (Cont'd)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Joint venture

An impairment loss in respect of an investment in joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (Cont'd)

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.9 Revenue recognition

Sale of goods and rendering of services

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.9 Revenue recognition (Cont'd)

Sale of goods and rendering of services (Cont'd)

A contract asset is recognised when the value of goods delivered or services rendered for a contract exceeds payments received from the customer. The contract asset is transferred to trade receivables when the entitlement to payment becomes unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

The classification of a contract asset and contract liability is determined separately for each individual customer contract.

3.10 Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

3.11 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3. Significant accounting policies (Cont'd)

3.12 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income tax, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rate and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

3. Significant accounting policies (Cont'd)

3.12 Income tax expense (Cont'd)

Deferred tax asset are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the current taxable temporary difference is insufficient to recognise a deferred tax asset in full, the future taxable profits, are adjusted for reversals of existing temporary differences are considered. Based on the business plans for individual subsidiaries in the Group, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available when they can be used.

3.13 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Acting CEO and the Board of Directors (collectively, the Chief Operating Decision Maker "CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses and income.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

3. Significant accounting policies (Cont'd)

3.15 Assets held for sale and discontinued operations

Assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses, if any, on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of joint venture ceases once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 March 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

These new standards, interpretations and amendments are:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)
- SFRS(I) 17 *Insurance Contracts*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

4. Plant and equipment

Group	Plant and machinery $	Office equipment, furniture and fittings $	Motor vehicles $	Computers $	Trucks and mixers $	Concrete pumps $	Renovation and electrical installations $	Total $
Cost								
At 1 March 2018	3,329,966	209,903	3,630,670	216,447	349,545	32,255,150	59,563	40,051,244
Additions	136,482	2,180	90,263	3,710	–	–	–	232,635
Disposals	(686,671)	–	(906,809)	–	(137,229)	(767,001)	–	(2,497,710)
Write-off	(59,596)	–	–	–	–	–	–	(59,596)
Foreign exchange translation adjustments	(32,396)	(3,109)	(35,403)	(14)	–	(14,495)	–	(85,417)
Reclassification to assets held for sale (Note 12)	(901,983)	(154,825)	(1,249,007)	–	–	–	–	(2,305,815)
At 28 February 2019	1,785,802	54,149	1,529,714	220,143	212,316	31,473,654	59,563	35,335,341
At 1 March 2019	1,785,802	54,149	1,529,714	220,143	212,316	31,473,654	59,563	35,335,341
Additions	8,025	–	26,760	2,423	–	–	–	37,208
Disposals	(17,550)	–	(97,293)	(44,704)	–	(631,152)	–	(790,699)
Foreign exchange translation adjustments	–	–	–	–	–	900	–	900
At 29 February 2020	1,776,277	54,149	1,459,181	177,862	212,316	30,843,402	59,563	34,582,750
Accumulated depreciation and impairment losses								
At 1 March 2018	1,936,875	137,463	2,014,643	216,447	256,115	22,112,230	59,563	26,733,336
Depreciation charge for the year	363,302	6,873	294,204	2,495	19,109	2,646,661	–	3,332,644
Impairment loss	290,033	–	185,823	–	–	2,286,000	–	2,761,856
Disposals	(521,847)	–	(511,698)	–	(122,353)	(760,997)	–	(1,916,895)
Write-off	(11,844)	–	–	–	–	–	–	(11,844)
Foreign exchange translation adjustments	(17,963)	(1,946)	(17,092)	(14)	–	(8,843)	–	(45,858)
Reclassification to assets held for sale (Note 12)	(704,078)	(117,416)	(785,431)	–	–	–	–	(1,606,925)
At 28 February 2019	1,334,478	24,974	1,180,449	218,928	152,871	26,275,051	59,563	29,246,314
Accumulated depreciation and impairment losses								
At 1 March 2019	1,334,478	24,974	1,180,449	218,928	152,871	26,275,051	59,563	29,246,314
Depreciation charge for the year	121,800	990	96,336	3,438	19,109	1,351,057	–	1,592,730
Impairment loss	–	780	28,897	40	16,058	1,615,766	–	1,661,541
Disposals	(17,550)	–	(90,327)	(44,704)	–	(506,469)	–	(659,050)
Foreign exchange translation adjustments	–	–	–	–	–	2,108	–	2,108
At 29 February 2020	1,438,728	26,744	1,215,355	177,702	188,038	28,737,513	59,563	31,843,643
Carrying amounts								
At 1 March 2018	1,393,091	72,440	1,616,027	–	93,430	10,142,920	–	13,317,908
At 28 February 2019	451,324	29,175	349,265	1,215	59,445	5,198,603	–	6,089,027
At 29 February 2020	337,549	27,405	243,826	160	24,278	2,105,889	–	2,739,107

4. Plant and equipment (Cont'd)

Company	Plant and machinery $	Office equipment, furniture and fittings $	Motor vehicles $	Computers $	Trucks and mixers $	Concrete pumps $	Renovation and electrical installations $	Total $
Cost								
At 1 March 2018	16,100	45,918	253,525	166,456	137,228	5,444,301	59,563	6,123,091
Disposals	–	–	(157,555)	–	(137,228)	(4,900)	–	(299,683)
At 28 February 2019	16,100	45,918	95,970	166,456	–	5,439,401	59,563	5,823,408
At 1 March 2019	16,100	45,918	95,970	166,456	–	5,439,401	59,563	5,823,408
Write-off	–	–	–	(21,874)	–	–	–	(21,874)
At 29 February 2020	16,100	45,918	95,970	144,582	–	5,439,401	59,563	5,801,534
Accumulated depreciation and impairment losses								
At 1 March 2018	16,100	45,918	159,607	166,456	122,352	3,604,234	59,563	4,174,230
Depreciation charge for the year	–	–	14,344	–	–	362,066	–	376,410
Impairment loss	–	–	–	–	–	465,000	–	465,000
Disposals	–	–	(100,588)	–	(122,352)	(4,410)	–	(227,350)
At 28 February 2019	16,100	45,918	73,363	166,456	–	4,426,890	59,563	4,788,290
At 1 March 2019	16,100	45,918	73,363	166,456	–	4,426,890	59,563	4,788,290
Depreciation charge for the year	–	–	6,029	–	–	239,366	–	245,395
Impairment loss	–	–	6,599	–	–	307,768	–	314,367
Write-off	–	–	–	(21,874)	–	–	–	(21,874)
At 29 February 2020	16,100	45,918	85,991	144,582	–	4,974,024	59,563	5,326,178
At 1 March 2018	–	–	93,918	–	14,876	1,840,067	–	1,948,861
At 28 February 2019	–	–	22,607	–	–	1,012,511	–	1,035,118
At 29 February 2020	–	–	9,979	–	–	465,377	–	475,356

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

4. Plant and equipment (Cont'd)

Impairment loss on non-financial assets

Continuing operation

Concrete pumping services segment ("CPS Segment")

In the prior years, the Group had assessed the recoverable amount of the concrete pump equipment was estimated based on the present value of the future cash flows expected to be derived from the concrete pumping services segment (i.e. value in use). The cash flow projections were based on the forecasts prepared by management which considered current operating results and latest available industry information.

The Group re-assessed the value in use ("VIU") of the concrete pump equipment, the key assumptions applied in the computation of VIU include:

Key assumptions	2020	2019
Average revenue growth rate*	7%	9%
Earnings before interest, taxes, depreciation and amortisation rate*	-36% to 10%	12% to 17%
Discount rate	9%	9.5%
Residual value	10% of the cost of the concrete pump equipment	10% of the cost of the concrete pump equipment

* Based on the average useful life of the concrete pump equipment

In their assessment of future cash flows, the Group had factored into their estimates the following:

- lower revenue growth rates due to the uncertain market conditions and intense competition experienced in the recent two years;
- estimated delays in revenue from significant infrastructure construction projects taking into account the estimation uncertainties in forecasting timing of such projects.

The Group assessed that the indicative fair values of its non-financial assets may be higher than the VIU. On that basis, the Group performed additional analyses to estimate the fair value less cost to sell ("FVLCS") of the CPS Segment.

4. Plant and equipment (Cont'd)

The FVLCS is categorised as Level 3 fair values based on the inputs to the valuation technique used. The table below shows the valuation techniques and assumptions used in measuring Level 3 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs
FVLCS of the CPS Segment	*Market approach* The fair value is estimated using the market enterprise value/ revenue multiple applied to Group's forward revenue forecast.	• Expected future revenues	• The estimated fair value would increase(decrease) by approximately 5% if expected future revenue increased/(decreased) by 5%.
		• Enterprise value/ revenue market multiple	• The estimated fair value would increase(decrease) by approximately 10% if the enterprise value/ revenue market multiple is higher (lower) by a factor of 0.1 time.

Given that FVLCS is higher than the VIU, the recoverable amount is determined using FVLCS. The carrying amount of the CPS segment is higher than FVLCS and accordingly, impairment loss is recognised as follow:

	Impairment loss recognised in the current year	
	2020	2019
	$	$
Plant and equipment	1,661,541	2,761,856
Right-of-use assets	2,079	–
	1,663,620	2,761,856

Following the impairment loss recognised in the concrete pumps, the recoverable amounts are equal to their carrying amounts. Any adverse fluctuations on key assumptions may lead to additional impairment losses in future periods.

Given the heightened uncertainty over the length and severity of the COVID-19 outbreak in Singapore and Malaysia in which the Group operates and the ongoing measures being adopted by the governments to address the outbreak, valuations may be subjected to downside risks which may be more significant than under normal market conditions. As such, the recoverable amount of the CPS Segment may be significantly lower if the evolving conditions of the COVID-19 outbreak adversely affects the CPS Segment's financial performance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

4. Plant and equipment (Cont'd)

Assets held for sale

In the prior year, the Group announced the cessation of the operations of Concrete Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd. These companies represent the ready-mixed concrete segment which is principally operating in Malaysia. The Group is actively marketing the plant and equipment for sale in the secondary market.

The Group measured these plant and equipment based on the lower of their carrying amount and fair value less cost of disposal. The Group estimates the fair value less cost of disposal for these plant and equipment based on available transacted prices of comparable assets in the recent 12 months and/or indicative prices obtained from quotations and/or contracted agreements with interested parties till the reporting date.

At 29 February 2020, the remaining plant and equipment held for sale has carrying amounts of $185,431. No impairment has been recognised as the Group secured binding offers for these plant and equipment at the disposal value approximating the carrying amount of the plant and equipment.

In the prior year, the Group recognised an impairment loss of $475,856 to write down the carrying amount of these plant and equipment to its fair value less cost to sell of $698,890.

5. Right-of-use assets

The Group leases staff accommodations and workshop. The leases typically run for a period of 1 to 3 years, with an option to renew the lease after that date. Lease payments are renegotiated to reflect market rentals.

Group	Note	Staff accommodations $	Workshop $	Total $
Cost				
At 1 March 2019 (at adoption of SFRS(I) 16)		–	–	–
Additions		33,258	10,901	44,159
Balance at 29 February 2020		33,258	10,901	44,159
Accumulated depreciation and impairment losses				
At 1 March 2019		–	–	–
Depreciation charge for the year		16,690	3,617	20,307
Impairment loss	4	2,079	–	2,079
Balance at 29 February 2020		18,769	3,617	22,386
Carrying amounts				
At 1 March 2019		–	–	–
At 29 February 2020		14,489	7,284	21,773

6. Investment in subsidiaries

	Company	
	2020	2019
	$	$
Investment in subsidiaries, at cost	13,395,880	13,395,880
Impairment losses	(8,217,820)	(2,585,820)
	5,178,060	10,810,060

In the current year, the Company reviewed its cost of investments in subsidiaries operating in the concrete pumping services segment to have indicators of impairment. The indicators of impairment were primarily attributable to the continued losses incurred by the concrete pumping services segment.

Management estimated the recoverable amounts of these subsidiaries based on their FVLCS. The FVLCS of the investment in subsidiaries were determined based on the recoverability of the subsidiaries' underlying assets and liabilities, which comprise mainly plant and equipment, inventories, monetary assets and monetary liabilities. The recoverable values of the subsidiaries' plant and equipment and monetary receivables are based on the assessments disclosed in Note 4 (plant and equipment) and Note 26 (credit risk), respectively.

Based on their assessment, the Group recognised allowance for impairment on its investment in subsidiaries of $5,632,000 (2019: $1,895,000).

The investment in TMC (Beijing) Materials Co Ltd. was fully impaired in the prior years as the entity has been inactive and is not generating cash flows.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020	2019
			%	%
TMC Pumping System Pte. Ltd.	Supply of concrete pumping services	Singapore	100	100
TMC (Beijing) Materials Co Ltd.	Inactive	People's Republic of China	100	100
TMC Concrete Pumping Services Pte. Ltd. [1]	Supply of concrete pumping services	Singapore	100	100
TMC Waste Management Pte. Ltd. [1]	Provision of waste management services	Singapore	100	100

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Year ended 29 February 2020

6. Investment in subsidiaries (Cont'd)

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020	2019
			%	%
Transit-Mixed Concrete (M) Sdn. Bhd. and its subsidiaries [2]	Supply of ready-mixed concrete and provision of batching services	Malaysia	100	100
Held under Transit-Mixed Concrete (M) Sdn. Bhd.				
Crescent Concrete Sdn. Bhd. [2]	Manufacture of concrete and related products	Malaysia	66.5	66.5
Crescent Forest Ready Mix Sdn. Bhd. [3]	Manufacture of concrete and related products	Malaysia	100	51
Optocorp Sdn. Bhd. and its subsidiaries [4]	Strike off	Malaysia	–	100
Mustajab Ilmu Sdn. Bhd.	Strike off	Malaysia	–	100
Warta Suci Sdn. Bhd.	Strike off	Malaysia	–	100
Pinespeed Sdn. Bhd. and its subsidiaries	Dormant	Malaysia	100	100
Pesiaran Makmur Sdn. Bhd.	Rental of truck mixers	Malaysia	100	100
Prestige Portfolio Sdn. Bhd.	Rental of truck mixers	Malaysia	100	100

[1] Audited by KPMG LLP Singapore.

[2] Audited by a member firm of KPMG International.

[3] On 29 January 2020, one of the subsidiary, Transit-Mixed Concrete (M) Sdn. Bhd., acquired an additional 49% equity interest in Crescent Forest Ready Mix Sdn. Bhd. ("CF") for a cash consideration of $1 increasing its ownership in CF from 51% to 100%. The Group recognised a reduction in non-controlling interest of $128,714 (net liabilities) and a decrease in retained earnings of $128,715.

[4] Optocorp Sdn Bhd and its subsidiaries were strike-off on 29 March 2019.

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Another member firm of KPMG International is the auditor of a significant foreign-incorporated subsidiary. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7. Non-controlling interests

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non-controlling interests	
			2020	2019
			%	%
Crescent Concrete Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	33.5	33.5
Crescent Forest Ready Mix Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	–	49

The following summarises the financial information of Crescent Concrete Sdn. Bhd. and Crescent Forest Ready Mix Sdn. Bhd. prepared in accordance with SFRS(I).

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	–	
2020			
Revenue	–	–	
(Loss)/Profit for the year	(104,418)	276,640	
Other comprehensive income	(695)	776	
Total comprehensive income [1]	(105,113)	277,416	
Attributable to non-controlling interests:			
- (Loss)/Profit for the year	(34,980)	133,892	98,912
- Other comprehensive income	(233)	1,739	1,506
Total comprehensive income	(35,213)	135,631	100,418

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Year ended 29 February 2020

7. Non-controlling interests (Cont'd)

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	**–**	
2020			
Non-current assets	–	–	
Current assets	945,020	–	
Assets held for sale	185,431	–	
Non-current liabilities	–	–	
Current liabilities	(6,890)	–	
Net assets	1,123,561	–	
Net assets attributable to non-controlling interests	376,391	–	376,391
Cash flows used in operating activities	(33,337)	(193,448)	
Cash flows from investing activities	271,053	204,770	
Cash flows used in financing activities	(10,464)	(56,872)	
Net increase/(decrease) in cash and cash equivalents	227,252	(45,550)	

[1] The net profit in Crescent Forest Ready Mix Sdn. Bhd. comprise of bad debts recovered from receivables of $345,152 during the year.

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	**49%**	
2019			
Revenue	1,528,482	3,865,421	
Loss for the year	(1,041,240)	(1,017,558)	
Other comprehensive income	(21,794)	(14,561)	
Total comprehensive income	(1,063,034)	(1,032,119)	
Attributable to non-controlling interests:			
- Loss for the year	(348,816)	(498,603)	(847,419)
- Other comprehensive income	(7,301)	(7,135)	(14,436)
Total comprehensive income	(356,117)	(505,738)	(861,855)

7. Non-controlling interests (Cont'd)

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	49%	
2019			
Non-current assets	–	–	
Current assets	1,375,261	266,549	
Assets held for sale	467,102	231,788	
Non-current liabilities	–	–	
Current liabilities	(613,694)	(1,037,817)	
Net assets/(liabilities)	1,228,669	(539,480)	
Net assets attributable to non-controlling interests	411,604	(264,345)	147,259
Cash flows (used in)/from operating activities	(39,316)	80,460	
Cash flows from/(used in) investing activities	159,603	(43,775)	
Cash flows used in financing activities	(159,475)	(49)	
Net (decrease)/increase in cash and cash equivalents	(39,188)	36,636	

8. Investment in joint venture

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Investment in joint venture	2,127,121	1,957,896	2,135,507	2,135,507

Name	Principal activities	Country of incorporation/ Principal place of business	Ownership interest 2020 %	Ownership interest 2019 %
Joint venture held by the Company:				
PT ATMC Pump Services ("PT ATMC")	Provision of concrete pumping services	Indonesia	45	45

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Year ended 29 February 2020

8. Investment in joint venture (Cont'd)

The following table summarises the financial information of PT ATMC:

	2020 $	2019 $
Revenue	3,523,730	2,763,212
Profit for the year [a]	301,478	270,941
Other comprehensive income	74,576	(46,849)
Total comprehensive income	376,054	224,092
[a] Includes:		
- Depreciation	877,242	701,659
- Income tax expense	93,044	80,836
Non-current assets	5,426,113	4,555,365
Current assets [b]	2,881,340	1,860,854
Non-current liabilities [c]	(651,518)	(53,783)
Current liabilities [d]	(2,184,083)	(1,266,634)
Net assets	5,471,852	5,095,802
[b] Includes cash and cash equivalents	673,784	203,899
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(609,504)	(7,872)
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(278,806)	(13,467)
Group's interest in net assets of investee at beginning of the year	1,957,896	1,857,054
Share of profit for the year	135,665	121,924
Share of other comprehensive income	33,560	(21,082)
Carrying amount of interest in investee at end of the year	2,127,121	1,957,896

The joint venture is audited by another certified public accountant and is not considered to be significant to the Group. For this purpose, a joint venture is considered significant as defined under the Singapore Exchange Limited Listing Manual if Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

9. Inventories

	2020 $	2019 $
Raw materials and consumables	–	22,435
Spare parts and accessories	632,637	679,024
	632,637	701,459

During the year, inventories recognised as cost of sales amounted to $986,223 (2019: $5,829,580).

10. Trade and other receivables

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Trade receivables	3,154,788	4,083,706	8,226	22,610
Deposits	89,791	144,650	30,055	55,967
Other receivables	62,122	371,862	–	–
Amounts due from joint venture				
- trade	97,141	10,321	–	–
- non-trade	–	154,379	–	–
Amounts due from subsidiaries				
- non-trade	–	–	79,591	37,309
Impairment loss for trade receivables	(359,388)	(1,018,461)	–	–
Loans and receivables	3,044,454	3,746,457	117,872	115,886
Prepayments	172,789	139,663	–	–
	3,217,243	3,886,120	117,872	115,886

The non-trade amounts due from subsidiaries and joint venture are unsecured, interest-free and are repayable on demand.

11. Cash and cash equivalents

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Cash at bank and in hand	1,722,498	1,337,694	734,768	349,182
Fixed deposits	3,113,345	2,122,199	2,760,198	2,122,199
Cash and cash equivalents in the statement of cash flows	4,835,843	3,459,893	3,494,966	2,471,381

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Year ended 29 February 2020

11. Cash and cash equivalents (Cont'd)

The weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company is 1.6% (2019: 1.5%). The maturity term of the fixed deposits is less than 3 months (2019: 3 months) at the reporting date.

The Company maintains bank overdraft facilities amounting to $1,500,000 (2019: $1,500,000). The bank overdraft is secured by a debenture incorporating fixed and floating charges over all present and future assets of the Company. The Company did not utilise the bank overdrafts facilities as at 29 February 2020 and 28 February 2019.

12. Assets held for sale

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Plant and equipment	185,431	698,890	–	–

On 16 January 2019 and 18 February 2019, the Group announced that the subsidiaries, Concrete Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd. (collectively the "Ceased Entities"), had ceased their ready-mixed concrete operations in Malaysia.

As a result of the cessation of business operations, the Group expects to recover the carrying amount of the non-financial assets (which comprises mainly of plant and equipment) of the Ceased Entities through sales rather than continuing use. Accordingly, the non-financial assets for the Ceased Entities were reclassified to assets held for sale.

Impairment losses relating to the assets held for sale

2020

At 29 February 2020, the remaining plant and equipment held for sale has carrying amounts of $185,431. No impairment has been recognised as the Group has binding sale agreement for these plant and equipment with a disposal value of $185,431.

2019

In the prior year, the Group recognised an impairment loss of $475,856 to write down the carrying amount of these plant and equipment to its fair value less cost to sell of $698,890.

12. Assets held for sale (Cont'd)

Impairment losses relating to the assets held for sale (Cont'd)

The assets held for sale are stated at their fair value less costs to sell value and comprised the following asset:

	Group	
	2020 $	2019 $
Carrying amount:		
Plant and machinery	–	487,938
Office equipment, furniture and fittings	–	37,409
Motor vehicles	185,431	649,399
	185,431	1,174,746
Impairment loss recognised on assets held for sale	–	(475,856)
	185,431	698,890

Results of discontinued operations

	Group	
	2020 $	2019 $
Revenue	–	5,393,903
Other income	47,796	24,291
Expenses	(233,226)	(7,447,992)
Bad debts losses recovered in the current year	345,152	–
Profit/(Loss) from operating activities	159,722	(2,029,798)
Tax credit/(expense)	12,500	(29,000)
Profit/(Loss) from discontinued operations, net of tax	172,222	(2,058,798)
Cash flows from/(used in) discontinued operations		
Net cash (used in)/from operating activities	(226,785)	41,144
Net cash from investing activities	475,823	115,828
Net cash used in financing activities	(67,336)	(159,524)
Net cash inflow/(outflows) for the year	181,702	(2,552)

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Year ended 29 February 2020

13. Share capital

	2020		2019	
	No. of shares	$	No. of shares	$
Company				
At beginning and end of the financial year	69,590,800	11,190,764	69,590,800	11,190,764

All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

When monitoring capital, the Group takes into account its gearing ratio:

	Group	
	2020 $	2019 $
Lease liabilities	24,078	9,531
Net debt	24,078	9,531

	Group	
	2020 $	2019 $
Total equity attributable to owners of the Company	11,496,258	13,185,220
Net debt to equity ratio at the end of financial year	0.21%	0.07%

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

14. Reserves

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Capital reserve	162,252	–	–	–
Foreign currency translation reserve	(638,275)	(669,790)	–	–
Retained earnings	781,517	2,664,246	(5,449,574)	280,048
	305,494	1,994,456	(5,449,574)	280,048

Capital reserve represents waiver of loans from a non-controlling interest shareholder during the year.

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

15. Deferred tax liabilities (net)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2020	2019	2020	2019
	$	$	$	$
Group				
Plant and equipment	–	–	(281,027)	(692,543)
Unabsorbed capital allowances and unutilised tax losses	82,698	74,000	–	–
Deferred tax assets/(liabilities)	82,698	74,000	(281,027)	(692,543)
Set off of tax	(82,698)	(74,000)	82,698	74,000
Net deferred tax assets/(liabilities)	–	–	(198,329)	(618,543)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

15. Deferred tax liabilities (net) (Cont'd)

Movements in deferred tax balances during the year:

	Balance as at 1 March 2018 $	Recognised in profit or loss (Note 22) $	Balance as at 28 February 2019 $	Recognised in profit or loss (Note 22) $	Balance as at 29 February 2020 $
Group					
Plant and equipment	(2,129,405)	1,436,862	(692,543)	411,516	(281,027)
Unabsorbed capital allowances and unutilised tax losses	776,635	(702,635)	74,000	8,698	82,698
	(1,352,770)	734,227	(618,543)	420,214	(198,329)
Company					
Plant and equipment	(461,000)	461,000	–	–	–
Unabsorbed capital allowances and unutilised tax losses	910,000	(910,000)	–	–	–
	449,000	(449,000)	–	–	–

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the temporary differences can be utilised.

Group	2020 $	2019 $
Deductible temporary differences	–	34,106
Unutilised tax losses	173,179	173,179
Unutilised capital allowances	4,624,699	4,352,612
	4,797,878	4,559,897

Company	2020 $	2019 $
Unutilised capital allowances	4,178,010	4,105,592

15. Deferred tax liabilities (net) (Cont'd)

Tax losses carried forward

Tax losses of $173,179 (2019: $173,179) which pertaining to the Group's Malaysia subsidiary, Crescent Concrete Sdn. Bhd., will expire in year 2026. Pursuant to the Malaysia Finance Act 2018, unutilised tax losses can only be carried forward up to 7 consecutive year of assessment. The remaining tax losses, plant and equipment, deductible temporary differences and unabsorbed capital allowances do not expire under current tax legislation.

16. Lease liabilities

The Group leases staff accommodations and workshop. The leases typically run for a period of 1 to 2 years with an option to new the lease after that date. Lease payments are renegotiated at the end of initial lease term to reflect market rentals.

The Group leases office, equipment and office space with contract terms of 1 year or less. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right of use assets and lease liabilities for these leases. The Group's lease arrangements do not contain renewal options to the Group.

Lease liabilities of the Group are payable as follows:

	Group	
	2020	2019
	$	$
Lease liabilities (2019: Finance lease liabilities)		
Current	16,678	9,531
Non-current	7,400	–
	24,078	9,531

Terms and debt repayment schedule

			2020		2019	
	Currency	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
			$	$	$	$
Lease liabilities (2019: Finance lease liabilities)	SGD	2021	5,400	5,344	–	–
Lease liabilities (2019: Finance lease liabilities)	Malaysia Ringgit	2020-2022	20,140	18,734	10,533	9,531
			25,540	24,078	10,533	9,531

The total cash outflow for leases recognised in the statement of cash flows is $32,389, including interest expense of $2,777.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

16. Lease liabilities (Cont'd)

Amounts recognised in profit or loss

	Group $
2020 – Lease under SFRS(I) 16	
Interest on lease liabilities	2,777
Expenses relating to short-term leases	130,640
2019 - Operating lease under SFRS(I) 1-17	
Lease expense	867,832
Interest on finance lease liabilities	15,574

Comparative information under SFRS(I) 1-17

Finance lease liabilities were payable as follows:

	Future minimum lease payments 2019 $	Interest 2019 $	Principal 2019 $
Group			
Within one year	10,533	1,002	9,531

16. Lease liabilities (Cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities (2019: Finance lease liabilities) $
Balance as at 1 March 2018	159,469
Changes from financing cash flows	
Payment of finance lease liabilities	(149,938)
Interest paid	(15,574)
Total changes from financing cash flows	(165,512)
Other changes	
Liability-related	
Interest expense	15,574
Total liability-related changes	15,574
Balance as at 28 February 2019	9,531
Balance as at 1 March 2019	9,531
Changes from financing cash flows	
Payment of lease liabilities	(29,612)
Interest paid	(2,777)
Total changes from financing cash flows	(32,389)
Other changes	
Liability-related	
New lease liabilities in the year	44,159
Interest expense	2,777
Total liability-related changes	46,936
Balance as at 29 February 2020	24,078

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

17. Trade and other payables

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Trade payables	742,435	1,747,503	25,721	39,441
Accruals	830,560	804,728	683,106	668,678
Other payables	8,104	83,192	8,104	8,103
Loan from non-controlling interest	–	162,252	–	–
Amounts due to subsidiaries - non-trade	–	–	4,943,640	4,380,918
	1,581,099	2,797,675	5,660,571	5,097,140

The non-trade amounts due to subsidiaries and loan from non-controlling interest are unsecured, interest-free and repayable on demand.

During the year, the non-controlling interest shareholder waived the settlement of the loan of $162,252 provided to a subsidiary. The Group had recognised the waiver of loan as a transaction with owners in equity.

18. Revenue

	Group	
	2020 $	2019 $
Continuing operations		
Sale of goods	107,990	228,928
Rendering of services	8,983,181	8,752,393
	9,091,171	8,981,321

	Group	
	2020 $	2019 $
Discontinued operations		
Sale of ready-mixed concrete (Note 12)	–	5,393,903

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

18. Revenue (Cont'd)

Concrete pumping services segment

Nature of goods	The Group's concrete pumping services segment is engaged to provide concrete pumping services and ad-hoc sales of equipment parts.
When revenue is recognised	Revenue is recognised at a point in time. The revenue is determined based on the concrete volume pumped through the equipment (i.e. usage-based consumption). The service term of concrete pumps are typically short-term (i.e. for period of less than 12 months).
Significant payment terms	Invoices are issued on monthly basis based on the concrete volume pumped to date and are payable within 30-60 days.
Variable consideration	There is no warranty provided for the services. There are no variable considerations such as volume discounts and sales rebates provided to customers.

Waste management services segment

Nature of goods	The Group's provides waste management services to customers in the construction sector in Singapore.
When revenue is recognised	Revenue is recognised when service is completed (i.e. at point in time) as the Group will only have the enforceable right to payment for such services at its completion. The waste management services are short-term (i.e. for period of less than one month).
Significant payment terms	Invoices are issued at the completion of services rendered and are payable within 30-60 days. There are cases whereby the customer is required to pay 50% in advance before service rendered. The service will be rendered shortly after (a few days) from the payment date. There are no other instance where the Group receives advances from its customers. On this basis, the Group assessed that there is no significant financing component in revenue transactions.
Variable consideration	There is no warranty provided for the services. There are no variable considerations such as volume discounts and sales rebates provided to customers.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

18. Revenue (Cont'd)

Ready-mixed concrete segment (Discontinued)

Nature of goods	The Group's ready-mixed concrete segment manufactures and sell ready-mixed concrete to customers.
When revenue is recognised	Revenue is recognised at a point in time when goods are delivered to the customer and control of the goods is transferred to the customer in accordance with the terms and conditions (including incoterms) as agreed with the customer.
Significant payment terms	Invoices for all revenue streams are issued upon delivery of goods and are payable within 30-60 days.
Variable consideration	There is no right to return and warranty for the goods sold. There are no variable considerations such as volume discounts and sales rebates provided to customers.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, products and service lines and timings of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (See Note 27).

	Reportable Segment							
	Ready-mixed concrete (Discontinued)		Concrete pumping segment		Waste management segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
Primary geographical markets								
Singapore	–	–	6,778,080	6,511,874	2,083,732	1,821,321	8,861,812	8,333,195
Malaysia	–	5,393,903	229,359	648,126	–	–	229,359	6,042,029
Total	–	5,393,903	7,007,439	7,160,000	2,083,732	1,821,321	9,091,171	14,375,224
Major product/service lines								
Sale of ready-mixed concrete	–	5,393,903	–	–	–	–	–	5,393,903
Sale of parts	–	–	107,990	228,928	–	–	107,990	228,928
Concrete pumping services	–	–	6,899,449	6,931,072	–	–	6,899,449	6,931,072
Waste management services	–	–	–	–	2,083,732	1,821,321	2,083,732	1,821,321
Total	–	5,393,903	7,007,439	7,160,000	2,083,732	1,821,321	9,091,171	14,375,224
Timing of revenue recognition								
At a point in time	–	5,393,903	7,007,439	7,160,000	2,083,732	1,821,321	9,091,171	14,375,224

18. Revenue (Cont'd)

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2020 $	2019 $
Trade receivables (net of allowance for impairment loss of trade receivables)	2,892,541	3,065,245
Contract liabilities	–	34,203

The contract liabilities primarily relate to advance consideration received from customers for the provision of waste management services in March 2019.

Changes in the contract liabilities balances during the year are as follows:

	Contract Liabilities 2020 $	2019 $
Revenue recognised that was included in the contract liability balance at the beginning of the year	(34,203)	–
Increase due to cash received, excluding amounts recognised as revenue during the year	–	34,203

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

19. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2020 $	2019 $
Audit fee paid to		
- auditor of the Company	80,000	80,000
- other auditors	17,497	25,767
Non-audit fee paid to		
- other auditors	14,484	14,984
Wages and salaries expenses	3,281,060	4,041,647
Contributions to defined contribution plans	164,873	220,359
Bad debts written off	39,597	10,396
Bad debts recovered		
- continuing operations	(47,827)	–
- discontinued operations	(345,152)	–
Impairment loss on trade receivables		
- continuing operations	216,441	230,463
- discontinued operations	–	683,782
Depreciation expense of plant and equipment	1,592,730	3,332,644
Depreciation expense of right-of-use assets	20,307	–
Impairment loss on plant and equipment	1,661,541	2,761,856
Impairment loss on right-of-use assets	2,079	–
Write-off of plant and equipment	–	47,752
Loss on disposal of plant and equipment (net)	81,761	58,869
Loss on disposal of certain assets held for sale	37,637	–

20. Other income

	Group	
	2020 $	2019 $
Government grants	14,998	21,615
Other miscellaneous income	65,634	98,438
	80,632	120,053

21. Net finance income

	Note	Group 2020 $	Group 2019 $
Interest income under the effective method on:			
- Fixed deposits		41,145	22,210
- Net foreign exchange gain		1,621	2,719
Finance income		42,766	24,929
Finance cost:			
- Interest on lease liabilities (2019: finance lease interests)	16	(2,777)	(15,574)
		(2,777)	(15,574)
Net finance income recognised in profit or loss		39,989	9,355

22. Tax credit

	Group 2020 $	Group 2019 $
Current tax expense		
- Current year	83,231	84,926
- Under/(over) provision in respect of prior years	8,427	(12,221)
	91,658	72,705
Deferred tax		
- Movements in temporary differences	(384,782)	(687,022)
- Over provision of deferred tax expense in respect of prior years	(35,432)	(47,205)
	(420,214)	(734,227)
Total tax credit	(328,556)	(661,522)
Reconciliation of effective tax rate		
Loss before tax from continuing and discontinued operations	(1,983,658)	(6,248,645)
Tax using the Singapore tax rate of 17% (2019: 17%)	(337,222)	(1,062,270)
Effect of different tax rates in foreign jurisdictions	(6,857)	(126,170)
Tax effects of:		
- Expenses not deductible for tax purposes	100,650	663,274
- Tax incentive	(98,578)	(76,930)
- Deferred tax assets not recognised	40,456	–
- Over provision of tax in respect of prior years	(27,005)	(59,426)
	(328,556)	(661,522)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

23. Loss per share

The calculation of basic and fully diluted loss per share is based on the following:

	Group	
	2020	2019
Continuing operations		
Loss for the year attributable to owners of the Company ($)	(1,827,324)	(3,528,325)
Weighted average number of ordinary shares	69,590,800	69,590,800
Discontinued operations		
Profit/(Loss) for the year attributable to owners of the Company ($)	73,310	(1,211,379)
Weighted average number of ordinary shares	69,590,800	69,590,800

There are no class of capital or financial instruments that might have a dilutive effect on the Group's loss per share.

24. Commitments

Future minimum lease payments under short-term and low-value asset leases are as follows:

	Group $	Company $
2020		
Less than one year	742,070	74,256

Comparative information under SFRS(I) 1-17

The Group and the Company have commitments for future minimum lease payments under non-cancellable operating leases for staff accommodations and various site offices. The leases typically run for a period of one year. None of the leases include contingent rentals.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group $	Company $
2019		
Payable within 1 year	571,596	79,762

25. Related party transactions

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	Group	
	2020	2019
	$	$
Key management compensation		
- Salaries, other short-term benefits	538,694	502,460
- Contributions to defined contribution plan	41,524	47,363
- Directors' fees	110,000	106,623
	690,218	656,446

Other related party transactions

Other than those transactions disclosed elsewhere in the financial statements, the following were transactions with related parties, based on terms agreed between the parties:

	Group	
	2020	2019
	$	$
Joint venture		
- Sale of parts	–	3,155

	Company	
	2020	2019
	$	$
Subsidiaries		
- Management fee income (within other income)	744,000	744,000
- Equipment rental income (within revenue)	612,000	631,200
- Office rental income	79,762	79,762

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

26. Financial risk management

Overview

The Group and Company have exposures to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's and Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and cost of managing the risks. Management continually monitors the Group's and Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and Company's activities.

The Audit Committee oversees how management monitors compliance with the Group's and Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company.

The Group's and Company's activities expose it to credit risk, liquidity risk and foreign currency risk. The Group's and Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's and Company's financial performance. At the reporting date, the Group and Company do not have significant interest rate risk exposure.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statements of financial position represent the Group's maximum to credit risk, before taking into account any collateral held. The Group do not require any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2020	2019
	$	$
Impairment losses on trade and other receivables	216,441	914,245

26. Financial risk management (Cont'd)

Credit risk (Cont'd)

The Group and Company have a credit policy in place which establishes credit limits for customers and monitors outstanding balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

A summary of the Group's exposures to credit risk are as follows:

	2020		2019	
	Not credit-impaired $	Credit-impaired $	Not credit-impaired $	Credit-impaired $
Group				
Customers within:				
• two or more years' trading history with the Group	2,530,623	285,119	2,496,732	291,825
• Less than two years' trading history with the Group	436,187	–	578,834	726,636
Total gross carrying amount	2,966,810	285,119	3,075,566	1,018,461
Loss allowance	(74,269)	(285,119)	–	(1,018,461)
	2,892,541	–	3,075,566	–
Company				
Customers within:				
• two or more years' trading history with the Company	8,226	–	22,610	–
Total gross carrying amount	8,226	–	22,610	–
Loss allowance	–	–	–	–
	8,226	–	22,610	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

26. Financial risk management (Cont'd)

Credit risk (Cont'd)

Expected credit loss assessment for trade receivables

The Group first identified trade receivables that are credit-impaired and for which default event(s) had occurred. For such receivables, the Group assessed specifically the probability of recovery to the receivables balances and recognised the difference as an impairment loss.

The Group uses an allowance matrix to measure the ECLs for the remaining of trade receivables which comprises a large customer base with small balances and which are not credit impaired. The loss rates applied to the allowance matrix are calculated based on historical credit loss experience in the past 3 years. In the current year, the Group assessed and estimated forward-looking overlay adjustments on the historical credit loss rates taking into consideration the uncertainties in existing market conditions including the consideration of COVID-19 pandemic on the construction sector in Singapore and Malaysia. These forward looking overlay aims to reflect the differences in economic conditions during the period over which the historical credit loss data has been compiled, current conditions and the Group's expectations of the economic conditions that might affect recoverability of the Group's trade receivables.

The following table provides information about the exposure to Group's credit risk and ECLs for trade receivables:

Group	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $
2020			
Credit impaired receivables	100	285,119	(285,119)
Remaining receivables:			
Not past due	2.02	1,760,063	(35,556)
Past due 1 – 30 days	2.08	647,450	(13,440)
Past due 31 – 120 days	1.77	477,098	(8,450)
More than 120 days	20.47	82,199	(16,823)
		3,251,929	(359,388)
2019			
Credit impaired receivables	100	1,018,461	(1,018,461)
Remaining receivables:			
Not past due	0.00*	695,528	–
Past due 1 – 30 days	0.00*	737,641	–
Past due 31 – 120 days	0.00*	1,238,911	–
More than 120 days	0.00*	403,486	–
		4,094,027	(1,018,461)

26. Financial risk management (Cont'd)

Credit risk (Cont'd)

Expected credit loss assessment for trade receivables (Cont'd)

Company	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $
2020			
Not past due	0.00*	4,545	–
Past due 1 – 30 days	0.00*	3,681	–
		8,226	–
2019			
Not past due	0.00*	7,961	–
Past due 1 – 30 days	0.00*	9,994	–
Past due 31 – 120 days	0.00*	3,799	–
More than 120 days	0.00*	856	–
		22,610	–

* Loss rate is less than 0.1%.

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment losses in respect of trade receivables during the year was as follows:

	Group Lifetime ECL	
	2020 $	2019 $
At 1 March	1,018,461	111,276
Impairment loss recognised	216,441	914,245
Reversal of impairment loss due to debt recovery	(392,979)	–
Utilisation of impairment loss	(477,104)	–
Effect of movement in exchange rates	(5,431)	(7,060)
At 29/ 28 February	359,388	1,018,461

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

26. Financial risk management (Cont'd)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $4,835,843 and $3,494,966, respectively, at 29 February 2020 (2019: $3,459,893 and $2,471,381, respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AAA to Baa1 (2019: AAA to Baa1) based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Non-trade amounts due from subsidiaries and joint venture

The Company held receivables from its subsidiaries of $79,591 (2019: $37,309) and the Group held receivables from its joint venture of Nil (2019: $154,379). These balances are amounts extended to subsidiaries and joint venture to satisfy short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Deposits and other receivables

Impairment on these balances have been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Liquidity risk

The Group and Company monitor liquidity risk and maintain a level of cash and cash equivalents as deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows under both normal and stressed conditions. As at 29 February 2020, the Group's current assets (excluding assets held for sale) exceeds its current liabilities by $7,004,946 (2019: $5,205,209).

The Group is significantly exposed to the construction sector in Singapore and Malaysia. Its operation and financial performance are driven by the sufficiency of construction activities and projects. As such, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. The Group's earnings and cash flows will be influenced by the COVID-19 operating environment.

In assessing its liquidity risks, the Group stress-tested its cash flow projections based on various scenarios. Based on its tests, the Group believes that it has the adequate cash flows and resources to meet its financial obligations in the next 12 months from the date of these financial statements.

The Group also has available undrawn credit facilities of $1,500,000 which they can utilise in the event of unforeseen circumstances.

26. Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments:

	Note	Carrying amount $	Cash flows: Contractual cash flows $	Within 6 months $	Within 7-12 months $	Within 1 to 5 years $
Group						
2020						
Trade and other payables	17	1,581,099	1,581,099	1,581,099	–	–
Lease liabilities	16	24,078	25,540	11,521	6,121	7,898
		1,605,177	1,606,639	1,592,620	6,121	7,898
2019						
Trade and other payables	17	2,797,675	2,797,675	2,797,675	–	–
Finance lease liabilities	16	9,531	10,533	10,533	–	–
		2,807,206	2,808,208	2,808,208	–	–
Company						
2020						
Trade and other payables	17	5,660,571	5,660,571	5,660,571	–	–
2019						
Trade and other payables	17	5,097,140	5,097,140	5,097,140	–	–

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rate will affect the Group's and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

26. Financial risk management (Cont'd)

Foreign currency risk

The Group and Company incur foreign currency risk on amounts due from joint venture which are denominated in United States Dollar (USD). The Group's and Company's exposure to foreign currency risk is closely monitored by management on an ongoing basis. The Group does not use any derivative financial instruments to hedge against the foreign currency risk.

At the reporting date, the Group's and the Company's exposure to foreign currency, other than the respective functional currencies of the Group's entities, is as follows:

	Group USD $
2019	
Amounts due from joint venture	154,379

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against the USD at reporting date would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit or loss $
2019	
USD	(15,438)

A 10% weakening of the Singapore dollar against the above foreign currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Determination of fair values

Financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of their short period to maturity.

On the same basis, no fair value hierarchy information is disclosed for the Group's and Company's financial assets and financial liabilities.

26. Financial risk management (Cont'd)

Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are included in the table below. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

	Note	Carrying amount		
		Amortised cost $	Other financial liabilities $	Total $
Group				
2020				
Financial assets not measured at fair value				
Cash and cash equivalents	11	4,835,843	–	4,835,843
Trade and other receivables*	10	3,044,454	–	3,044,454
		7,880,297	–	7,880,297
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(1,581,099)	(1,581,099)
2019				
Financial assets not measured at fair value				
Cash and cash equivalents	11	3,459,893	–	3,459,893
Trade and other receivables*	10	3,746,457	–	3,746,457
		7,206,350	–	7,206,350
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(2,797,675)	(2,797,675)
Company				
2020				
Financial assets not measured at fair value				
Cash and cash equivalents	11	3,494,966	–	3,494,966
Trade and other receivables*	10	117,872	–	117,872
		3,612,838	–	3,612,838
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(5,660,571)	(5,660,571)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

26. Financial risk management (Cont'd)

Accounting classification and fair values (Cont'd)

	Note	Carrying amount		
		Amortised cost	Other financial liabilities	Total
		$	$	$
Company				
2019				
Financial assets not measured at fair value				
Cash and cash equivalents	11	2,471,381	–	2,471,381
Trade and other receivables*	10	115,886	–	115,886
		2,587,267	–	2,587,267
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(5,097,140)	(5,097,140)

* Exclude prepayments.

27. Segment reporting

Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they cater to different markets and customer base. For each of the strategic business units, the Group's CEO and Board of Directors (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Ready-mixed concrete	:	Manufacture and supply of ready-mixed concrete.
Concrete pumping services	:	Supply of concrete pumping services.
Waste management services	:	Provision of waste management services.

Information regarding the results of each reportable segment is included below. Performance is measured based on profit from operating activities before unallocated corporate expenses, unallocated other income and tax, as included in the internal management reports that are reviewed by the Group's CEO and Board of Directors. Segment profit from operating activities is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

27. Segment reporting (Cont'd)

Information about reportable segments

	Ready-mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
External revenues	–	5,393,903	7,007,439	7,160,000	2,083,732	1,821,321	9,091,171	14,375,224
Inter-segment revenue - pump rental	–	–	612,000	631,200	–	–	612,000	631,200
Inter-segment revenue - pump parts	–	–	84,193	66,817	–	–	84,193	66,817
Interest income	–	–	41,145	22,210	–	–	41,145	22,210
Finance expense	(765)	(15,574)	(2,012)	–	–	–	(2,777)	(15,574)
Depreciation of plant and equipment	–	(426,470)	(1,428,686)	(2,739,302)	(164,044)	(166,892)	(1,592,730)	(3,332,664)
Depreciation of right-of-use assets	–	–	(20,307)	–	–	–	(20,307)	–
Share of profit of joint venture	–	–	135,665	121,924	–	–	135,665	121,924
Reportable segment profit/ (loss) before tax	159,722	(2,029,798)	(2,447,878)	(4,309,580)	500,552	239,080	(1,787,604)	(6,100,298)
Other material non-cash items:								
- Impairment loss on plant and equipment	–	(475,856)	(1,661,541)	(2,286,000)	–	–	(1,661,541)	(2,761,856)
- Impairment loss on right-of-use assets	–	–	(2,079)	–	–	–	(2,079)	–
- (Loss)/Gain on disposal of plant and equipment	–	(61,417)	(81,761)	2,548	–	–	(81,761)	(58,869)
- Loss on disposal of certain assets held for sale	(37,637)	–	–	–	–	–	(37,637)	–
- Impairment loss on trade receivables	–	(683,782)	(214,221)	(230,463)	(2,220)	–	(216,441)	(914,245)
- Bad debts written off	–	(1,667)	(33,838)	(8,729)	(5,759)	–	(39,597)	(10,396)
- Bad debts recovered	345,152	–	47,827	–	–	–	392,979	–
Reportable segment assets	545,249	1,689,560	11,989,988	13,754,357	1,223,918	1,349,368	13,759,155	16,793,285
Additions of plant and equipment	–	47,734	27,960	30,913	9,248	153,988	37,208	232,635
Additions of right-of-use assets	–	–	44,159	–	–	–	44,159	–
Reportable segment liabilities	8,877	1,382,663	1,602,267	1,869,534	275,362	208,609	1,886,506	3,460,806

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2020

27. Segment reporting (Cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2020 $	2019 $
Revenue		
Total revenue for reportable segments	9,787,364	15,073,241
Elimination of inter-segment revenue	(696,193)	(698,017)
Revenue from continuing and discontinued operations	9,091,171	14,375,224
Profit or loss		
Total loss before tax for reportable segments	(1,787,604)	(6,100,298)
Unallocated amounts:		
- Other corporate expenses	(196,054)	(148,347)
Loss before tax from continuing and discontinued operations	(1,983,658)	(6,248,645)

Geographical segments

The Ready-Mixed Concrete, Concrete Pumping and Waste Management segments are managed and operate primarily in Singapore and Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

Geographical information

	Revenue			Non-current assets		
	(Continuing) $	(Discontinued) $	Total $	(Continuing) $	(Discontinued) $	Total $
2020						
Singapore	8,861,812	–	8,861,812	2,696,747	–	2,696,747
Malaysia	229,359	–	229,359	64,133	–	64,133
Indonesia	–	–	–	2,127,121	–	2,127,121
	9,091,171	–	9,091,171	4,888,001	–	4,888,001
2019						
Singapore	8,333,195	–	8,333,195	5,859,853	–	5,859,853
Malaysia	648,126	5,393,903	6,042,029	229,174	–	229,174
Indonesia	–	–	–	1,957,896	–	1,957,896
	8,981,321	5,393,903	14,375,224	8,046,923	–	8,046,923

27. Segment reporting (Cont'd)

Geographical information (Cont'd)

Major customer

Revenue from one (2019: one) customer of the Group's concrete pumping services segment contributed $486,211 (2019: $738,982) representing 5% (2019: 5%) of the Group's total revenue.

28. Acquisition of non-controlling interest

On 29 January 2020, the Group's subsidiary, Transit-Mixed Concrete (M) Sdn. Bhd., acquired an additional 49% equity interest in Crescent Forest Ready Mix Sdn. Bhd. ("CF") for a cash consideration of $1 increasing its ownership in CF from 51% to 100%.

The carrying amount of CF's net liabilities in the Group's consolidated financial statements financial statements on the date of acquisition was $262,681.

	Group 2020 $
Carrying amount of NCI acquired ($262,681 (net liabilities) x 49%)	(128,714)
Consideration paid to NCI	(1)
Decrease in equity attributable to owners of the Group	(128,715)

The HY2021 Results set out below have been extracted from the announcement by the Company on 13 October 2020 and were not specifically prepared for inclusion in this Circular. The figures have not been audited.

CO REG No. 197902587H TRANSIT-MIXED CONCRETE LTD

Half Year Financial Statement and Dividend Announcement for the Period Ended 31 August 2020

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the half year ended 31 August 2020

	Group Half year period ended 31/8/20 (Unaudited) S$'000	Group Half year period ended 31/8/19 (Unaudited) S$'000	+/(-) %
Continuing operations			
Revenue	1,644	4,225	(61)
Cost of sales	(2,173)	(4,479)	(51)
Gross loss	(529)	(254)	108
Other income	276	26	962
Selling, general and administrative expenses	(660)	(796)	(17)
Net finance income	25	23	9
Share of (loss)/profit of joint venture, net of tax	(44)	109	NM
Loss before tax	(932)	(892)	4
Tax credit	97	159	(39)
Loss from continuing operations	(835)	(733)	14
Discontinued operations			
Loss from discontinued operations (net of tax)	(8)	(136)	(94)
Loss for the period	(843)	(869)	(3)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations			
- Continuing operations	(109)	24	NM
- Discontinued operations	(15)	(34)	(56)
	(124)	(10)	1140
Total comprehensive income for the period	(967)	(879)	10

NM denotes not meaningful.

Loss for the period attributable to:	Group Half year period ended 31/8/20 (Unaudited) S$'000	Group Half year period ended 31/8/19 (Unaudited) S$'000	+/(-) %
Continuing operations			
Owners of the Company	(835)	(733)	14
Discontinued operations			
Owners of the Company	(11)	(89)	(88)
Non-controlling interests	3	(47)	NM
Loss for the period	(843)	(869)	(3)
Total comprehensive income attributable to:			
Owners of the Company	(965)	(831)	16
Non-controlling interests	(2)	(48)	(96)
Total comprehensive income for the period	(967)	(879)	10

Discontinued operations

In the prior year, the Group announced the cessation of the operations of its two subsidiaries, Concrete Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd. These companies represent the ready-mixed concrete operations in Malaysia.

Discontinued operations

	Group Half year period ended 31/8/20 (Unaudited) S$'000	Group Half year period ended 31/8/19 (Unaudited) S$'000	+/(-) %
Revenue	-	-	NM
Cost of sales	-	-	NM
Gross profit	-	-	NM
Other income	-	79	NM
General and administrative expenses	(8)	(120)	(93)
Other operating expenses	-	(94)	NM
Net finance cost	-	(1)	NM
Loss before tax	(8)	(136)	(94)
Tax expense	-	-	NM
Loss from discontinued operations	(8)	(136)	(94)

Group's loss before tax for the period includes the following:

	Group Half year period ended 31/8/20 (Unaudited) S$'000	Group Half year period ended 31/8/19 (Unaudited) S$'000	+/(-) %
Continuing operations			
Other income	276	23	1100
Interest income	21	18	17
Depreciation	(515)	(1,245)	(59)
Impairment loss on trade receivables	-	(93)	NM
Foreign exchange gain	4	5	(20)
(Loss)/Gain on disposal of plant and equipment	(1)	3	NM
Discontinued operations			
Other income	-	36	NM
Interest on borrowings	-	(1)	NM
Gain on disposal of plant and equipment	-	43	NM
Impairment loss on assets held for sale	-	(94)	NM

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

Statements of Financial Position as at 31 August 2020

	Group 31/8/20 S$'000	Group 29/2/20 S$'000	Company 31/8/20 S$'000	Company 29/2/20 S$'000
Non-current assets				
Plant and equipment	2,281	2,739	383	475
Right-of-use assets	22	22	-	-
Investment in subsidiaries	-	-	5,178	5,178
Investment in joint venture	1,979	2,127	2,136	2,136
Total non-current assets	4,282	4,888	7,697	7,789
Current assets				
Inventories	684	633	-	-
Trade and other receivables	1,674	3,217	98	118
Cash and cash equivalents	5,336	4,836	3,567	3,495
	7,694	8,686	3,665	3,613
Assets held for sale	138	185	-	-
Current assets	7,832	8,871	3,665	3,613
Total assets	12,114	13,759	11,362	11,402
Equity attributable to owners of the Company				
Share capital	11,191	11,191	11,191	11,191
Reserves	(659)	306	(4,765)	(5,450)
Total equity attributable to owners of the Company	10,532	11,497	6,426	5,741
Non-controlling interests	374	376	-	-
Total equity	10,906	11,873	6,426	5,741
Non-current liabilities				
Deferred tax liabilities	87	198	-	-
Lease liabilities	7	7	-	-
Total non-current liabilities	94	205	-	-
Current liabilities				
Trade and other payables	1,014	1,581	4,936	5,661
Current tax liabilities	83	83	-	-
Lease liabilities	17	17	-	-
Total current liabilities	1,114	1,681	4,936	5,661
Total liabilities	1,208	1,886	4,936	5,661
Total equities and liabilities	12,114	13,759	11,362	11,402

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/8/20 (S$'000)		As at 29/2/20 (S$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/8/20 (S$'000)		As at 29/2/20 (S$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Company's banking and overdraft facilities are secured by a fixed and floating charge of up to S$1,500,000 (29/2/2020: S$1,500,000) on the Company's assets.

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

Consolidated Statement of Cash Flows for the six months ended 31 August 2020

	Group 31/8/20 S$'000	Group 31/8/19 S$'000
Cash flows from operating activities		
Loss before tax	(940)	(1,028)
Adjustments for:		
Depreciation of plant and equipment	515	1,245
(Loss)/Gain on disposal of plant and equipment	1	(46)
Impairment loss on trade receivables	-	93
Impairment loss on assets held for sale	-	94
Interest income	(21)	(18)
Interest expense	-	1
Share of (loss)/profit of joint venture	44	(109)
	(401)	232
Changes in:		
Inventories	(51)	5
Trade and other receivables	1,543	668
Trade and other payables	(567)	(669)
Contract liabilities	-	(24)
Cash generated from operations	524	212
Income taxes paid	(14)	(2)
Net cash from operating activities	510	210
Cash flows from investing activities		
Interest received	21	18
Purchase of plant and equipment	(59)	(29)
Proceeds from disposal of plant and equipment	1	3
Proceeds from disposal of assets held for sale	47	149
Net cash from/(used in) investing activities	10	141
Cash flows from financing activities		
Interest expense paid	-	(1)
Repayment of finance lease obligations	-	(10)
Net cash used in financing activities	-	(11)
Net increase in cash and cash equivalents	520	340
Cash and cash equivalents at beginning of the period	4,836	3,460
Effects of exchange rate fluctuations on cash held	(20)	(5)
Cash and cash equivalents at end of the period	5,336	3,795
Comprising:		
Cash at bank and in hand	3,434	1,305
Fixed deposits	1,902	2,490
Cash and cash equivalents at end of the period	5,336	3,795

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the six months ended 31 August 2020

Group (unaudited)	Share capital S$'000	Capital Reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
2020							
At 1 March 2019	11,191	-	(670)	2,664	13,185	147	13,332
Total comprehensive income for the period							
Loss for the period	-	-	-	(822)	(822)	(47)	(869)
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	-	(9)	-	(9)	(1)	(10)
Total other comprehensive income for the period	-	-	(9)	-	(9)	(1)	(10)
Total comprehensive income for the period	-	-	(9)	(822)	(831)	(48)	(879)
At 31 August 2019	11,191	-	(679)	1,842	12,354	99	12,453
2021							
At 1 March 2020	11,191	162	(638)	782	11,497	376	11,873
Total comprehensive income for the period							
Loss for the period	-	-	-	(846)	(846)	3	(843)
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	-	(119)	-	(119)	(5)	(124)
Total other comprehensive income for the period	-	-	(119)	-	(119)	(5)	(124)
Total comprehensive income for the period	-	-	(119)	(846)	(965)	(2)	(967)
At 31 August 2020	11,191	162	(757)	(64)	10,532	374	10,906

Statement of Changes in Equity for the period ended 31 August 2020

Company	Share capital S$'000	Retained earnings S$'000	Total S$'000
2020			
At 1 March 2019	11,191	280	11,471
Profit for the period, representing total comprehensive income for the period	-	21	21
At 31 August 2019	11,191	301	11,492
2021			
At 1 March 2020	11,191	(5,450)	5,741
Profit for the period, representing total comprehensive income for the period	-	685	685
At 31 August 2020	11,191	(4,765)	6,426

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. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Nil.

1(d)(iii) To show the 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.

	31/8/20	29/2/20
Total number of issued shares	69,590,800	69,590,800

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

Nil.

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

The figures have not been audited or reviewed.

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

NA

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

Save as disclosed in Item 5, the accounting policies and methods of computation applied by the Group for the financial statements for the current financial period reported on are consistent with those used in its most recently audited financial statements for the financial year ended 29 February 2020 ("FY2020").

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.

The Group has applied the following SFRS(I)s, interpretations of SFRS(I) and requirement of SFRS(I) which are mandatorily effective from 1 March 2020:

- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*
- Amendments to SFRS(I) 3 *Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

The adoption of the above standards did not have any significant impact on the financial statements.

6. Earnings per ordinary share 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) As at 31/8/20	Group (Unaudited) As at 31/8/19
(a)Based on the weighted average number of ordinary shares on issue:		
Continuing operations	(1.20) cents	(1.05) cents
Discontinuing operations	(0.01) cents	(0.13) cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)		
Continuing operations	(1.20) cents	(1.05) cents
Discontinuing operations	(0.01) cents	(0.13) cents
Weighted average number of shares	69,590,800	69,590,800

7. Net asset value (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:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group 31/8/20	Group 29/2/20	Company 31/8/20	Company 29/2/20
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	15.13	16.52	9.23	8.25

***Net asset value per ordinary share based on issued share capital at the end of the period/year excludes NCI's share of the Group's net assets.**

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any 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 factors; and

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

8(a) Continuing operations
Group turnover fell 61% to $1.6 million for the half year ended 31 August 2020 compared with $4.2 million for the previous period. Sales turnover was brought down by strict Covid-19 pandemic lockdown and curbs in manpower usage measures which have severely affected the construction industry and delayed numerous projects in both Singapore and Malaysia.

The Group recorded a gross loss of $529,000 compared to $254,000 in the previous period. In spite of the fall in sales revenue by $2.6 million, gross loss was mitigated by corresponding fall in labour cost and variable overheads, fall in depreciation from $1.2 million in the previous period to $515,000 and receipts of MOM construction support package comprising foreign worker levy waiver and rebates for each foreign worker at $750 & $375 given to companies to help local businesses stay viable during this difficult period.

Against the backdrop of a challenging operating environment, the Group continued to incur a loss attributable to owners of $835,000 compared with $733,000 for the previous period. The increase in loss was due mainly to the abovementioned gross loss, share of loss of joint venture of $44,000 offset by an increase in other income of $250,000 which consist receipts of co-funding of monthly wages for every local worker in employment from the Government Job Support Scheme for the current period.

Discontinued operations
The Group ceased its ready-mixed concrete operation in early 2019 due to deteriorating market conditions in Malaysia. Loss attributable to owners from discontinued operations was $11,000 as compared to $89,000 for the previous period.

8(b) In tandem with the decrease in revenue, trade and other receivables were down from $3.2 million to $1.7 million while trade and other payables fell from $1.6 million to $1 million. Cash and cash equivalents of the Group was $5.3 million compared with $4.8 million as at the end of the last financial year.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. A 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.

The ongoing challenges and uncertainties posed by Covid-19 pandemic such as delayed infrastructure projects and private construction projects are expected to weigh heavily on the construction industry including our business. Strict measures on safe distancing, testing and re-testing of workers, streamlining of workers' dormitories have resulted in significant interruptions in deployment and scheduling of workers thus adding to more inefficiencies.

The Company expects these conditions to continue over the next several months, although there are indications that the circumstances are stabilizing due to the stringent steps taken by the Government to control the pandemic.

In view of the above, the Group will be focusing its efforts on securing for business, controlling costs, properly managing its workers' resources and maintaining strict credit controls. As a matter of prudence, the Group will continue to monitor its working capital during this period.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and
No.

(b)(i) Current financial period reported on

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil (one tier tax exempt)

(b)(ii) Corresponding period of the immediate preceding financial year

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil (one tier tax exempt)

(c)Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
Please refer to 11 (b).

(d)The date the dividend is payable.
NA

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
NA

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

As the Group has not been profitable, interim dividend has not been declared for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

NA.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the Half Year Financial Results for the Period ended 31 August 2020 to be false or misleading.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical 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.

NA.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

NA.

18. A breakdown of sales as follows:-

NA.

19. 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

NA.

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year (S$) 28/2/21	Previous Full Year (S$) 29/2/20
(a) Ordinary	NA	NA
(b) Preference	NA	NA
(c) Total	NA	NA

BY ORDER OF THE BOARD
Chen Lee Lee
Company Secretary
13/10/20

23 March 2021

TRANSIT-MIXED CONCRETE LTD
150 Changi Road
#03-05 Guthrie Building
Singapore 419973

Attention: The Directors

MANDATORY UNCONDITIONAL CASH OFFER (THE "OFFER") BY LEE SAI SING (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE "SHARES") IN THE CAPITAL OF TRANSIT-MIXED CONCRETE LTD (THE "COMPANY") EXCLUDING TREASURY SHARES AND THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE "OFFER SHARES")

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular to shareholders of Transit-Mixed Concrete Ltd dated 23 March 2021 in connection with the Offer (the "**Circular**").*

1. This letter has been prepared in accordance with Rule 25 of the Singapore Code on Take-overs and Mergers (the "**Code**") and for inclusion in the Circular.

2. We note from Appendix VII to the Circular that the Company made the following statements which are deemed as Statements of Prospects under Rule 25 of the Code (the "**Statements of Prospects**") with regard to the prospects of the Company and its subsidiaries (the "**Group**") for the financial year ended 28 February 2021:

Date of release on the SGXNET	Statements of Prospects
25 June 2020	*Consequently, non-selected infrastructure projects as well as private construction projects are expected to be delayed and will affect the performance of the Group in the new financial year.*
7 August 2020	*For the coming financial year ending 28 February 2021, ongoing challenges are expected to weigh on our performance.*
	The outlook for the coming financial year will remain challenging.

Shareholders may wish to refer to the respective announcements of the Company for the full context of the Statements of Prospects.

As set out in Appendix VII to the Circular, the Statements of Prospects were not made in conjunction with the Offer. The Directors have not issued a profit forecast for the Group and the Statements of Prospects should not be regarded as a forecast of the Group.

Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)
Address 地址 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号，珊顿大厦 24-02，新加坡邮区 068805
Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 http://www.xandarcapital.com

3. We have discussed the key bases and assumptions underlying the Statements of Prospects with the management and Directors of the Company as reproduced in Appendix VII to the Circular.

4. We have noted and have considered the letter dated 23 March 2021 addressed to the Board of Directors by KPMG LLP in relation to the Statements of Prospects. A copy of the letter from KPMG LLP is set out in Appendix VI to the Circular.

5. We have also examined the financial and related information in relation to the Statements of Prospects as provided by the Company. We have relied upon the accuracy and completeness of such financial and related information provided to us and have assumed such accuracy and completeness for the purpose of this letter. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, and do not accept any responsibility for the accuracy or completeness of such information. We have also not undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Group.

6. Based on the foregoing, we are of the opinion that the Statements of Prospects (for which the Directors are solely responsible) had been issued after due and careful enquiry.

   Save as provided in this letter, we do not express any other opinion or view on the Statements of Prospects.

7. This letter is provided to the Directors for the sole purpose of complying with the Rule 25 of the Code. We do not accept any responsibility to any other person(s) other than the Directors, in respect of, or arising from, or in connection with this letter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG EXECUTIVE DIRECTOR	PAULINE SIM POI LIN HEAD OF CORPORATE FINANCE

Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)
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KPMG

Transit-Mixed Concrete Ltd and its Subsidiaries
Registration Number: 197902587H

Report on Statements of Prospects of
Transit-Mixed Concrete Ltd and its subsidiaries

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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Independent assurance report

Board of Directors
Transit-Mixed Concrete Ltd

On 25 June 2020, Transit-Mixed Concrete Ltd (the "Company") and its subsidiaries (collectively the "Group") announced the unaudited financial information for the year ended 29 February 2020 ("full year FY2020 results") on the Singapore Exchange Securities Trading Limited. Management had included the following statement in the full year FY2020 results:

"Consequently, non-selected infrastructure projects as well as private construction projects are expected to be delayed and will affect the performance of the Group in the new financial year."

On 7 August 2020, the Company issued its annual report for the year ended 29 February 2020 ("FY2020 annual report") on the Singapore Exchange Securities Trading Limited. Management had included the following statements in the FY2020 annual report:

"For the coming financial year ending 28 February 2021, ongoing challenges are expected to weigh on our performance."

"The outlook for the coming financial year will remain challenging."

The statements of the Group above, as issued on 25 June 2020 and 7 August 2020, are collectively referred to as the "Statements of Prospects".

On 20 February 2021, the Company announced that Mr Lee Sai Sing (the "Offeror") made a mandatory unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of the Company excluding treasury shares and those already owned, controlled or agreed to be acquired by the Offeror, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the "Code").

We were engaged by the Board of Directors of the Company as required by Rule 25 of the Code to report on the Statements of Prospects about whether the Company has prepared the Statements of Prospects in accordance with the bases and assumptions as set out in Appendix VII of the Company's circular to shareholders in relation to the mandatory unconditional cash offer, and that the basis of accounting used is consistent with the accounting policies of the Group (the "accounting policies").

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG

Management's responsibilities

Management is responsible for the preparation of Statements of Prospects in accordance with the bases and assumptions as determined by them and the use of a basis of accounting that is consistent with the accounting policies. In preparing the Statements of Prospects, management is responsible for ensuring the accuracy and appropriateness of unaudited financial information used in the preparation of the Statements of Prospects, and the appropriateness of the bases, assumptions and accounting policies used in the preparation and presentation of the Statements of Prospects.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to examine the Statements of Prospects and to report thereon in the form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Company has prepared the Statements of Prospects in accordance with the bases and assumptions and the accounting policies, in all material respects, as the basis for our assurance conclusion.

Our work includes carrying out inquiries with officers primarily responsible for financial reporting and accounting matters. Our work also includes tracing the amounts on the schedule prepared by the officers primarily responsible for financial reporting and accounting matters of the Group to the underlying accounting records. In this connection, we have also considered the system of internal control in relation to the preparation of the Statements of Prospects and reliance has been placed on such internal controls, where appropriate.

We have not performed any procedures regarding the bases and assumptions and accordingly do not report on the reasonableness of the bases and assumptions or on the possibility of achievement of the Statements of Prospects.

KPMG

Actual results are likely to be different from the Statements of Prospects since anticipated events frequently do not occur as expected and the variation may be material.The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work as described in this report and evidence obtained, nothing has come to our attention that causes us to believe that, the Statements of Prospects is not prepared, in all material respects, in accordance with the bases and assumptions and that the basis of accounting used is not consistent with the accounting policies.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters in the first five paragraphs of this report and for no other purpose. Our report is included in the Company's circular to shareholders in relation to the mandatory unconditional cash offer. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions in this report.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2021

Assumptions for the identified Statements of Prospects

(a) There will be no material changes in the existing political, regulatory, or legal conditions affecting the activities of the Group, the industry and the countries in which the Group operates.

(b) There will be no material changes in the principal activities, management and organisation structure of the Group or their principal sources of revenue.

(c) There will be no material changes in the accounting policies which may adversely affect the results of the Group.

(d) There will be no material changes in the prevailing foreign currency exchange rates that will adversely affect the results of the Group.

(e) There will be no material exceptional item (i.e. layoff and restructuring) that will adversely affect the results of the Group.

(f) There will be no adverse changes to the tax legislations and the bases or rates of taxation of the countries in which the Group operates.

(g) There will be no material changes in inflation rates.

(h) There will be no legal litigation that results in material claims against the Group which has not been duly provided for.

(i) There will be no material changes in interest rates from those prevailing as at the date of the Statements of Prospects.

(j) There will be no material dispute with the Group's top 20 suppliers, top 20 customers and financial institutions which may affect the Group's financial performance.

(k) There will be no major disposals or divestment of the Group's subsidiaries as well as plant and equipment that may affect its principal activities.

(l) Save for the Covid-19 pandemic, there will be no pandemic diseases, natural disasters or acts of God that may affect the Group's operations and the competitive environment in which the Group operates.

Bases for the identified Statements of Prospects

(i) Based on the advisory press release published by the Building and Construction Authority ("BCA") on 25 May 2020, non-essential construction works which were suspended during Singapore's initial circuit breaker period from 7 April 2020 to 4 May 2020 will be allowed to resume in phases from 2 June 2020.

Source: https://www1.bca.gov.sg/docs/default-source/bca-restart/advisory-safe-controlled-restart-of-construction-sector.pdf

(ii) Based on the press release published by the Ministry of Trade and Industry, Singapore on 26 May 2020, the gross domestic product of Singapore (where the Group predominantly operates) is projected to contract by between 4% and 7% for 2020.

Source: https://www.mti.gov.sg/Newsroom/Press-Releases/2020/05/MTI-Downgrades-2020-GDP-Growth-Forecast-to--7_0-to--4_0-Per-Cent

(iii) Based on the quarterly survey of professional forecasters for the second quarter of 2020 published by the Monetary Authority of Singapore in or around June 2020, the construction industry of Singapore (where the Group predominantly operates) is forecasted to shrink by 11.4% in 2020 as compared to 2019.

Source: https://www.mas.gov.sg/-/media/MAS/EPG/SPF/2020/Survey-Writeup-Jun-2020-Web.pdf?la=en&hash=AB59FEB246A2F270698F9DCBA83130C1B2C2E15B

APPENDIX VIII – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends, voting and winding up as extracted and reproduced from the Constitution are set out below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the office of the Company's Secretary, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902*, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.*

1. Rights in respect of capital

SHARE CAPITAL

Authority of Directors to issue shares

4. (A) Subject to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that:-

(a) no shares shall be issued to transfer a controlling interest in the Company without the specific prior approval of the Company in General Meeting; and
(b) no shares shall be issued or options granted over unissued shares except in accordance with the Act.

Authority of Directors to recognize renunciation of shares issued

(B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

(C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

Issue of share subject to preferred rights

5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting and as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such

manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

Authority of Directors to not offer shares to some members

(B) The Company may, notwithstanding Article 5(A) above, authorize the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.

Commission for subscribing

6. The Company may pay commissions in respect of subscription for shares, Provided Always that the amount or rate of the commissions paid or agreed to be paid and the number of shares to be subscribed for absolutely shall be disclosed in the manner required by the Act, in the relevant prospectus, statement, circular or notice as the case may be. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful subject to disclosure of the amount or rate thereof in the manner required by the Act in the relevant prospectus, statement, circular or notice as the case may be.

Shares issued for the purpose of raising money

7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.

Restrictions on preference shares and Company's power to issue further preference capital

8. (A) In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

MODIFICATION OF CLASS RIGHTS

Variation of different share classes' rights

9. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters in number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at

least one-third in number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have on vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters in number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

(B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.

(C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

INCREASE OF CAPITAL

Power to increase capital

10. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into such number of shares as the resolution shall prescribe.

ALTERATIONS OF CAPITAL

Alteration of share capital

11. The Company may by Ordinary Resolution:-

(a) consolidate in any manner its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled;

(c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, so however that the proportion of the amount paid to the amount unpaid (if any) on each sub-divided share is the same as on the original share from which it was derived; and the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has then the authority to attach to unissued or new shares; and/or

(d) subject to the provisions of the Statutes, convert or exchange any class of shares into or for any other class of shares.

Reduction of share capital

12. The Company may reduce its share capital or other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.

SHARE CERTIFICATES

Share certificates

13. (A) Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

(B) The provisions in this Article and in Articles 14 to 17 (so far as they are applicable) shall not apply to transfer of book-entry securities.

Shares held jointly by more than one person

14. (A) The Company shall not be bound to register more than three persons as the holder of a share except in the case of executors or administrators of the estate of a deceased member.

(B) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.

Registered holder's right to certificate

15. Every person whose name is entered as a member in the Register of Members shall (in the case of a transfer of shares) be entitled, within fifteen market days after the date of lodgement of any transfer, or (subject to the provisions of the Statutes) such longer period of time as may be approved by the stock exchange upon which the shares in the Company may be listed, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

Replacement of certificates for part transfer of shares

16. (A) Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) a maximum fee of S$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.

(B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.

Issue of replacing certificates

17. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any stock exchange upon which the shares in the Company may be listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S$1.00 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

FORFEITURE AND LIEN ON SHARES

24. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

Notice to be given of intended forfeiture

25. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.

Form of notice

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.

If notice not complied with, shares may be forfeited

27. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.

Company's rights to deal with forfeited shares

28. A member whose shares have been made forfeit or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent, per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.

Liability on forfeited shares

29. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 29.

Company's lien on shares and Directors' rights to waive lien

30. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Right to enforce lien by sale

31. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.

Application of proceeds of sale

32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

How sale is to be effected

CALLS ON SHARES

18. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.

Powers of Directors to make calls

19. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

Liability of each shareholder and the joint and several liability of joint holders

20. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.

Interest on unpaid calls

21. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Sums payable under terms of allotment to be deemed calls

22. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

Difference in calls between various Members

23. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the

Payment of calls in advance

moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

TRANSFER OF SHARES

Written instrument of transfer to be approved by Directors and executed

33. All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and each stock exchange upon which the shares in the Company may be listed. An instrument of transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that CDP shall not be required to sign, as transferee, any instrument of transfer relating to any transfer of shares to it during such period as the Directors may think fit. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

Closure of Registers of Members and of Transfers

34. The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to any stock exchange upon which the shares in the Company may be listed, stating the period and purpose or purposes for which such closure is made.

Restriction on transfer

35. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of any stock exchange on which the shares in the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may decline to register any instrument of transfer unless:-

(a) such fee not exceeding S$2.00 as the Directors may from time to time require is paid to the Company in respect thereof;
(b) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
(c) the instrument of transfer is in respect of only one class of shares.

Instrument of transfer to be retained

36. All instruments of transfer which are registered may be retained by the Company.

Destruction of records

37. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from

the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:-

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

Transmission of shares

38. In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognized by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

Title on death or bankruptcy

39. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

Rights on death or bankruptcy

40. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

41. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S$2.00 as the Directors may from time to time require or prescribe.

Fee on registration of probate, etc

CONVERSION OF SHARES INTO STOCK

44. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.

Conversion of shares to stock

45. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.

Stockholders entitled to transfer interest

46. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Stockholders entitled to profits

CAPITALISATION OF PROFITS AND RESERVES

134. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalize any sum standing to the credit of any of the Company's reserve accounts as representing profits available for distribution under the provisions of the Statutes by appropriating such sum to the persons registered as the holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares or (subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued shares of any other class not being redeemable shares, for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.'\ The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalization, with full power to the Directors to make such provisi0ns as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Power to capitalise profits

2. Rights in respect of dividends

DIVIDENDS

123. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. *Power to declare dividends*

124. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. *Declaration of dividends*

125. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share. *Apportionment and payment of dividends*

126. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company. *Dividends payable out of profits*

127. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company. *No interest as against the Company*

128. (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Power to retain dividends*

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

129. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. *Waiver of dividends*

130. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties *Dividend in specie*

and may vest any such specific assets in trustees as may seem expedient to the Directors.

Payment by post

131. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Any joint member may give receipt

132. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

Resolution declaring dividend payable to registered persons

133. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

3. Rights in respect of voting

GENERAL MEETINGS

Annual General Meetings

47. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

Extraordinary General Meetings to be called on requisition of Members

48. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

Notice given to call Extraordinary and Annual General Meetings

49. Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive

such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the issued shares given that right;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the shares in the Company may be listed, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to any stock exchange upon which the shares in the Company may be listed.

Details of notice to call Extraordinary and Annual General Meetings

50. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

Definition of Routine Business

51. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

(a) declaring dividends;
(b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
(d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting); and
(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

Additional statement requirement for General Meeting considering special business

52. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

53. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting. *Chairman at a General Meeting*

54. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy. *Quorum requirement*

55. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. *If quorum not present*

56. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. *Power to adjourn*

57. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. *No notice requirement*

58. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. *Consideration of amendments proposed to resolutions*

59. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:- *How matters to be decided*

(a) the chairman of the meeting; or
(b) not less than two members present in person or by proxy and entitled to vote; or
(c) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as

the case may be not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,

Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

Chairman's direction as to poll

60. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

In the event of equality of votes

61. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

Demand for poll

62. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the questi0n on which the poll has been demanded.

VOTES OF MEMBERS

Voting rights

63. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote, the chairman of the meeting to determine which proxy shall be entitled to vote where a member is represented by two proxies, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act at any meeting of the Company.

Rights of joint Members

64. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.

Power of Directors to grant permission to receivers or other

65. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any

member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company. *persons acting on behalf of Members*

66. No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid. *Members only entitled to vote if shares are paid*

67. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive. *Objection to admissibility of vote*

68. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. *Giving and using of votes*

69. (A) A member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, Provided that if a member shall nominate two proxies then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative. *Appointment of proxies*

(B) A proxy need not be a member of the Company.

70. (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:- *Instrument appointing proxies*

(a) in the case of an individual member, shall be signed by the member or his attorney duly authorised in writing; and
(b) in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.

(B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.

71. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been *Instrument appointing proxies*

so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

72. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting. *Instrument appointing proxies*

73. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast. *When vote by proxy not invalidated*

4. Rights in respect of winding up

WINDING UP

145. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up. *Directors' power to present a winding up petition.*

146. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist' of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. *Distribution of assets in winding up.*

147. On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the Members in General Meeting. The amount of such commission or fee shall be notified to all Members not less than seven days prior to the Meeting at which it is to be considered. *Commission or free to liquidators.*