TRANSIT-MIXED CONCRETE LTD
(Incorporated in Singapore)

DISPOSAL OF EQUIPMENT BY SUBSIDIARY

1) INTRODUCTION

The Board of Directors of Transit-Mixed Concrete Ltd (the "Company", together with its subsidiaries, the "Group") wishes to announce that its 66.5% owned subsidiary, Crescent Concrete Sdn. Bhd. has entered into a sale and purchase agreement dated 24 January 2019 (the "Agreement") with Perfect Readymix (Selatan) Sdn. Bhd. (the "Buyer") for the disposal of batching plants, equipment, machinery and mixer trucks (the "Equipment") (the "Disposal"). There is no material condition including a put, call or other option.

The Buyer is a ready-mixed concrete company incorporated in Malaysia and is owned by Mr Wong Kee Kong and Mr Yow Toh Gee who are also directors of the company. Neither the Buyer nor its directors and shareholders are related to the Company or any Director or substantial shareholder of the Company.

2) DESCRIPTION OF THE EQUIPMENT

The Equipment comprises 2 sets of batching plants, 5 units of mixer trucks, 3 shovels, 1 generator and other machineries. The Equipment is currently underutilized due to poor market conditions.

3) RATIONALE

The Disposal is in the Group's interests as it allows the Group to realise the value of the Equipment which was underutilized. The Disposal enhances the cash flows and allows the Group's resources to be deployed for other use.

4) CONSIDERATION

The Equipment was disposed to the Buyer for a cash consideration of RM1,020,000. The consideration was arrived at on a willing-seller and willing-buyer basis. The Buyer shall pay (i) a deposit of 5%; (ii) 25% of the total consideration upon the signing of the Agreement; and (iii) the balance of 70% within thirty days from the date of the Agreement. The directors of the Buyer shall provide the Seller with personal guarantees to jointly and severally perform and observe the terms and conditions of the Agreement.

5) DISCLOSEABLE TRANSACTION

The Disposal constitutes a discloseable transaction for the purposes of Chapter 10 of the listing manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), as the relative figure computed under Rule 1006(b) of the SGX-ST Listing Manual exceeds 5% but does not exceed 20%. Please see below relative figures of the Disposal using the applicable bases of comparison set out in Rule 1006 of the SGX-ST Listing Manual based on the latest announced unaudited consolidated financial statements of the Group for the half year period ended 31 August 2018:

Rule 1006	**Bases**	**Relative Figures**
(a)	The net asset value of Equipment disposed of, compared with the Group's net asset value.	2.6%
(b)	The net loss attributable to the Disposal compared with the Group's net loss.	9.7%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	2.1%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) The net asset value of the Equipment and the net asset value of the Group as at 31 August 2018 were approximately $442,000 (RM1,335,000) and $16,828,000 respectively.
(2) The net loss attributable to the Disposal was approximately $104,000 (RM315,000).
(3) The Company's market capitalization of approximately $16,006,000 is determined by multiplying the number of shares of the Company in issue of 69,590,800 ordinary shares by the weighted average price of such shares on SGX-ST of $0.23 (as of 23 January 2019, being the market day preceding the date of the Agreement.)

6) FINANCIAL EFFECTS

The financial effects of the Disposal have been prepared based on the latest audited consolidated financial statements of the Group for the full year ended 28 February 2018 ("FY2018"), on the following assumptions:

(a) the effect on the earnings per share ("EPS") of the Group is based on the assumption that the Disposal had been effected at the beginning of FY2018; and

(b) the effect on the net tangible assets ("NTA") per share of the Group is based on the assumption that the Disposal had been effected at the end of FY2018.

EPS

	Before the Disposal	After the Disposal
Net loss attributable to owners of the Company ($'000)	(4,602)	(4,671)
Weighted average number of shares ('000)	69,591	69,591
EPS (cents)	(6.61)	(6.71)

NTA

	Before the Disposal	After the Disposal
NTA ($'000)	17,988	17,919
Number of issued shares ('000)	69,591	69,591
NTA per share (cents)	25.84	25.74

Notes:

(1) NTA per share based on issued share capital at the end of the year excludes non-controlling interest's share of the Group's net assets.

7) LOSS ON DISPOSAL AND USE OF PROCEEDS

The loss resulting from the Disposal is estimated at $104,000 (RM315,000) and the proceeds will be used for the Group's general working capital.

8) INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest in the Disposal, other than that arising from their respective shareholdings in the Company, no person is to be appointed as a Director of the Company in connection with the Disposal.

9) DOCUMENTS FOR INSPECTION

A copy of the Agreement may be inspected during the Company's normal business hours from 8.30 a.m. to 6.00 p.m. for a period of three (3) months from the date of this announcement at the registered office of the Company at 150 Changi Road #03-05 Guthrie Building, Singapore 419973.

10) CAUTION IN TRADING

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board
Transit-Mixed Concrete Ltd
Submitted by Chen Lee Lee, Company Secretary on 28 January 2019.