TRANSIT-MIXED CONCRETE LTD

ANNUAL REPORT 2017

Concrete pumping equipment working on New State Courts Towers at Havelock Road

QUALITY
VALUE
SERVICE

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OUR VISION

To meet the increasing needs of the construction industry through profitable growth and to maintain an increasing core of loyal, satisfied customers by delivering good quality, service and value.

OUR MISSION

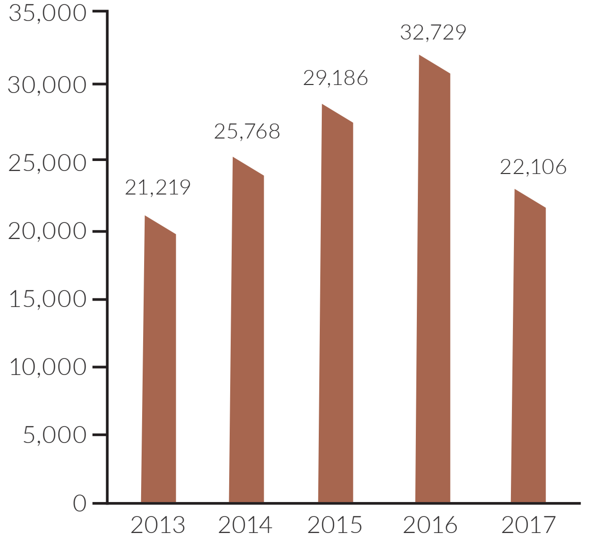
To work closely with our customers to ensure that we continue to meet their expectations.

FINANCIAL HIGHLIGHTS

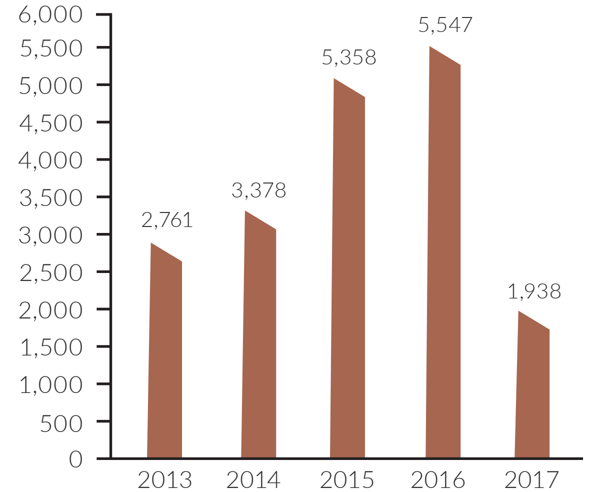
Financial Year Ended 28 February

	2013 $'000	2014 $'000	2015 $'000	2016 $'000	2017 $'000
Revenue	21,219	25,768	29,186	32,729	**22,106**
Profit before income tax	2,636	4,145	5,732	6,166	**2,017**
Profit for the year	2,784	3,519	5,490	5,725	**1,883**
Profit attributable to owners of the company	2,761	3,378	5,358	5,547	**1,938**
Earnings per share (cents)	3.97	4.85	7.70	7.97	**2.78**
Shareholders' equity	17,309	18,895	22,104	24,625	**24,000**
Total assets	26,973	30,637	33,314	36,026	**31,311**
Total liabilities	9,086	11,045	10,406	10,514	**6,524**
Net asset value per ordinary share (cents)	24.87	27.15	31.76	35.39	**34.49**
Return on equity (%)	15.95	17.88	24.24	22.53	**8.08**
Dividends (cents)	2.00	3.00	3.50	4.00	**2.50**

Revenue
($'000)



Profit Attributable to Owners of the Company ($'000)



CEO'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is with great pleasure that I present you our annual report for the Financial Year ended 28 February 2017 ("FY2017").

For the financial year under review, the Group's turnover fell from $32.7 million to $22.1 million. This 32% reduction came about from a mix of factors: depressed economic conditions, keen competition resulting in a contraction in demand, and a slowdown in construction activities in Singapore and Malaysia. The Group's gross profit also slipped 64% from $8.6 million in the previous financial year to $3.1 million. Correspondingly, Group profit attributable to owners dipped 65%, from $5.5 million in the previous financial year to $1.9 million.

Looking back, the 2016 calendar year was a challenging one for the Singapore construction industry as a whole. Notably, the Building Construction Authority (BCA) registered construction demand in Singapore at $26.1 billion for 2016, falling short of the most conservative end of the previously projected range of $27.0 billion to $34.0 billion. Therefore, despite facing an unfavourable economic climate during the year, the Group remained profitable in FY2017.

Outlook and Strategy

Looking forward, we are encouraged that BCA has projected an upcoming upturn in the local construction sector. BCA has estimated local construction demand to reach between $28.0 billion and $35.0 billion in 2017 which bodes well for the Group. This upward projection comes on the back of an anticipated boost in public sector construction demand, from about $15.8 billion in 2016 to between $20.0 billion and $24.0 billion in 2017. Notable public sector projects headlining this expected surge include the National Cancer Centre, Integrated Intermediate Care Hub, Defu Industrial Centre and JTC Logistics Hub. In contrast, private sector construction demand is expected to remain level between $8.0 billion and $11.0 billion in 2017.

Across the causeway, Master Builders Association Malaysia has forecast 8.3% growth in the Malaysian construction industry for 2017, led by the major East-Coast Rail Line and Kuala Lumpur-Singapore High Speed Rail projects. Despite this optimistic sentiment, the Group is wary of potentially softer demand for ready mixed concrete in Malaysia. Furthermore, the Construction Industry Development Board of Malaysia is expecting demand for ready mixed concrete to slip from 32.8 million cubic metres in 2016 to an expected 7.7 million cubic metres for 2017.

CEO'S STATEMENT

The Group also recognises the presence of looming macroeconomic headwinds on the horizon. The overall Singapore economy is likely to remain muted in 2017, with a moderate 1% to 3% growth forecast by the Singapore Ministry of Trade and Industry. Internationally, greater political uncertainty, anti-globalisation sentiment and market volatility also threaten to trigger spill over effects and consequently impede our growth.

In light of uplifting prospects for 2017 in the construction industry, offset by challenging macroeconomic conditions and potentially softer demand for ready mixed concrete in Malaysia, we will be maintaining a cautiously optimistic approach as we begin the next financial year. We will leverage a growing domestic construction industry to further advance our business growth. We will also stay abreast of new developments in the industry and look for appropriate expansion opportunities.

Dividends

In recognition of our shareholders' support, the Board is proposing a final dividend of 1 cent per share subject to shareholders' approval at the upcoming Annual General Meeting. Together with our interim dividend of 1.5 cents per share, total dividends over the year in review will be 2.5 cents per share.

Conclusion

As we conclude a challenging but fruitful FY2017, I would like to acknowledge and thank my fellow directors, management and staff for their dedication and efforts to bring the Group to greater heights. I would also like to express my appreciation to our clients and shareholders. Your steadfast support over the years has been integral to the Group's continued growth and development. I look forward to a renewed partnership with you in the next financial year as we continue working towards realising greater value for our stakeholders.

Chua Eng Him
Chief Executive Officer

OPERATING & FINANCIAL REVIEW

Financial and Operational Highlights

For the financial year ended 28 February 2017, the Group recorded a turnover of $22.1 million, a 32% dip from $32.7 million a year ago. The lacklustre performance was due mainly to the slowdown in construction activities in both Singapore and Malaysia amidst a muted economic climate, intensified by keen competition from other industry players. On the back of weaker sales, the Group gross profit declined 64% to $3.1 million, as compared to $8.6 million in FY2016.

Owing to the fall in sales and gross profit, the Group posted a profit attributable to owners of $1.9 million in FY2017, a decrease of 65% from $5.5 million in FY2016. The Group managed to cut down selling, general and administrative expenses by 24% from $2.5 million to $1.9 million through the moderation of incentive payments and doubtful debts provisions. The presence of a gain on disposal of plant and equipment of $525,000 also contributed to the increase in other income from $94,000 in FY2016 to $644,000 in FY2017.

Amidst a more subdued level of business activity in FY2017, trade and other receivables were lower at $7.3 million compared with $8.6 million for the previous year. Trade and other payables were also down from $7.0 million in FY2016 to $3.9 million in FY2017 due to payment for the purchase of plant and equipment. Similarly, cash and cash equivalents of the Group was reduced to $2.0 million compared with $3.1 million of the previous financial year.

Over the years, the Group has managed to ease its gearing ratio, bringing it further down from 5% in FY2016 to 2% for FY2017. The Group's return on equity slipped to 8%, compared with 23% for the previous year. On a per share basis, earnings dipped by 5.19 cents from 7.97 cents in FY2016 to 2.78 cents in FY2017. Net asset value as of 28 February 2017 was 34.49 cents, as compared to 35.39 cents in the previous financial year.

Geographically, the bulk of the Group's business operations continues to be within Singapore, with a revenue of $14.1 million from Singapore this financial year compared to $21.2 million in FY2016. Revenue generated from Malaysia was $8.0 million in FY2017, compared with $11.5 million in the previous financial year. Singapore continues to be the primary contributor towards the Group's revenue, accounting for about 64%, while Malaysia contributed about 36%.

OPERATING & FINANCIAL REVIEW

Business Segments

Ready-Mixed Concrete

Revenue for the Group's ready-mixed concrete segment fell 34% to $7.1 million in FY2017, from $10.8 million in FY2016. This was due to stiff competition faced by the Group in Malaysia.

Consequently, the segment incurred a reportable segment loss before income tax of $164,000 in FY2017, as compared to a reportable segment profit before income tax of $775,000 in FY2016.

Concrete Pumping Services

Revenue for the Group's concrete pumping services segment slid 35% from $20.1 million in FY2016 to $13.0 million in FY2017, due mainly to a slowdown in construction activities in Singapore. Our major projects included New State Courts Towers at Havelock Road, Gem Residences at Toa Payoh, MRT Thomson Line – Shenton Way Station, New Seletar Airport Terminal and Bukit Timah First Diversion Canal C3.

The segment yielded a reportable segment profit before income tax of $1.8 million in 2017, down 68% from $5.7 million in FY2016.

Waste Management

The Group's waste management segment registered a revenue of $2.1 million in FY2017, a 17% improvement over $1.8 million in FY2016. Our major projects included cleaning contracts at SIA Engineering Company Ltd, Changi Airport (Terminal 1,2 and 3), Nanyang Technological University, Ngee Ann Polytechnic, Republic Polytechnic, Marine Parade Town Council, West Coast Town Council, Moulmein Kallang Town Council and group of about 100 schools.

In tandem with the growth in revenue, reportable segment profit before income tax climbed 61% to $501,000 from $312,000.

BOARD OF DIRECTORS

TAN HWEE YONG, 58

is the Chairman of the Board. He was appointed an independent non-executive director of the Company on 18 May 2007 and is a member of the Audit, Nominating and Remuneration Committees. He was last elected as a director on 24 June 2015 and is standing for re-election at this coming annual general meeting. There is no relationship (including immediate family relationship) between Mr Tan and the other directors of the Company or its 10% shareholders. As on 28 February 2017, he has served as a director for 9 years 9 months. Currently, he is the executive director of Bernard Valuers & Real Estate Consultants Pte Ltd and does not hold any other principal commitments. In the preceding 3 years, he was also an independent director of Viz Branz Ltd. He holds a Bachelor of Science degree in Estate Management from the National University of Singapore and a Master of Commerce degree in Accounting from the University of Adelaide. Mr Tan has more than 30 years of experience in property valuation, agency, management and consultancy.

CHUA ENG HIM, 67

is the Chief Executive Officer ("CEO"). He is a non-independent executive director of the Company and a member of the Nominating Committee. Mr Chua, as CEO cum director of the Company is not subject to retirement by rotation. He has been holding the position since 5 May 1980. As on 28 February 2017, he has served as a director for 36 years 10 months. He also holds directorships in all the related corporations. He does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. Mr Chua graduated in 1971 from the University of Singapore with a Bachelor of Science. As the CEO of the Company, he oversees all activities, in particular the marketing and financial aspects, of the Company. He also takes an active role in the management of the Company's subsidiaries.

YAP BOH LIM, 79

is a founding member and has been a director of the Company since it was incorporated on 31 August 1979. He is a non-independent non-executive director and a member of the Audit Committee. As on 28 February 2017, he has served as a director for 37 years 6 months. He also holds directorships in a number of related corporations. Other than Dr Yap Eng Ching, there is no relationship (including immediate family relationship) between Mr Yap and the other directors of the Company or its 10% shareholders. He does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. He is a Barrister-at-Law and had since 2005 retired from practice.

BOARD OF DIRECTORS

TAN KOK HIANG, 67

was appointed an independent non-executive director of the Company since 25 September 1997 and is the Chairman of the Audit, Nominating and Remuneration Committees. He was last elected as a director on 22 June 2016. There is no relationship (including immediate family relationship) between Mr Tan and the other directors of the Company or its 10% shareholders. As on 28 February 2017, he has served as a director for 19 years 5 months. He is presently also an independent director of 3 other public companies namely EnviroHub Holdings Ltd, ICP Ltd and LHT Holding Ltd. He does not hold any other principal commitments and his directorships in listed companies in the preceding 3 years included Viz Branz Limited and Food Junction Holdings Ltd. Mr Tan has more than 30 years of experience in accounting, finance, strategic planning and risks management. He holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and is a member of the Singapore Institute of Directors.

LOW WING HONG, 51

was appointed a non-independent non-executive director of the Company on 29 August 2007 and is a member of the Remuneration Committee. He was last elected as a director on 25 June 2014 and is standing for re-election at this coming annual general meeting. As on 28 February 2017, he has served as a director for 9 years 6 months. There is no relationship (including immediate family relationship) between Mr Low and the other directors of the Company. His present directorships include 3 other private companies. Currently, he is the Investment Manager of Kheng Leong Company (Pte) Ltd. Other than this, he does not hold any other principal commitments or any directorships in other listed companies currently or over the preceding 3 years. Mr Low holds a Bachelor of Accountancy degree from the National University of Singapore. He has more than 20 years of experience in investment management and business advisory.

DR YAP ENG CHING, 51, ALTERNATE TO YAP BOH LIM

was appointed an alternate director to Mr Yap Boh Lim on 15 September 2009. Dr Yap is the son of Mr Yap Boh Lim. Other than Mr Yap, there is no relationship (including immediate family relationship) between Dr Yap and the other directors of the Company or its 10% shareholders. He does not hold any other principal commitments or any directorships in other listed companies currently or over the preceding 3 years. Currently, he is a Rehabilitation Physician with the National Healthcare Group. He holds a Bachelor of Medicine and Surgery degree from the University of Bristol, UK. He is a Member of the Royal College of Physicians Ireland, and a Fellow of the Academy of Medicine Singapore.

KEY MANAGEMENT PERSONNEL

LOKE KAI HOONG

Mr Loke is the General Manager of the Company. He holds a Bachelor of Business from the Royal Melbourne Institute of Technology and a Diploma in Mechanical Engineering from the Singapore Polytechnic. Mr Loke joined the Company in April 1996. He oversees the Group's operations and is responsible for the development and management of the Group's waste management business.

CHEN LEE LEE

Ms Chen is the Finance Manager of the Company. She oversees all the financial and accounting functions of the Group. Ms Chen has more than 20 years of working experience in the auditing, accounting and administration field. Ms Chen joined the Company in May 1998 and is a member of the Institute of Singapore Chartered Accountants.

KEK YONG HOCK

Mr Kek is the Marketing Manager responsible for the marketing of ready-mixed concrete and concrete pumping services. He is also responsible for providing technical assistance to the customers. Mr Kek has been with the Company for more than 20 years and holds a diploma in Civil Engineering from the Singapore Polytechnic.

LEE KIM KEOW

Mr Lee is the Operations Manager in charge of installation and maintenance of plant and equipment. He has been with the Company for more than 20 years. Mr Lee is involved in all aspects of production and operation activities.

YEO TIN CHECK

Mr Yeo is the Pump Operations Manager responsible for the effective use of manpower and equipment in the concrete pumping services business segment, particularly with the deployment and allocation of the concrete pumping equipment to the Group's projects. He has been with the Company for more than 20 years.

CORPORATE INFORMATION

Board of Directors
Mr Tan Hwee Yong (Chairman)
Mr Chua Eng Him (Chief Executive Officer)
Mr Yap Boh Lim
Mr Tan Kok Hiang
Mr Low Wing Hong
Dr Yap Eng Ching (Alternate to Mr Yap Boh Lim)

Audit Committee
Mr Tan Kok Hiang (Chairman)
Mr Tan Hwee Yong
Mr Yap Boh Lim
Dr Yap Eng Ching (Alternate to Mr Yap Boh Lim)

Nominating Committee
Mr Tan Kok Hiang (Chairman)
Mr Tan Hwee Yong
Mr Chua Eng Him

Remuneration Committee
Mr Tan Kok Hiang (Chairman)
Mr Tan Hwee Yong
Mr Low Wing Hong

Company Secretary
Ms Chen Lee Lee

Company Registration No.
197902587H

Registered Office
150 Changi Road #03-05
Guthrie Building
Singapore 419973
Tel: (65) 63443922
Fax: (65) 63420990
Website: www.tmcltd.com.sg
Email: tmcltd@tmcltd.com.sg

Registrar & Share Transfer Office
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Auditors
KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: Mr Loo Kwok Chiang, Adrian
(wef financial year ended 29 February 2016)

Principal Banker of the Group
United Overseas Bank Limited
80 Raffles Quay
UOB Plaza 1
Singapore 048624

CORPORATE GOVERNANCE STATEMENT

The Company is committed to adhering to the principles and guidelines of the Code of Corporate Governance 2012 ("Code") so as to ensure greater transparency and protection of shareholders' interests. The Group has complied substantially with the principles and guidelines of the Code. This statement describes the Company's corporate governance practices with specific reference to the Code and describes any deviation from any guideline of the Code together with an appropriate explanation.

Board Matters

Principle 1: The Board's Conduct of Affairs

The Board's role is to:

- set strategic plans of the Group;
- review management performance;
- approve key operational initiatives, annual budgets, major investments, divestment proposals and funding decisions;
- maintain a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets;
- approve the nominations of directors and appointment of key management personnel;
- set the Group's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met; and
- consider sustainability issues, e.g. environmental and social factors, as part of it strategic formulation.

All directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board delegates the authority to make decisions to its Board Committees, namely the Audit Committee (the "AC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC") to assist the Board in the discharge of specific responsibilities. The roles of each committee are set out in their respective written terms of reference.

The Board meets regularly throughout the year on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Constitution provides for telephonic and video-conference meetings. The number of Board meetings held in the financial year, as well as the attendance of the directors at meetings, is disclosed below:

Directors' Attendance At Board And Board Committee Meetings For FY2017

	Board		AC		NC		RC	
Name	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Tan Hwee Yong	4	4	4	4	1	1	1	1
Tan Kok Hiang	4	4	4	4	1	1	1	1
Chua Eng Him	4	4	–	–	1	1	–	–
Yap Boh Lim/Yap Eng Ching	4	4	4	4	–	–	–	–
Low Wing Hong	4	4	–	–	–	–	1	1

Matters which require Board's specific approval include:

- half-yearly and full-year financial results announcements of the Group;
- corporate strategy and business plans;
- annual budgets, major investments, divestment proposal and any investments or expenditures exceeding $250,000;
- annual report and financial statements;
- remuneration packages of the directors and the key management personnel; and
- interim dividends and other returns to shareholders.

The Company will provide a formal letter of appointment to each new director, setting out the director's duties and obligations. Every new director will receive comprehensive and tailored induction on joining the Board which includes his duties as a director and how to discharge those duties, and briefings to familiarise himself with the Group's business and governance practices. For those who do not have prior experience as a director of a public listed company, training in areas such as accounting, legal and industry-specific knowledge as appropriate will be provided. All the directors are appropriately qualified and experienced to discharge their responsibilities. The Company will initiate relevant training for directors, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

Principle 2: Board Composition and Guidance

The Board comprises 5 directors, 2 of whom are independent non-executive directors. The NC reviews the independence of each director annually in accordance with the Code's definition of what constitutes an independent director. For FY2017, the NC is of the view that independent directors made up at least one-third of the Board and that no individual or small group of individuals dominates the Board's decision making. Under Guideline 2.2, the independent directors should make up at least half of the Board. However, the Company is not required to comply with the guideline as the Chairman and the Chief Executive Officer ("CEO") are different persons and the Chairman has no relationship with the Company.

CORPORATE GOVERNANCE STATEMENT

While the Company's Constitution allows for the appointment of a maximum of 9 directors, the NC is of the view that the current Board size of 5 directors is appropriate, taking into account the nature and scope of the Company's operations.

Independent Directors

Our independent directors, namely Mr Tan Kok Hiang and Mr Tan Hwee Yong, have served on the Board for more than 9 years as independent directors. Their independence have been thoroughly and rigorously reviewed by the NC and the Board. The Board is satisfied that Mr Tan Kok Hiang and Mr Tan Hwee Yong are considered independent as they have met all the conditions and criteria of independence under the Code. Mr Tan Kok Hiang and Mr Tan Hwee Yong have no relationship with the Company, its related corporations, its 10% shareholders or its officers and do not receive any compensation from the Group or any of its related corporations for the provision of services other than the fixed fee which is approved by shareholders at the Annual General Meeting ("AGM"). The Board is assured that Mr Tan Kok Hiang and Mr Tan Hwee Yong are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

The Board comprises 5 directors who as a group provide an appropriate balance and diversity of skills, experience and knowledge of the Company. At present, the Board does not have any female director. The directors contribute core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. The Board takes into account the need for progressive refreshing of the Board.

Taking into account the Board size of 5 directors in the Company, the non-executive directors do not form a separate committee but do constructively challenge and help develop proposals on strategy and perform effective check on the performance of management at the Board meetings.

Principle 3: Chairman and CEO

There is a clear division of responsibilities between the Chairman and the CEO, which ensures there is a balance of power and authority at the top of the Group. The Group keeps the posts of Chairman and CEO separate and these positions are held by Mr Tan Hwee Yong and Mr Chua Eng Him respectively. Under Guideline 3.3, every company should appoint an independent director to be the lead independent director. However, the Company is not required to comply with the guideline as the Chairman and CEO are different persons and the Chairman has no relationship with the Company.

The Board has delegated the day-to-day running of the Group to the CEO while the Chairman is primarily responsible for the effective working of the Board.

The Chairman's responsibilities include leading the Board to ensure its effectiveness on all aspects of its role, setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues, promoting a culture of openness and debate at the Board, ensuring that the directors receive complete, adequate and timely information, ensuring effective communication with shareholders, encouraging constructive relations within the Board and between the Board and management, facilitating the effective contribution of non-executive directors in particular and promoting high standards of corporate governance.

Principle 4: Board Membership

The NC was established in March 2002. The NC comprises 3 members, 2 of whom, including the Chairman are independent non-executive directors.

The NC's role is to:

- oversee the appointment and induction process for directors and key management personnel;
- review composition of the Board and make recommendations to the Board on the appropriate skill mix, personal qualities and experience required for the effective performance of the Board;
- review the selection, appointment and succession planning process of the Group's CEO;
- review, assess and recommend the re-appointment or re-election of directors, taking into consideration each director's contribution and ability to adequately carry out his duties as director;
- ascertain annually, whether independent directors meet the independence criteria set out in the Code;
- develop a process for evaluating the effectiveness of the Board as a whole and assessing the contribution of individual director to the effectiveness of the Board; and
- review training and professional development programs for the Board.

Under the Company's Constitution, not less than one-third of the directors are to retire from office by rotation at each AGM of the Company. The CEO who is also a director is not subject to retirement by rotation. The Board agreed that the Company's Constitution shall not be amended to provide for retirement of the CEO as the position of CEO is specialised and requires an experienced and knowledgeable person to perform the day-to-day running of the Group's operation.

In the process for selection of new directors, the NC will seek suitable qualified persons, usually through a network of contacts and select the relevant expertise required. The NC will conduct interviews with the candidates and recommend to the Board, the most suitable candidate for appointment to the Board. Candidates are selected for their character, judgement, business experience and acumen. Scientific expertise, prior government service and familiarity with national and international issues affecting business are also among the relevant criteria. Final approval of a candidate is determined by the full Board.

The Board noted that none of the directors has directorship in more than 3 other public listed companies and hence does not prescribe the maximum number of listed company board representations which directors may hold. Where a director has multiple listed company board representations, the NC will evaluate whether or not a director is able to and has been adequately carrying out his duties as director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

Dr Yap Eng Ching was appointed an alternate director to Mr Yap Boh Lim on 15 September 2009, to assist the principal director who is currently 79 years old. Dr Yap is familiar with the Company affairs and as an alternate director bears all the duties and responsibilities of a director. The NC and the Board have found Dr Yap to be appropriately qualified.

CORPORATE GOVERNANCE STATEMENT

The Board comprises suitably qualified members and the date of appointment and date of last re-election of each director are set out below:

	Date of appointment	Nature of appointment	Prime function/ Other functions	Last re-election	Academic and professional qualifications
Tan Hwee Yong	18/5/07	Independent, non-executive	Chairman of Board, member of AC, NC and RC	24/6/15	Bachelor of Science, National University of Singapore
Tan Kok Hiang	25/9/97	Independent, non-executive	Chairman of AC, NC and RC	22/6/16	Bachelor of Accountancy (Hons), University of Singapore
Chua Eng Him	5/5/80	Executive	CEO and member of NC	N.A.	Bachelor of Science, University of Singapore
Yap Boh Lim	31/8/79	Non-executive	Member of AC	22/6/16	Barrister-at-Law
Low Wing Hong	29/8/07	Non-executive	Member of RC	25/6/14	Bachelor of Accountancy, National University of Singapore
Yap Eng Ching (Alternate to Yap Boh Lim)	15/9/09	Non-executive	Alternate to Yap Boh Lim	N.A .	Bachelor of Medicine and Surgery University of Bristol, UK

Principle 5: Board Performance

The NC has established a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board. On an annual basis, each director completes a peer assessment questionnaire on the other directors individually and submits to the NC for comments, feedback and compilation, following which the NC will recommend to the Board for discussion and endorsement at the Board meeting. The assessment parameter includes attendance at meetings of the Board and Board Committees, intensity of participation at meetings, quality of interventions and special contributions. The performance of each director will be taken into account for re-election. The Chairman will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors. For FY2017, the NC and the Board are satisfied that each director continues to contribute effectively and demonstrate commitment to the role.

Each director will also evaluate the performance of the Board as a whole taking into consideration a set of performance criteria including board composition and size, director's qualification, development of governance framework, reviewing independence of independent directors and maintaining a sound system of risk management and internal controls. For FY2017, as evaluated against the performance criteria, the NC is satisfied with the effectiveness of the Board as a whole.

Principle 6: Access to Information

Directors receive a regular supply of information from management about the Group so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each Board meeting and are normally circulated a week in advance of each meeting. The Board papers include sufficient information from management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. Information provided includes background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements.

All directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult with other employees and seek additional information on request.

In addition, directors have separate and independent access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that established procedures and relevant statutes and regulations are complied with. The Company Secretary attends all Board meetings and is responsible to ensure that Board procedures are followed and that applicable rules are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval as a whole.

Should directors, either individually or as a group, in the furtherance of their duties, need independent professional advice, the professional advisor selected must be approved by the Board. The cost of such professional advice shall be borne by the Company.

Remuneration Matters

Principle 7: Procedures for developing Remuneration Policies

The RC was established in March 2002. The RC comprises 3 members, all non-executive, 2 of whom, including the Chairman are independent directors.

The RC reviews and approves recommendations on remuneration policies and packages for the Board and key management personnel. The review covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The RC also reviews the Company's obligations arising in the event of termination of the executive director's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. If necessary, the RC will seek expert advice inside and/or outside the Company on remuneration of all directors.

Annual reviews of the compensation of directors are also carried out by the RC to ensure that the executive director and key management personnel are appropriately rewarded, giving due regard to the financial and commercial health and business needs of the Group.

CORPORATE GOVERNANCE STATEMENT

Principle 8: Level and Mix of Remuneration

The CEO's remuneration package includes a basic salary and a performance related bonus which is linked to the financial performance of the Group. The CEO has a service agreement with the Company and the service agreement and the remuneration package have been reviewed by the RC and approved by the Board. The Company does not have any long-term incentive schemes. The Company does not use any contractual provisions to allow the Company to reclaim incentive components of remuneration from executive director and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

The Chairman and the non-executive directors do not have service agreements with the Company. Non-executive directors receive directors' fees which are set in accordance with a remuneration framework comprising basic fee and attendance fee. The remuneration of non-executive directors is determined by the Board, taking into account factors such as effort, time spent and responsibilities of the directors, and is subject to approval of shareholders at each AGM. Non-executive directors are not over-compensated to the extent that their independence may be compromised. Executive directors do not receive directors' fees.

Principle 9: Disclosure on Remuneration

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance to attract, retain and motivate key management personnel and directors. The remuneration packages offered by the Group are comparable to those of other companies of similar size and nature. For FY2017, subject to shareholders' approval, it is proposed that directors' fees of $100,000 be paid. A breakdown of the directors' remuneration is also disclosed on page 68.

The remuneration of the directors of the Company for FY2017 is as follows:

	Total Remuneration $'000	Fee %	Salary %	Bonus %	Total %
Chua Eng Him	139	–	90	10	100
Tan Hwee Yong	29	100	–	–	100
Yap Boh Lim	23	100	–	–	100
Tan Kok Hiang	29	100	–	–	100
Low Wing Hong	19	100	–	–	100

The remuneration of the top 5 key management personnel of the Group (who are not directors or the CEO) for FY2017 is as follows:

Below $250,000	Salary %	Bonus %	Total %
Loke Kai Hoong	86	14	100
Chen Lee Lee	86	14	100
Kek Yong Hock	86	14	100
Lee Kim Keow	90	10	100
Yeo Tin Check	90	10	100

The Company does not disclose in aggregate the total remuneration paid to the top 5 key management personnel of the Group (who are not directors or the CEO) for the purpose of maintaining confidentiality of staff remuneration matters.

For FY2017, the Company and its subsidiaries do not have any employee who is an immediate family member of a director or the CEO whose remuneration exceeds $50,000.

The CEO's remuneration package is linked to the Group's performance. It includes a variable bonus element which is performance-related to ensure that he is fairly remunerated. The detailed breakdown of remuneration in percentage terms into fixed salary and bonuses also display a link between remuneration paid to CEO and key management personnel, and performance.

The Company does not have any employee share scheme.

Accountability And Audit

Principle 10: Accountability

In presenting the annual financial statements and interim announcements to shareholders, it is the aim of the Board to provide shareholders with a balanced and comprehensible assessment of the Group's position and prospects. The Board releases the Group's half and full-year results via the SGXNET and annual reports are issued within the mandatory period. Management currently provides the Board with appropriate detailed management accounts of the Group's performance, position and prospects on a monthly basis. The Board ensures that legislative and relevant regulatory requirements, including requirements under the listing rules of the securities exchange are complied with.

Principle 11: Risk Management and Internal Controls

The Board is responsible for ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. The management regularly reviews the Group's business and operational activities to identify the area of risks as well as documenting the mitigating actions in place and the proposals in respect of each significant risk. The Board determines the Company's levels of risk tolerance and oversees management in the design, implementation and monitoring of the risk management and internal control systems.

The Board and the AC regularly review the adequacy and effectiveness of the Group's risk management and internal control framework including financial, operational, compliance and information technology controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the AC and the Board are satisfied with the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

CORPORATE GOVERNANCE STATEMENT

For FY2017, the Board has received assurance from the CEO and the Finance Manager that overall, the risk management and internal control system within the Group is adequate to ensure the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Principle 12: Audit Committee

The AC comprises 3 directors, all non-executive, the majority of whom, including the Chairman are independent. The Chairman of the AC, Mr Tan Kok Hiang, is a non-practising certified public accountant. The other members, Mr Yap Boh Lim is a Barrister-at-Law while Mr Tan Hwee Yong is a licensed appraiser. The NC is of the view that the members of the AC have relevant accounting or related financial management expertise or experience to discharge their responsibilities.

The AC's role is to:

- review the audit plans and scope of audit examination of the external auditors and approve the audit plans of the internal auditors;
- evaluate the overall effectiveness of both the internal and external audits through regular meetings with each group of auditors;
- review the adequacy of the internal audit function;
- determine that no restrictions are being placed by management upon the work of the internal and external auditors;
- evaluate the adequacy of the internal control systems of the Group by reviewing written reports from the internal and external auditors, and management's responses and actions to correct any deficiency;
- evaluate adherence to the Group's administrative, operating and annual accounting controls;
- review the annual and interim financial statements and announcements to shareholders before submission to the Board for adoption;
- review interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")) to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its minority shareholders;
- discuss with the internal and external auditors of fraud risks or internal control observation or implication of any Singapore or other applicable laws, rules and regulations; and
- consider other matters as requested by the Board.

The AC is authorised to investigate any matter within its terms of reference, and has full access to management and also full discretion to invite any director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its function properly. Annually, the AC meets with the internal auditors and the external auditors separately, without the presence of management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of the external auditors and the observations of the auditors.

The aggregate amount of fees paid to the external auditors amounted to approximately $82,000 for audit services and $3,000 for non-audit services.

The AC has undertaken a review of all non-audit services provided by the auditors and confirm that they would not, in the AC's opinion, affect the independence of the auditors.

The Company has put in place a whistleblower policy and procedures which provide employees with well defined and accessible channels within the Group through which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The policy aims to encourage reporting of such matters in good faith, with the confidence that retaliatory action will not be taken against any employee who has made reports of violations or suspected violations. The AC ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

The external auditors help to keep the AC members abreast of changes to accounting standards and issues which have a direct impact on financial statements by providing them with regular updates and briefings on key changes to regulatory requirements and reporting, accounting and auditing standards.

The AC had discussed the key audit matters for FY2017 with management and the external auditors. The AC concurs with the basis and conclusions included in the Independent Auditors' Report with respect to the key audit matters.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Principle 13: Internal Audit

The Group outsourced its internal audit function to RSM Risk Advisory Pte Ltd, a reputable company which is a member of the Institute of Internal Auditors Singapore. Their methodology for internal audit is aligned with the requirements of the IPPF (International Professional Practices Framework). The internal auditors report directly to the Chairman of the AC on audit matters and to the CEO on administrative matters. The AC approves the hiring, removal, evaluation and compensation of the auditing company to which the internal audit is outsourced. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC, on an annual basis, assesses the effectiveness of the internal auditors by examining the scope of the internal auditors' work, quality of their reports, their relationship with the external auditors and their independence of the areas reviewed.

CORPORATE GOVERNANCE STATEMENT

Shareholder Rights And Responsibilities

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

Information on changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares is publicly released to shareholders via the SGXNET. The Board releases the Group's half and full-year results via the SGXNET and annual reports are issued within the mandatory period. The Company does not have an investor relations team taking into account the size of the Company. However, the Board is open to the views of shareholders on matters relating to the Group during shareholders' meetings or on an ad-hoc basis. Dialogue with shareholders is mainly conducted during shareholders' meetings.

Shareholders of the Company are informed of shareholders' meeting through annual report and notice of AGM and/or circulars provided to shareholders. The notice is also published in newspapers and announced via the SGXNET. The Company's Constitution allows a member of the Company to appoint proxies to attend and vote instead of the member.

At shareholders' meeting, shareholders are given the opportunity to communicate their views on various matters affecting the Company. The Chairman of the Board and the respective Chairman of the AC, NC and RC will be present and available to address relevant queries by shareholders. The external auditors will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. The minutes are made available to shareholders upon their request in writing.

Separate resolutions are proposed at general meetings on each substantially separate issue. "Bundling" of resolutions are avoided unless the resolutions are interdependent and linked so as to form one significant proposal. The Company employs electronic polling and put all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The Company is not implementing voting in absentia by mail or electronic means as the authentication of shareholder identity and other related security and integrity of the information still remain a concern.

The Company does not have a fixed dividend policy. The Board is proposing, a final dividend of 1 cent per share subject to shareholders' approval at the upcoming AGM. Together with the interim dividend of 1.5 cents per share, total dividends over the year in review will be 2.5 cents per share. This will amount to approximately 90% of profit attributable to owners of the Company in FY2017. Any declaration and payment of dividends in future will depend on underlying net profit for each financial year.

CORPORATE GOVERNANCE STATEMENT

Dealings In Securities

The Company has adopted the best practices on dealing in securities set out in the SGX-ST Listing Manual, whereby there should be no dealings in the Company's securities by its officers during the period commencing one month prior to the announcement of Company's annual or half-year results and ending on the date of announcement of the relevant results. Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period and are discouraged from dealing in the Company's securities on short-term considerations.

Interested Person Transactions

The Company has adopted internal procedures, in accordance with Chapter 9 of the SGX-ST Listing Manual, to identify and report and where necessary, review and seek approval for interested person transactions. The Company has an existing agreement for the lease of office premises with a director of the Company, Mr Chua Eng Him. Rental paid under this agreement for FY2017 amounted to $79,762 for the Group and the Company. This interested person transaction has been reviewed by the AC.

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 28 February 2017.

In our opinion:

(a) the financial statements set out on pages 31 to 76 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 28 February 2017 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; 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
Chua Eng Him
Tan Kok Hiang
Tan Hwee Yong
Low Wing Hong
Yap Eng Ching (Alternate to Yap Boh Lim)

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				
Chua Eng Him	20,731,566	20,731,566	–	–
Yap Boh Lim	14,252,104	14,252,104	–	–
Yap Eng Ching	500,000	500,000	–	–

	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				
Chua Eng Him	–	–	1,330,000	1,330,000
Yap Boh Lim	–	–	1,330,000	1,330,000

By virtue of Section 7 of the Act, Chua Eng Him and Yap Boh Lim are 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 2017.

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 option 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)
Tan Hwee Yong	(Independent and non-executive director)
Yap Boh Lim	(Non-executive director)

DIRECTORS' STATEMENT

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.

Auditors

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

On behalf of the Board of Directors

Chua Eng Him
Director

Yap Boh Lim
Director

30 May 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Report on the audit of the financial statements

Opinion

We have audited the accompanying 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 28 February 2017, 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 31 to 76.

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 Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 28 February 2017 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 *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

<table>
<tr><th colspan="2">Valuation of trade receivables ($5.5 million)
(Refer to Note 9 to the financial statements)</th></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Risk

The Group's credit exposure is concentrated in customers in the construction sector residing in Singapore and Malaysia, which is subject to business cycles.

The recovery of trade receivables is further dependent on the progress and performance of certain long-term infrastructure projects, subject to operational and other risks.</td><td>Our response

We reviewed the aging profile of trade receivables and management's assessment of recoverability of the individually significant trade receivables. We challenged management's assessment and checked past payment patterns and subsequent cash receipts from customers.

We tested management's collective assessment of the remaining portfolio of trade receivables using the incurred-loss model.

Our findings

We found that management has incorporated the relevant factors in forming their estimate of provision for doubtful debts.</td></tr>
</table>

Other information

Management is responsible for the other information. The other information comprises Financial Highlights, CEO's Statement, Operating and Financial Review, Board of Directors, Key Management Personnel, Corporate Information, Corporate Governance Statement, Directors' Statement and Analysis of Shareholdings, which we obtained prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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.

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

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 regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by 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
30 May 2017

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Non-current assets					
Plant and equipment	4	19,930,290	22,185,519	3,167,483	3,677,356
Investment in subsidiaries	5	–	–	12,740,060	12,740,060
Investment in joint venture	7	629,519	332,560	943,006	314,716
Deferred tax asset	13	469,000	646,000	469,000	646,000
Total non-current assets		21,028,809	23,164,079	17,319,549	17,378,132
Current assets					
Inventories	8	1,010,452	1,103,492	–	–
Trade and other receivables	9	7,251,145	8,611,599	2,194,149	775,966
Cash and cash equivalents	10	2,020,322	3,146,513	1,559,147	2,524,233
Total current assets		10,281,919	12,861,604	3,753,296	3,300,199
Total assets		31,310,728	36,025,683	21,072,845	20,678,331
Equity attributable to owners of the Company					
Share capital	11	11,190,764	11,190,764	11,190,764	11,190,764
Reserves	12	12,809,169	13,434,571	4,714,201	3,157,014
Total equity attributable to owners of the Company		23,999,933	24,625,335	15,904,965	14,347,778
Non-controlling interests	6	786,536	886,511	–	–
Total equity		24,786,469	25,511,846	15,904,965	14,347,778
Non-current liabilities					
Deferred tax liabilities	13	2,149,013	2,242,333	–	–
Finance lease obligations	14	83,297	72,543	–	–
Total non-current liabilities		2,232,310	2,314,876	–	–
Current liabilities					
Trade and other payables	15	3,905,317	7,042,346	5,167,880	6,330,553
Current tax liabilities		19,774	90,306	–	–
Finance lease obligations	14	366,858	1,066,309	–	–
Total current liabilities		4,291,949	8,198,961	5,167,880	6,330,553
Total liabilities		6,524,259	10,513,837	5,167,880	6,330,553
Total equity and liabilities		31,310,728	36,025,683	21,072,845	20,678,331

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2017

	Note	Group 2017 $	Group 2016 $
Revenue	16	22,106,336	32,728,779
Cost of sales		(19,004,059)	(24,145,616)
Gross profit		3,102,277	8,583,163
Other income	18	643,856	93,740
Selling, general and administrative expenses		(1,862,191)	(2,492,388)
Net finance income/(cost)	19	35,925	(36,776)
Share of profit of joint venture	7	96,754	17,844
Profit before tax	17	2,016,621	6,165,583
Tax expense	20	(133,557)	(440,696)
Profit for the year		1,883,064	5,724,887
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(172,763)	(337,593)
		(172,763)	(337,593)
Total comprehensive income for the year		1,710,301	5,387,294
Profit for the year attributable to:			
Owners of the Company		1,938,102	5,546,652
Non-controlling interests	6	(55,038)	178,235
Profit for the year		1,883,064	5,724,887
Total comprehensive income attributable to:			
Owners of the Company		1,810,276	5,304,608
Non-controlling interests		(99,975)	82,686
Total comprehensive income for the year		1,710,301	5,387,294
Earnings per share (cents)			
- basic and fully diluted	21	2.78	7.97

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2017

Group	Share capital	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total
	$	$	$	$	$	$
2016						
At 1 March 2015	11,190,764	(219,078)	11,132,673	22,104,359	803,825	22,908,184
Total comprehensive income for the year						
Profit for the year	–	–	5,546,652	5,546,652	178,235	5,724,887
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	–	(242,044)	–	(242,044)	(95,549)	(337,593)
Total other comprehensive income for the year	–	(242,044)	–	(242,044)	(95,549)	(337,593)
Total comprehensive income for the year	–	(242,044)	5,546,652	5,304,608	82,686	5,387,294
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Final tax-exempt dividend to owners of 2 cents per share in respect of 2015	–	–	(1,391,816)	(1,391,816)	–	(1,391,816)
Interim tax-exempt dividend to owners of 2 cents per share in respect of 2016	–	–	(1,391,816)	(1,391,816)	–	(1,391,816)
Total contributions by and distributions to owners	–	–	(2,783,632)	(2,783,632)	–	(2,783,632)
At 29 February 2016	11,190,764	(461,122)	13,895,693	24,625,335	886,511	25,511,846

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2017

Group	Share capital $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non-controlling interests $	Total $
2017						
At 1 March 2016	11,190,764	(461,122)	13,895,693	24,625,335	886,511	25,511,846
Total comprehensive income for the year						
Profit for the year	–	–	1,938,102	1,938,102	(55,038)	1,883,064
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	–	(127,826)	–	(127,826)	(44,937)	(172,763)
Total other comprehensive income for the year	–	(127,826)	–	(127,826)	(44,937)	(172,763)
Total comprehensive income for the year	–	(127,826)	1,938,102	1,810,276	(99,975)	1,710,301
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Final tax-exempt dividend to owners of 2 cents per share in respect of 2016	–	–	(1,391,816)	(1,391,816)	–	(1,391,816)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2017	–	–	(1,043,862)	(1,043,862)	–	(1,043,862)
Total contributions by and distributions to owners	–	–	(2,435,678)	(2,435,678)	–	(2,435,678)
At 28 February 2017	11,190,764	(588,948)	13,398,117	23,999,933	786,536	24,786,469

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 28 February 2017

	Note	Group 2017 $	Group 2016 $
Cash flows from operating activities			
Profit before tax		2,016,621	6,165,583
Adjustments for:			
Depreciation of plant and equipment	4	3,598,131	3,579,760
Write-off of plant and equipment	4	–	21,519
(Gain)/loss on disposal of plant and equipment	18	(525,068)	11,109
Interest income	19	(6,586)	(1,698)
Interest expense	19	73,299	92,899
Allowance for bad debts	17	17,091	136,214
Bad debts written off	17	33,887	75,789
Share of profit of joint venture		(96,754)	(17,844)
		5,110,621	10,063,331
Changes in:			
Inventories		93,040	(40,522)
Trade and other receivables		2,494,478	(623,693)
Trade and other payables		(1,152,719)	993,937
Cash generated from operations		6,545,420	10,393,053
Income taxes paid		(120,409)	(258,201)
Net cash from operating activities		6,425,011	10,134,852
Cash flows from investing activities			
Interest received		6,586	1,698
Purchase of plant and equipment	4	(3,001,274)	(3,582,993)
Proceeds from disposal of plant and equipment		–	43,058
Investment in joint venture		(632,652)	(314,716)
Net cash used in investing activities		(3,627,340)	(3,852,953)
Cash flows from financing activities			
Interest expense paid		(73,299)	(92,899)
Repayment of finance lease obligations		(1,365,776)	(2,101,499)
Dividends paid		(2,435,678)	(2,783,632)
Net cash used in financing activities		(3,874,753)	(4,978,030)
Net (decrease)/increase in cash and cash equivalents		(1,077,082)	1,303,869
Cash and cash equivalents at beginning of the year		3,146,513	1,899,294
Effects of exchange rate fluctuations on cash held		(49,109)	(56,650)
Cash and cash equivalents at end of the year	10	2,020,322	3,146,513

Significant non-cash transactions:

During the year, the Group purchased plant and equipment amounting to $521,860 (2016: $2,506,170) which remains unpaid as at the reporting date. In addition, the Group acquired plant and equipment of $677,079 (2016: $55,333) under finance lease arrangements.

During the year, the Group disposed of plant and equipment for a total consideration of $1,185,002 (2016: Nil) which remains an 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 28 February 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 May 2017.

1. Domicile and activities

Transit-Mixed Concrete Ltd (the Company) is 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 5 to the financial statements.

The financial statements of the Group as at and for the year ended 28 February 2017 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 (FRSs).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

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 financial statements in conformity with FRSs 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 estimate is revised and in any future periods affected.

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:

Recoverable amount of plant and equipment

The Group evaluates whether there are any indicators of impairment for plant and equipment at each reporting date and determines the amount of impairment losses as a result of the decrease in the future cash flows derived from the continued use of the plant and equipment.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Recoverable amount of plant and equipment (cont'd)

An impairment loss is recognised when value in use of the plant and equipment is less than its carrying amount as at the reporting date. 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 plant and equipment. Any significant changes to market conditions may result in additional impairment risk on the carrying amount of plant and equipment. Significant changes to the estimates used by management to derive the future cash flows from the asset and in determining the discount rate may result in a higher impairment loss than initially estimated.

Impairment of loans and receivables

The Group evaluates whether there is any objective evidence that loans and receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the loans and receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs of doubtful debts would be higher than estimated.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

3.1 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests 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.

3. Summary of significant accounting policies (cont'd)

3.1 Consolidation (cont'd)

Business combinations (cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date 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.

Non-controlling interests 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 non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

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

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. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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.

Investments in joint venture are accounted for using the equity method. They are 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.

3. Summary of significant accounting policies (cont'd)

3.1 Consolidation (cont'd)

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit 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. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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.

Accounting for subsidiaries and joint venture by the Company

Investments in subsidiaries and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses. On disposal of investments in subsidiaries and/or joint venture, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities (Singapore Dollar, Malaysian Ringgit and Renminbi) 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. Equity items are translated at historical transaction rates.

3. Summary of significant accounting policies (cont'd)

3.2 Foreign currencies (cont'd)

Foreign operations (cont'd)

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.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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.

The Group classifies non-derivative financial assets as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, excluding prepayments.

3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date 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.

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other 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.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. 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.

Other financial liabilities comprise trade and other payables and financial lease obligations.

Share capital

Ordinary shares

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.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3. Summary of 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. Summary of significant accounting policies (cont'd)

3.5 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

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.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3. Summary of significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Loans and receivables (cont'd)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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 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.

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. Summary of 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 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.10 Revenue recognition

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rendering of services

Revenue from services performed is recognised as and when the services are performed.

Rental revenue

Revenue from rental is being recognised on a straight-line basis over the rental term or by usage, depending on the contractual arrangement.

Dividend income

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

3. Summary of significant accounting policies (cont'd)

3.11 Leases payment

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.12 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 Income tax

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.

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.

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;

- 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; and

- taxable temporary differences arising on the initial recognition of goodwill.

3. Summary of significant accounting policies (cont'd)

3.13 Income tax (cont'd)

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 the laws that have been enacted or substantively enacted by the reporting date.

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.

A deferred tax asset is recognised for unused tax losses, 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. 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 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.

3.15 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 CEO (the chief operating decision maker) 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 CEO 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. Summary of significant accounting policies (cont'd)

3.16 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 March 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has begun to assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

Applicable to 2019 financial statements

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 115 *Revenue from Contracts with Customers* FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*. FRS 115 is effective for annual periods beginning on or after 1 March 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.	During 2017, the Group performed an initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group considered the following: **Identification of performance obligation and timing of revenue recognition** Under FRS 115, the Group is required to identify performance obligations in its revenue arrangements and account for each performance obligation separately if they are distinct; or account for the contract as one performance obligation if it can be demonstrated that the services provided and/or goods delivered are inter-dependent. Generally, the Group draws up individual service contracts for each distinct service offering and revenue is recognised over the service period. Where the service contracts bundle together several performance obligations, such services are usually rendered over a similar time duration, resulting in these service revenues recognised over a similar time span. As such, the Group does not expect significant impact on the timing of recognition of service revenue, when this standard is adopted. In respect of sale of goods, the Group draws up individual sales contracts for each sale transaction, and recognises revenue on delivery of goods to customers. The Group also does not expect significant impact on recognition of sale of goods, when this standard is adopted.

3. Summary of significant accounting policies (cont'd)

3.16 New standards and interpretations not adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

New standards Summary of the requirements	**Potential impact on the financial statements**
	Transition The Group plans to adopt the standard when it becomes effective in 2019 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.
FRS 109 *Financial Instruments* FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.	During 2017, the Group completed its initial assessment of the impact on the Group's financial statements. Overall, the Group does not expect a significant impact on its opening equity, except for the effect of applying the impairment requirement under FRS 109 which may result in a higher impairment loss allowance. The Group's initial assessment of FRS 109 is as described below: **Classification and measurement** The Group does not expect a significant change to the measurement basis arising from adopting FRS 109. Loan and receivable currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

3. Summary of significant accounting policies (cont'd)

3.16 New standards and interpretations not adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 109 *Financial Instruments* (cont'd) FRS 109 is effective for annual periods beginning on or after 1 March 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 March 2018.	**Impairment** The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables. On adoption of FRS 109, there may be higher impairment loss allowance recognised as the Group does not require collateral in respect of its loans and receivables. The Group is currently refining its impairment loss estimation methodology to assess the impact on its financial statements. **Transition** The Group plans to adopt the standard when it becomes effective in 2019 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 28 February 2019 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this note.

Other than the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

3. Summary of significant accounting policies (cont'd)

3.16 New standards and interpretations not adopted (cont'd)

Applicable to 2020 financial statements

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 116 *Leases* FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases—Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 is effective for annual periods beginning on or after 1 March 2020, with early adoption permitted if FRS 115 is also applied.	The Group is currently assessing the implications of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 2% of the consolidated total assets and 12% of consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down. The Group plans to adopt the standard when it becomes effective in financial year ending 29 February 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2018. The Group expects that the impact on adoption of IFRS 16 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2019 as described above.

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 2015	2,286,289	148,271	3,540,600	218,377	349,545	35,459,241	59,563	42,061,886
Additions	264,594	368	307,598	20,292	–	3,725,823	–	4,318,675
Disposals	–	–	(145,189)	(24,901)	–	(882,550)	–	(1,052,640)
Write-off	–	–	–	–	–	(21,519)	–	(21,519)
Translation adjustments	(99,853)	(10,830)	(212,298)	(85)	–	(75,220)	–	(398,286)
At 29 February 2016	2,451,030	137,809	3,490,711	213,683	349,545	38,205,775	59,563	44,908,116
At 1 March 2016	2,451,030	137,809	3,490,711	213,683	349,545	38,205,775	59,563	44,908,116
Additions	139,168	894	256,954	2,755	–	1,294,272	–	1,694,043
Disposals	(34,778)	–	–	–	–	(5,606,778)	–	(5,641,556)
Translation adjustments	(47,212)	(4,754)	(104,274)	(37)	–	(55,423)	–	(211,700)
At 28 February 2017	2,508,208	133,949	3,643,391	216,401	349,545	33,837,846	59,563	40,748,903
Accumulated depreciation								
At 1 March 2015	1,388,145	119,115	1,408,291	215,163	198,788	16,891,107	59,563	20,280,172
Depreciation charge for the year	189,394	8,786	371,008	17,914	19,109	2,973,549	–	3,579,760
Disposals	–	–	(144,976)	(24,901)	–	(828,596)	–	(998,473)
Translation adjustments	(57,742)	(8,288)	(40,402)	(85)	–	(32,345)	–	(138,862)
At 29 February 2016	1,519,797	119,613	1,593,921	208,091	217,897	19,003,715	59,563	22,722,597
At 1 March 2016	1,519,797	119,613	1,593,921	208,091	217,897	19,003,715	59,563	22,722,597
Depreciation charge for the year	211,652	7,206	316,034	6,666	19,109	3,037,464	–	3,598,131
Disposals	(31,300)	–	–	–	–	(5,381,644)	–	(5,412,944)
Translation adjustments	(32,897)	(4,122)	(32,954)	(37)	–	(19,161)	–	(89,171)
At 28 February 2017	1,667,252	122,697	1,877,001	214,720	237,006	16,640,374	59,563	20,818,613
Carrying amounts								
At 1 March 2015	898,144	29,156	2,132,309	3,214	150,757	18,568,134	–	21,781,714
At 29 February 2016	931,233	18,196	1,896,790	5,592	131,648	19,202,060	–	22,185,519
At 28 February 2017	840,956	11,252	1,766,390	1,681	112,539	17,197,472	–	19,930,290

Concrete pumps, plant and machinery and motor vehicles with carrying amounts of $438,620 (2016: $2,448,792), $42,328 (2016: $269,630) and $346,219, (2016: $1,092,893), respectively, are held under non-cancellable finance leases with terms ranging between 12 months and 36 months.

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 2015	16,100	45,918	670,088	163,975	137,228	7,847,933	59,563	8,940,805
Additions	–	–	–	16,572	–	1,223,444	–	1,240,016
Disposals	–	–	(145,189)	(14,091)	–	(113,374)	–	(272,654)
Write-off	–	–	–	–	–	(21,519)	–	(21,519)
At 29 February 2016	16,100	45,918	524,899	166,456	137,228	8,936,484	59,563	9,886,648
At 1 March 2016	16,100	45,918	524,899	166,456	137,228	8,936,484	59,563	9,886,648
Disposals	–	–	–	–	–	(3,480,558)	–	(3,480,558)
At 28 February 2017	16,100	45,918	524,899	166,456	137,228	5,455,926	59,563	6,406,090
Accumulated depreciation								
At 1 March 2015	16,100	44,704	436,909	163,975	122,352	5,256,027	59,563	6,099,630
Depreciation charge for the year	–	1,121	28,272	13,460	–	327,913	–	370,766
Disposals	–	–	(144,976)	(14,091)	–	(102,037)	–	(261,104)
At 29 February 2016	16,100	45,825	320,205	163,344	122,352	5,481,903	59,563	6,209,292
At 1 March 2016	16,100	45,825	320,205	163,344	122,352	5,481,903	59,563	6,209,292
Depreciation charge for the year	–	93	27,845	3,112	–	362,067	–	393,117
Disposals	–	–	–	–	–	(3,363,802)	–	(3,363,802)
At 28 February 2017	16,100	45,918	348,050	166,456	122,352	2,480,168	59,563	3,238,607
Carrying amounts								
At 1 March 2015	–	1,214	233,179	–	14,876	2,591,906	–	2,841,175
At 29 February 2016	–	93	204,694	3,112	14,876	3,454,581	–	3,677,356
At 28 February 2017	–	–	176,849	–	14,876	2,975,758	–	3,167,483

5. Investment in subsidiaries

	Company 2017	Company 2016
	$	$
Investment in subsidiaries, at cost	13,395,880	13,395,880
Impairment losses	(655,820)	(655,820)
	12,740,060	12,740,060

5. Investment in subsidiaries (cont'd)

The impairment losses represent the write-down of investment in TMC (Beijing) Materials Co Ltd. and TMC Pumping System Pte. Ltd. (formerly known as Chian Hua Singapore Pte Ltd).

In prior years, management assessed that:

- the investment in TMC (Beijing) Materials Co Ltd. was impaired as the entity has been inactive and not generating cash flows. Management assessed that the investment amount of $527,820 was impaired and recognised a full impairment of the investment.

- the investment in TMC Pumping System Pte. Ltd. (formerly known as Chian Hua Singapore Pte Ltd) was impaired as the entity is loss making. Management assessed that $128,000 of the investment was impaired.

There were no change to management's assessment of the recoverable amounts of the above investments in the current year. Management assessed that there were no indicators of impairment on the carrying amount of the remaining investments in subsidiaries in the current year.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2017	**2016**
			%	**%**
TMC Pumping System Pte. Ltd. (formerly known as Chian Hua Singapore Pte Ltd) [3]	Supply of concrete pumping services	Singapore	100	100
TMC (Beijing) Materials Co Ltd. [3]	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
Transit-Mixed Concrete (M) Sdn. Bhd. [2] and its subsidiaries	Supply of ready-mixed concrete and provision of batching services	Malaysia	100	100

5. Investment in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2017 %	2016 %
Held under Transit-Mixed Concrete (M) Sdn. Bhd.				
Crescent Concrete Sdn. Bhd. [2]	Manufacture of concrete and related products	Malaysia	66.5	66.5
Optocorp Sdn. Bhd. [3] and its subsidiaries	Inactive	Malaysia	100	100
Mustajab Ilmu Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Warta Suci Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Pinespeed Sdn. Bhd. [3] and its subsidiaries	Inactive	Malaysia	100	100
Pesiaran Makmur Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Prestige Portfolio Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100

[1] Audited by KPMG LLP Singapore

[2] Audited by a member firm of KPMG International

[3] Audited by other certified public accountants

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.

6. Non-controlling interests

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non-controlling interests	
			2017 %	2016 %
Crescent Concrete Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	33.5	33.5

6. Non-controlling interests (cont'd)

The following summarises the financial information of Crescent Concrete Sdn. Bhd. prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2017 $	2016 $
NCI shareholdings	33.5%	33.5%
Revenue	6,988,961	10,733,106
(Loss)/profit	(164,292)	532,045
Total comprehensive income	(164,292)	532,045
Attributable to NCI:		
- (Loss)/profit	(55,038)	178,235
- **Total comprehensive income**	(55,038)	178,235
Non-current assets	1,511,414	1,629,262
Current assets	2,882,414	4,065,835
Non-current liabilities	(143,865)	(164,543)
Current liabilities	(1,902,095)	(2,884,254)
Net assets	2,347,868	2,646,300
Net assets attributable to NCI	786,536	886,511
Cash flows from operating activities	732,891	187,953
Cash flows from investing activities	(27,349)	(54,353)
Cash flows from financing activities (dividends to NCI: $Nil (2016: $Nil))	(524,244)	(564,475)
Net increase/(decrease) in cash and cash equivalents	181,298	(430,875)

7. Investment in joint venture

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Investment in joint venture	629,519	332,560	943,006	314,716

In July 2014, the Company and PT Acset Indonusa Tbk ("PT Acset"), incorporated a joint venture company, PT ATMC Pump Services ("PT ATMC") in Indonesia. In July 2015, the Company subscribed and paid for the 45% interest in PT ATMC.

7. Investment in joint venture (cont'd)

In March 2016, in accordance with the agreement under which PT ATMC is established, the Company and PT Acset made additional capital contribution of $628,290 and $767,910, respectively. There were no change to the shareholdings held by the Company and PT Acset subsequent to the additional capital contribution.

Name	Principal activities	Country of incorporation/ Principal place of business	Ownership interest 2017 %	Ownership interest 2016 %
Joint venture held by the Company:				
PT ATMC Pump Services	Leasing of concrete pumps	Indonesia	45	45

The following table summarises the financial information of PT ATMC, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2017 $	2016 $
Revenue	1,071,262	214,580
Profit for the year [a]	215,009	39,652
Other comprehensive income	9,693	–
Total comprehensive income	224,702	39,652
[a] Includes:		
Depreciation	281,412	43,987
Income tax expense	51,223	5,810
Non-current assets	2,762,957	1,028,847
Current assets [b]	680,652	384,322
Non-current liabilities [c]	(43,511)	–
Current liabilities [d]	(1,040,173)	(674,147)
Net assets	2,359,925	739,022
[b] Includes cash and cash equivalents	191,461	277,323
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(26,825)	(8,802)
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(18,861)	(5,030)

7. Investment in joint venture (cont'd)

	2017 $	2016 $
Group's interest in net assets of investee at beginning of the year	332,560	–
Consideration paid on subscription of new equity shares of joint venture	628,290	314,716
Share of total comprehensive income	101,116	17,844
Elimination of unrealised profit on downstream sale of equipment	(432,447)	–
Carrying amount of interest in investee at end of the year	629,519	332,560

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.

8. Inventories

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Raw materials and consumables	115,234	142,484	–	–
Spare parts and accessories	895,218	961,008	–	–
	1,010,452	1,103,492	–	–

During the year, inventories recognised as cost of sales amounted to $6,413,819 (2016: $9,380,773).

9. Trade and other receivables

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Trade receivables	5,689,291	8,329,148	264,636	138,327
Deposit receivables	160,276	197,543	62,694	87,172
Other receivables	95,602	37,195	10,121	28,964
Amounts due from joint venture				
- trade	84,549	1,712	–	–
- non-trade	1,185,002	–	939,012	–
Amounts due from subsidiaries				
- non-trade	–	–	917,686	521,503
Allowance for doubtful trade receivables	(151,363)	(136,214)	–	–
Loans and receivables	7,063,357	8,429,384	2,194,149	775,966
Prepayments	187,788	182,215	–	–
	7,251,145	8,611,599	2,194,149	775,966

9. Trade and other receivables (cont'd)

The non-trade amounts due from subsidiaries and joint venture are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

The ageing of loans and receivables at the reporting date is as follows:

	2017		2016	
	Gross $	Impairment losses $	Gross $	Impairment losses $
Group				
Not past due	2,410,905	–	2,324,928	–
Past due 0 - 30 days	1,088,046	–	2,835,373	–
Past due 31 - 120 days	2,576,279	–	2,676,694	–
More than > 120 days	1,139,490	(151,363)	728,603	(136,214)
	7,214,720	(151,363)	8,565,598	(136,214)
Company				
Not past due	1,620,030	–	690,648	–
Past due 0 - 30 days	1,196	–	69,684	–
Past due 31 - 120 days	59,936	–	11,235	–
More than > 120 days	512,987	–	4,399	–
	2,194,149	–	775,966	–

The movements in impairment allowance in respect of trade receivables during the year were as follows:

	Group	
	2017 $	2016 $
At 1 March	(136,214)	(750)
Impairment loss recognised during the year	(73,091)	(136,214)
Impairment allowance reversed during the year	56,000	750
Effect of movements in exchange rates	1,942	–
At 28/29 February	(151,363)	(136,214)

Based on past default rates other than the allowances provided above, the Group believes that no impairment allowance is necessary in respect of the loans and receivables as these receivables are due from customers and other counterparties that have a good payment record with the Group.

10. Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Cash at bank and in hand	1,012,046	2,144,822	550,871	1,522,542
Fixed deposits	1,008,276	1,001,691	1,008,276	1,001,691
Cash and cash equivalents in the statement of cash flows	2,020,322	3,146,513	1,559,147	2,524,233

The weighted average effective interest rates per annum relating to fixed deposits for the Group is 0.9% (2016: 1.0%), at the reporting date.

The Company maintains bank overdraft facilities amounting to $1,500,000 (2016: $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 Group did not utilise its bank overdrafts facilities as at 28 February 2017.

11. Share capital

	2017		2016	
	No. of shares	$	No. of shares	$
Group and 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.

The Board of Directors monitors the return on capital, which the Group and Company defines as net income divided by equity. As the Company is also an investment holding company, its capital is assessed together with its subsidiaries on a consolidated basis.

11. Share capital (cont'd)

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

	Group 2017 $	Group 2016 $
Finance lease obligations	450,155	1,138,852
Net debt	450,155	1,138,852
Total equity attributable to owners of the Company	23,999,933	24,625,335
Net debt to equity ratio at the end of financial year	1.9%	4.6%

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.

12. Reserves

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Foreign currency translation reserve	(588,948)	(461,122)	–	–
Retained earnings	13,398,117	13,895,693	4,714,201	3,157,014
	12,809,169	13,434,571	4,714,201	3,157,014

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

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company 2017 $	Group and Company 2016 $
Paid by the Company to owners of the Company		
1.5 cents per ordinary share (2016: 2.0 cents)	1,043,862	1,391,816

12. Reserves (cont'd)

Dividends (cont'd)

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2017	2016
	$	$
1.0 cent per ordinary share (2016: 2.0 cents)	695,908	1,391,816

13. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2017	2016	2017	2016
	$	$	$	$
Group				
Plant and equipment	–	–	(2,714,013)	(2,652,333)
Unabsorbed capital allowances and unutilised tax losses	1,034,000	1,056,000	–	–
Deferred tax assets/(liabilities)	1,034,000	1,056,000	(2,714,013)	(2,652,333)
Set off of tax	(565,000)	(410,000)	565,000	410,000
Net deferred tax assets/(liabilities)	469,000	646,000	(2,149,013)	(2,242,333)
Company				
Plant and equipment	–	–	(469,000)	(410,000)
Unabsorbed capital allowances and unutilised tax losses	938,000	1,056,000	–	–
Deferred tax assets/(liabilities)	938,000	1,056,000	(469,000)	(410,000)
Set off of tax	(469,000)	(410,000)	469,000	410,000
Net deferred tax assets/(liabilities)	469,000	646,000	–	–

13. Deferred tax assets/(liabilities) (cont'd)

Movements in deferred tax balances during the year:

	Balance as at 1 March 2015 $	Recognised in profit or loss (note 20) $	Balance as at 29 February 2016 $	Recognised in profit or loss (note 20) $	Balance as at 28 February 2017 $
Group					
Plant and equipment	(2,597,339)	(54,994)	(2,652,333)	(61,680)	(2,714,013)
Unabsorbed capital allowances and unutilised tax losses	1,133,051	(77,051)	1,056,000	(22,000)	1,034,000
	(1,464,288)	(132,045)	(1,596,333)	(83,680)	(1,680,013)
Company					
Plant and equipment	(319,000)	(91,000)	(410,000)	(59,000)	(469,000)
Unabsorbed capital allowances and unutilised tax losses	689,000	367,000	1,056,000	(118,000)	938,000
	370,000	276,000	646,000	(177,000)	469,000

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.

14. Finance lease obligations

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Non-current portion	83,297	72,543	–	–
Current portion	366,858	1,066,309	–	–
	450,155	1,138,852	–	–

14. Finance lease obligations (cont'd)

In FY2017, the Group entered into three (2016: one) finance lease arrangements with terms ranging 12 to 36 months (2016: 36 months). The Group incurred interest cost from the finance lease arrangement at effective interest rates of 2.63% per annum to 6.8% per annum (2016: 6.8% per annum). The carrying amount of the leased assets is disclosed in note 4.

	Future minimum lease payments 2017 $	Interest 2017 $	Principal 2017 $	Future minimum lease payments 2016 $	Interest 2016 $	Principal 2016 $
Group						
Within one year	387,665	20,807	366,858	1,126,504	60,195	1,066,309
Between one and five years	92,027	8,730	83,297	80,006	7,463	72,543
	479,692	29,537	450,155	1,206,510	67,658	1,138,852

Intra-group financial guarantee comprises a guarantee given by the Company to a bank in respect of finance lease facilities amounting to $220,296 (2016: $646,895) granted to wholly-owned subsidiaries which expire within 1 year (2016: 2 years). The fair value of the financial liability attributable to the intra-group financial guarantee was assessed to be immaterial as the financial guarantee, on a standalone basis, does not change the financing cost in the lease arrangement.

15. Trade and other payables

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Trade payables	2,394,854	3,448,454	37,824	57,728
Accruals	853,681	902,907	732,898	720,208
Payables for plant and equipment	521,860	2,506,170	–	978,755
Other payables	134,922	184,815	8,491	85,291
Amounts due to subsidiaries				
- non-trade	–	–	4,388,667	4,488,571
	3,905,317	7,042,346	5,167,880	6,330,553

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand. The payables for plant and equipment have credit terms of 3 to 6 months.

16. Revenue

	Group 2017 $	Group 2016 $
Sale of products	7,497,598	11,784,587
Rendering of services	14,608,738	20,944,192
	22,106,336	32,728,779

17. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 2017 $	Group 2016 $
Audit fee paid to		
- auditor of the Company	82,265	79,764
- other auditors	5,907	6,483
Non-audit fee paid to		
- auditor of the Company	2,649	2,396
- other auditors	12,989	13,167
Wages and salaries expenses	4,927,136	5,422,324
Contributions to defined contribution plans	280,254	287,334
Bad debts written off	33,887	75,789
Allowance for bad debts	17,091	135,464
Depreciation expense	3,598,131	3,579,760
Operating lease expenses included in		
- cost of sales	901,139	916,612
- selling, general and administrative expenses	81,724	81,444

18. Other income

	Group 2017 $	Group 2016 $
Gain/(loss) on disposal of plant and equipment	525,068	(11,109)
Government grants	105,215	87,358
Other miscellaneous income	13,573	17,491
	643,856	93,740

19. Net finance income/(cost)

	Group 2017 $	Group 2016 $
Finance income:		
- Interest income on bank deposits	6,586	1,698
- Net foreign currency exchange gain	102,638	54,425
	109,224	56,123
Finance cost:		
- Finance lease obligations	(73,299)	(92,899)
	35,925	(36,776)

20. Tax expense

	Group 2017 $	Group 2016 $
Current tax expense		
- Current year	54,674	291,691
- (Over)/under provision in prior years	(4,797)	16,960
	49,877	308,651
Deferred tax expense		
- Movements in temporary differences	61,283	120,239
- Under provision in prior years	22,397	11,806
	83,680	132,045
Total tax expense	133,557	440,696
Reconciliation of effective tax rate		
Profit before tax	2,016,621	6,165,583
Tax using the Singapore tax rate of 17% (2016: 17%)	342,826	1,048,149
Effect of different tax rates in foreign jurisdictions	14,276	84,522
Tax effects of:		
- Expenses not deductible for tax purposes	23,785	32,445
- Income not subject to tax	(106,710)	–
- Tax incentive	(158,220)	(753,186)
- Under provision of tax in respect of prior years	17,600	28,766
	133,557	440,696

20. Tax expense (cont'd)

Tax incentive

The tax incentive above refers to the Productivity and Innovation Credit scheme (PIC), which allows businesses that invest in a range of productivity and innovation activities to claim enhanced deductions and/or allowances at 400% of expenditure incurred for each category of activity from years of assessment 2011 to 2018. Accordingly, the tax charge of the Company for the financial years ended 28 February 2017 and 29 February 2016 had been reduced based on the above tax incentives.

21. Earnings per share

The calculation of basic and fully diluted earnings per share is based on the following:

	Group	
	2017	2016
Profit for the year attributable to ordinary shareholders	1,938,102	5,546,652
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 earnings per share.

22. Commitments

a) *Capital commitments*

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Plant and equipment	–	584,165	–	–

b) *Operating lease commitments – the Group and the Company as lessee*

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 to three years, with an option to renew the lease after that date. None of the leases include contingent rentals.

22. Commitments (cont'd)

b) Operating lease commitments – the Group and the Company as lessee (cont'd)

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Payable within 1 year	661,367	779,840	79,762	79,762
Payable after 1 year but within 5 years	96,357	171,057	79,762	159,524
	757,724	950,897	159,524	239,286

Included in the future aggregate minimum lease payments of the Group and Company are $159,524 (2016: $239,286) which will be payable to a key management personnel in the next 2 years.

23. Related party transactions

Key management personnel compensation

Key management personnel compensation included in selling, general and administrative expenses comprises:

	Group	
	2017	**2016**
	$	**$**
Key management compensation		
- Salaries, other short-term benefits and contributions to defined contribution plans*	686,906	1,109,751
Non-executive directors		
- Fees	100,000	100,000
	786,906	1,209,751

* Includes executive directors' remuneration.

Other transactions with key management personnel

The Company has an existing agreement for the lease of its office premises with a director of the Company, Mr Chua Eng Him. Rental paid under this agreement for the financial year amounted to $79,762 (2016: $79,762) for the Group and Company, which has been reviewed by the Audit Committee.

23. Related party transactions (cont'd)

Other related party transactions

Other than those transactions disclosed elsewhere in the financial statements, the following were significant transactions with related parties, based on terms agreed between the parties:

	Group 2017 $	Group 2016 $
Joint Venture		
- Sale of equipment	1,185,002	–
- Sale of parts	82,837	–

	Company 2017 $	Company 2016 $
Subsidiaries		
- Management fee income (within other income)	746,400	753,600
- Equipment rental income (within revenue)	1,080,000	1,026,400
- Sale of equipment	16,500	–
- Office rental income	79,762	79,762
- Production overheads paid on behalf of Company	(298,519)	(91,832)
Joint Venture		
- Sale of equipment	939,012	–

24. 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.

24. Financial risk management (cont'd)

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 Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

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 any interest rate risk exposure.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a debtor or a counterparty to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantee at the reporting date is $220,296 (2016: $646,895).

Trade and other receivables

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. If the customers are independently rated, these ratings are used. Otherwise, the credit quality of customers is assessed after taking into account its financial position and the Group's past experience with the customer. The Group does require the customer to provide personal guarantees in respect of certain trade and other receivables.

The Group and Company establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure, and a collective loss component established for group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

At the reporting date, there were no significant concentrations of credit risk due to the Group's varied base of customers. The maximum exposure to credit risk is represented by the respective carrying amounts of each financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

24. Financial risk management (cont'd)

Liquidity risk

The Group and Company monitor liquidity risk and maintain a level of cash and cash equivalents (including bank overdraft) as deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flow.

Typically, the Group and Company ensure that they have sufficient cash on demand to meet expected operational expenses for a period of 60 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments:

			Cash flows			
	Note	Carrying amount $	Contractual cash flows $	Within 6 months $	Within 7-12 months $	Within 1 to 5 years $
Group						
2017						
Trade and other payables	15	3,905,317	3,905,317	3,905,317	–	–
Finance lease obligations	14	450,155	479,692	227,678	159,987	92,027
		4,355,472	4,385,009	4,132,995	159,987	92,027
2016						
Trade and other payables	15	7,042,346	7,042,346	7,042,346	–	–
Finance lease obligations	14	1,138,852	1,206,510	781,735	344,769	80,006
		8,181,198	8,248,856	7,824,081	344,769	80,006
Company						
2017						
Trade and other payables	15	5,167,880	5,167,880	5,167,880	–	–
Intra-group financial guarantee	14	–	220,296	220,296	–	–
		5,167,880	5,388,176	5,388,176	–	–
2016						
Trade and other payables	15	6,330,553	6,330,553	6,330,553	–	–
Intra-group financial guarantee	14	–	646,895	646,895	–	–
		6,330,553	6,977,448	6,977,448	–	–

24. Financial risk management (cont'd)

Liquidity risk (cont'd)

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.

Except for the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

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.

Foreign currency risk

The Group and Company incur foreign currency risk on amounts due from joint venture (2016: payables for plant and equipment) which are denominated in United States Dollar (2016: Renminbi). 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 currencies, other than the respective functional currencies of the Group's entities, is as follows:

	Group		Company	
	USD	RMB	USD	RMB
	$	$	$	$
28 February 2017				
Amounts due from joint venture	1,267,839	–	939,012	–
29 February 2016				
Payables for plant and equipment	–	(1,966,410)	–	(978,755)

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against the United States Dollar (2016: Renminbi) at reporting date would have (decreased)/increased 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 and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2016, as indicated below.

24. Financial risk management (cont'd)

Sensitivity analysis (cont'd)

	Group Profit or loss $	Company Profit or loss $
28 February 2017		
USD	(126,784)	(93,901)
29 February 2016		
RMB	196,641	97,876

A 10% weakening of the Singapore dollar against the above foreign currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Fair values

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values as at 28 February 2017 and 29 February 2016 because of their short period to maturity.

Financial instrument by category – Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Group					
2017					
Financial assets					
Cash and cash equivalents	10	2,020,322	–	2,020,322	2,020,322
Loans and receivables	9	7,063,357	–	7,063,357	7,063,357
		9,083,679	–	9,083,679	9,083,679
Financial liabilities					
Trade and other payables	15	–	(3,905,317)	(3,905,317)	(3,905,317)
Finance lease obligations	14	–	(450,155)	(450,155)	(450,155)
		–	(4,355,472)	(4,355,472)	(4,355,472)

24. Financial risk management (cont'd)

Fair values (cont'd)

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Group					
2016					
Financial assets					
Cash and cash equivalents	10	3,146,513	–	3,146,513	3,146,513
Loans and receivables	9	8,429,384	–	8,429,384	8,429,384
		11,575,897	–	11,575,897	11,575,897
Financial liabilities					
Trade and other payables	15	–	(7,042,346)	(7,042,346)	(7,042,346)
Finance lease obligations	14	–	(1,138,852)	(1,138,852)	(1,138,852)
		–	(8,181,198)	(8,181,198)	(8,181,198)
Company					
2017					
Financial assets					
Cash and cash equivalents	10	1,559,147	–	1,559,147	1,559,147
Loans and receivables	9	2,194,149	–	2,194,149	2,194,149
		3,753,296	–	3,753,296	3,753,296
Financial liabilities					
Trade and other payables	15	–	(5,167,880)	(5,167,880)	(5,167,880)
2016					
Financial assets					
Cash and cash equivalents	10	2,524,233	–	2,524,233	2,524,233
Loans and receivables	9	775,966	–	775,966	775,966
		3,300,199	–	3,300,199	3,300,199
Financial liabilities					
Trade and other payables	15	–	(6,330,553)	(6,330,553)	(6,330,553)

25. Segment reporting (Group)

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 (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	:	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. 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.

Information about reportable segments

	Ready-mixed concrete		Concrete pumping services		Waste management		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
External revenues	7,060,323	10,847,035	12,951,144	20,118,907	2,094,869	1,762,837	22,106,336	32,728,779
Inter-segment revenue - pump rental	–	–	1,164,600	1,266,364	–	–	1,164,600	1,266,364
Inter-segment revenue - pump parts	–	–	91,755	63,838	–	–	91,755	63,838
Interest income	6,586	1,698	–	–	–	–	6,586	1,698
Finance expense	(50,887)	(53,990)	(21,957)	(38,909)	(455)	–	(73,299)	(92,899)
Depreciation	(289,835)	(281,923)	(3,163,846)	(3,168,209)	(144,450)	(129,628)	(3,598,131)	(3,579,760)
Income tax credit/(expense)	19,832	(217,865)	(112,389)	(236,831)	(41,000)	14,000	(133,557)	(440,696)
Reportable segment (loss)/profit before tax	(164,057)	774,983	1,840,919	5,672,229	500,549	312,355	2,177,411	6,759,567
Other material non-cash items:								
- Gain/(loss) on disposal of plant and equipment	–	–	528,546	(11,109)	(3,478)	–	525,068	(11,109)
- Allowance for doubtful receivables	(73,091)	(36,214)	56,000	(100,000)	–	–	(17,091)	(136,214)
- Bad debts written off	–	–	(27,437)	(75,789)	(6,450)	–	(33,887)	(75,789)
Reportable segment assets	3,827,659	5,220,972	26,169,100	29,644,737	1,313,969	1,159,974	31,310,728	36,025,683
Capital expenditure	257,847	114,257	1,294,273	3,994,688	141,923	209,730	1,694,043	4,318,675
Reportable segment liabilities	2,827,215	3,913,758	3,484,209	6,442,068	212,835	158,011	6,524,259	10,513,837

25. Segment reporting (Group) (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2017 $	2016 $
Revenue		
Total revenue for reportable segments	23,362,691	34,058,981
Elimination of inter-segment revenue	(1,256,355)	(1,330,202)
Consolidated revenue	22,106,336	32,728,779
Profit or loss		
Total profit before tax for reportable segments	2,177,411	6,759,567
Unallocated amounts:		
- Other corporate expenses & income	(160,790)	(593,984)
Consolidated profit before tax	2,016,621	6,165,583

Geographical segments

The Ready-Mixed Concrete, Concrete Pumping Services 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 [1] $
2017		
Singapore	14,130,709	18,342,340
Malaysia	7,975,627	2,217,469
	22,106,336	20,559,809
2016		
Singapore	21,223,314	20,464,705
Malaysia	11,505,465	2,053,374
	32,728,779	22,518,079

[1] Exclude deferred tax assets

Major customer

Revenue from one (2016: one) customer of the Group's concrete pumping services segment contributed $1,066,000 (2016: $2,108,000) of the Group's total revenue.

ANALYSIS OF SHAREHOLDINGS

As at 15 May 2017

Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each share
No. of treasury shares	:	Nil
No. of subsidiary holdings	:	Nil

Summary of Shareholdings by Size

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of total issued shares
1 to 99	2	0.19	113	0.00
100 to 1,000	541	50.99	528,800	0.76
1,001 to 10,000	381	35.91	2,031,100	2.92
10,001 to 1,000,000	132	12.44	13,570,577	19.50
1,000,001 and above	5	0.47	53,460,210	76.82
Total	1,061	100	69,590,800	100

Shareholdings Held in Hands of Public

25.04% of the shareholding is held in the hands of the public and Rule 723 of the Listing Manual is complied with.

Top 20 Shareholders

No.	Name of shareholders	No. of shares	% of total issued shares
1	Chua Eng Him	20,154,566	28.96
2	Kheng Leong Company (Pte) Ltd	15,252,104	21.92
3	Yap Boh Lim	14,252,104	20.48
4	LF Developments Pte Ltd	2,801,000	4.02
5	Chan Yin Lan	1,000,436	1.44
6	Woodlands Transport Service Pte Ltd	1,000,000	1.44
7	WTS Logistics & Trading Pte Ltd	1,000,000	1.44
8	Citibank Nominees Singapore Pte Ltd	946,000	1.36
9	DBS Nominees Pte Ltd	888,200	1.27
10	Cheong Wai Ngan Gillian	724,000	1.04
11	A-Power Engineering Pte Ltd	719,200	1.03
12	Hee Geok Lin	577,000	0.83
13	Yap Eng Chew	500,000	0.72
14	Yap Eng Ching	500,000	0.72
15	Chua Wee Keng	499,000	0.72
16	Chua Seng Guan	479,897	0.69
17	Chua Hoong Tat Franz	410,000	0.59
18	Chang Ling Seow	282,000	0.40
19	Wong Man On	277,500	0.40
20	Raffles Nominees (Pte) Ltd	276,000	0.40
	Total	62,539,007	89.87

ANALYSIS OF SHAREHOLDINGS

As at 15 May 2017

Substantial Shareholders

Name of substantial shareholders	Direct interest: No. of shares	Direct interest: % of total issued shares	Deemed interest: No. of shares	Deemed interest: % of total issued shares
Chua Eng Him	20,154,566	28.96	577,000[(1)]	0.83
Kheng Leong Company (Private) Limited	15,252,104	21.92	–	–
Wee Ee Cheong	–	–	15,252,104[(2)]	21.92
Wee Ee Chao	–	–	15,252,104[(3)]	21.92
Wee Ee Lim	–	–	15,252,104[(4)]	21.92
Wee Investments (Pte) Limited	–	–	15,252,104[(5)]	21.92
Yap Boh Lim	14,252,104	20.48	–	–

Notes

(1) Mr Chua Eng Him is deemed to have an interest in the 577,000 shares held by his wife.

(2) Mr Wee Ee Cheong is deemed to have an interest in the 15,252,104 shares held by Kheng Leong Company (Private) Limited.

(3) Mr Wee Ee Chao is deemed to have an interest in the 15,252,104 shares held by Kheng Leong Company (Private) Limited.

(4) Mr Wee Ee Lim is deemed to have an interest in the 15,252,104 shares held by Kheng Leong Company (Private) Limited.

(5) Wee Investments (Pte) Limited is deemed to have an interest in the 15,252,104 shares held by Kheng Leong Company (Private) Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 37th annual general meeting of Transit-Mixed Concrete Ltd will be held at Connaught Room, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 28 June 2017 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1 To receive and adopt the directors' statement and audited financial statements for the year ended 28 February 2017 and the auditors' report thereon.

2 To declare a one-tier tax exempt final dividend of 1 cent per ordinary share for the year ended 28 February 2017.

3 To re-elect Mr Tan Hwee Yong, a director who will retire by rotation pursuant to Article 89 of the Company's Constitution and who, being eligible, will offer himself for re-election.

Note: Mr Tan Hwee Yong, if re-elected as a director, will remain a member of the audit committee, nominating committee and remuneration committee. Mr Tan is an independent director. Key information on Mr Tan is set out on page 8 of the annual report.

4 To re-elect Mr Low Wing Hong, a director who will retire by rotation pursuant to Article 89 of the Company's Constitution and who, being eligible, will offer himself for re-election.

Note: Mr Low Wing Hong, if re-elected as a director, will remain a member of the remuneration committee. Mr Low is a non-independent director. Key information on Mr Low is set out on page 9 of the annual report.

5 To re-appoint KPMG LLP as auditors of the Company and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

6 To consider and, if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

"That directors' fees of S$100,000 for the year ended 28 February 2017 be and are hereby approved." (2016: S$100,000)

7 To consider and, if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

"That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided always that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

OTHER BUSINESS

8 To transact such other business as can be transacted at an annual general meeting of the Company.

By Order of the Board

Chen Lee Lee
Company Secretary

Singapore
7 June 2017

Notes

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2 A proxy need not be a member of the Company.

3 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 150 Changi Road #03-05, Guthrie Building, Singapore 419973 not less than 48 hours before the time appointed for holding the meeting.

Statement pursuant to Article 52 of the Company's Constitution

The ordinary resolution proposed in item 6 above is to approve the payment of directors' fees for the year ended 28 February 2017.

The ordinary resolution proposed in item 7 above is to authorise the directors from the date of the above meeting until the date of the next annual general meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares and convertible securities which the directors may allot and issue under this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed. For issues of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the share transfer books and register of members of the Company will be closed on 24 August 2017 for the purpose of determining members' entitlements to a one-tier tax exempt final dividend of 1 cent per ordinary share for the year ended 28 February 2017.

Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 23 August 2017 will be registered before entitlements to the dividend are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 23 August 2017 will be entitled to the dividend.

The dividend, if approved by members at the 37th annual general meeting of the Company to be held on 28 June 2017, will be paid on 8 September 2017.

By Order of the Board

Chen Lee Lee
Company Secretary

Singapore
7 June 2017

TRANSIT-MIXED CONCRETE LTD
(Incorporated In The Republic Of Singapore)
Company Registration No. 197902587H

IMPORTANT
1 Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the annual general meeting.
2 For CPF/SRS investors who have used their CPF/SRS monies to buy Transit-Mixed Concrete Ltd shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3 By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the notice of annual general meeting dated 7 June 2017.

PROXY FORM

I/We ______________________________ NRIC/Passport/Co. Reg. No. ______________

of ____

being a member/members of Transit-Mixed Concrete Ltd hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 37th annual general meeting of the Company to be held at Connaught Room, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 28 June 2017 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the annual general meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the annual general meeting.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
	Ordinary Business		
1	To receive and adopt the directors' statement and audited financial statements		
2	To declare a one-tier tax exempt final dividend		
3	To re-elect Mr Tan Hwee Yong as director		
4	To re-elect Mr Low Wing Hong as director		
5	To re-appoint KPMG LLP as auditors and to authorise the directors to fix their remuneration		
	Special Business		
6	To approve directors' fees		
7	To authorise the directors to allot and issue shares and convertible securities		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this ________ day of ____________________ 2017

Total Number of Ordinary Shares Held

____
Signature(s) of Member(s) or Common Seal

IMPORTANT
PLEASE READ NOTES OVERLEAF

NOTES

1 If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3 A proxy need not be a member of the Company.

4 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 150 Changi Road #03-05, Guthrie Building, Singapore 419973, not later than 10.00 a.m. on Monday, 26 June 2017.

5 Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

7 Where an instrument appointing a proxy or proxies 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, failing which the instrument may be treated as invalid.

8 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 179 of the Companies Act, Cap. 50.

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

TRANSIT-MIXED CONCRETE LTD
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Company Registration No.:197902587H

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