

Full Year Financial Statement And Dividend Announcement for the Year Ended 28 February 2018

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the year ended 28 February 2018

	Group 2018 S\$'000	Group 2017 S\$'000	+ / (-) %
Revenue	17,036	22,106	(23)
Cost of sales	(16,309)	(19,004)	(14)
Gross profit	727	3,102	(77)
Other income	91	644	(86)
Selling, general and administrative expenses	(1,934)	(1,863)	4
Other operating expenses	(3,985)	-	NM
Net finance (cost)/income	(50)	36	NM
Share of profit of joint venture, net of tax	121	97	25
(Loss)/Profit before tax	(5,030)	2,016	NM
Tax credit/(expense)	279	(133)	NM
(Loss)/Profit for the year	(4,751)	1,883	NM
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	46	(173)	NM
	46	(173)	NM
Total comprehensive income for the year	(4,705)	1,710	NM
Profit for the year attributable to:			
Owners of the Company	(4,598)	1,938	NM
Non-controlling interests	(153)	(55)	178
(Loss)/Profit for the year	(4,751)	1,883	NM
Total comprehensive income attributable to:			
Owners of the Company	(4,614)	1,810	NM
Non-controlling interests	(91)	(100)	(9)
Total comprehensive income for the year	(4,705)	1,710	NM

NM denotes not meaningful.

(Loss)/Profit before tax includes the following:

	Group 2018 S\$'000	Group 2017 S\$'000	+ / (-) %
Other income	91	119	(24)
Interest income	6	6	-
Interest on borrowings	(25)	(73)	(66)
Depreciation	(3,538)	(3,598)	(2)
Bad debts written off/Allowance for doubtful debts	(51)	(51)	-
Foreign exchange (loss)/gain	(31)	103	NM
(Loss)/Gain on disposal of plant and equipment	(127)	525	NM
Write-off of plant and equipment	(26)	-	NM
Impairment loss on plant and equipment	(3,985)	-	NM

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

Statements of Financial Position as at 28 February 2018

	Group 2018 S\$'000	Group 2017 S\$'000	Company 2018 S\$'000	Company 2017 S\$'000
Non-current assets				
Plant and equipment	13,318	19,930	1,949	3,168
Investment in subsidiaries	-	-	12,705	12,740
Investment in joint venture	1,857	630	2,136	943
Deferred tax asset	475	469	449	469
Total non-current assets	15,650	21,029	17,239	17,320
Current assets				
Inventories	904	1,010	-	-
Trade and other receivables	5,999	7,251	1,398	2,194
Cash and cash equivalents	3,087	2,020	2,203	1,559
Total current assets	9,990	10,281	3,601	3,753
Total assets	25,640	31,310	20,840	21,073
Equity attributable to owners of the Company				
Share capital	11,191	11,191	11,191	11,191
Reserves	6,802	12,808	2,101	4,714
Total equity attributable to owners of the Company	17,993	23,999	13,292	15,905
Non-controlling interests	1,012	786	-	-
Total equity	19,005	24,785	13,292	15,905
Non-current liabilities				
Deferred tax liabilities	1,819	2,149	-	-
Finance lease obligations	45	83	-	-
Total non-current liabilities	1,864	2,232	-	-
Current liabilities				
Trade and other payables	4,639	3,906	7,548	5,168
Current tax liabilities	18	20	-	-
Finance lease obligations	114	367	-	-
Total current liabilities	4,771	4,293	7,548	5,168
Total liabilities	6,635	6,525	7,548	5,168
Total equities and liabilities	25,640	31,310	20,840	21,073

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 28/2/18 (S\$'000)		As at 28/2/17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
114	-	367	-

Amount repayable after one year

As at 28/2/18 (S\$'000)		As at 28/2/17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
45	-	83	-

Details of any collateral

The Group's banking and debt facilities, comprising of finance lease obligations, are secured by:

- A fixed and floating charge of up to S\$1,500,000 (28/2/2017: S\$1,500,000) on the Company's assets.
- Corporate guarantees issued by the Company.
- Plant and equipment of subsidiaries used as collateral for the finance lease obtained.

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

Consolidated Statement of Cash Flows for the year ended 28 February 2018

	Group 28/2/18 S\$'000	Group 28/2/17 S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(5,030)	2,016
Adjustments for:		
Depreciation of plant and equipment	3,538	3,598
Write-off of plant and equipment	26	-
Loss/(Gain) on disposal of plant and equipment	127	(525)
Impairment loss on plant and equipment	3,985	-
Interest income	(6)	(6)
Interest expense	25	73
Allowance for bad debts	-	17
Bad debts written off	51	34
Share of profit of joint venture, net of tax	(121)	(97)
	2,595	5,110
Changes in:		
Inventories	106	93
Trade and other receivables	546	2,494
Trade and other payables	1,254	(1,152)
Cash generated from operations	4,501	6,545
Income taxes paid	(59)	(120)
Net cash from operating activities	4,442	6,425
Cash flows from investing activities		
Interest received	6	6
Purchase of plant and equipment	(1,418)	(3,001)
Proceeds from disposal of plant and equipment	849	-
Investment in joint venture	(1,192)	(633)
Net cash used in investing activities	(1,755)	(3,628)
Cash flows from financing activities		
Interest expense paid	(25)	(73)
Repayment of finance lease obligations	(396)	(1,366)
Proceeds from non-controlling interest upon the formation of a subsidiary	317	-
Dividends paid	(1,392)	(2,436)
Net cash used in financing activities	(1,496)	(3,875)
Net increase/(decrease) in cash and cash equivalents	1,191	(1,078)
Cash and cash equivalents at beginning of year	2,020	3,147
Effects of exchange rate fluctuations on cash held	(124)	(49)
Cash and cash equivalents at end of the year	3,087	2,020
Comprising:		
Cash at bank and in hand	2,084	1,012
Fixed deposits	1,003	1,008
Cash and cash equivalents at end of the year	3,087	2,020

Significant non-cash transactions:

During the year, the Group purchased plant and equipment amounting to S\$Nil (2017: S\$521,860) which remains unpaid as at the balance sheet date. The Group also acquired plant and equipment of S\$105,405 (2017: S\$677,079) under finance lease arrangements.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the year ended 28 February 2018

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
2017						
At 1 March 2016	11,191	(462)	13,896	24,625	886	25,511
Total comprehensive income for the year						
Profit for the year	-	-	1,938	1,938	(55)	1,883
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(128)	-	(128)	(45)	(173)
Total other comprehensive income for the year	-	(128)	-	(128)	(45)	(173)
Total comprehensive income for the year	-	(128)	1,938	1,810	(100)	1,710
Transactions with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Final tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	-	(1,392)	(1,392)	-	(1,392)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2017	-	-	(1,044)	(1,044)	-	(1,044)
Total contributions by and distributions to owners	-	-	(2,436)	(2,436)	-	(2,436)
At 28 February 2017	11,191	(590)	13,398	23,999	786	24,785

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
2018						
At 1 March 2017	11,191	(590)	13,398	23,999	786	24,785
Total comprehensive income for the year						
Profit for the year	-	-	(4,598)	(4,598)	(153)	(4,751)
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(16)	-	(16)	62	46
Total other comprehensive income for the year	-	(16)	-	(16)	62	46
Total comprehensive income for the year	-	(16)	(4,598)	(4,614)	(91)	(4,705)
Transactions with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Final tax-exempt dividend to owners of 1 cent per share in respect of 2017	-	-	(696)	(696)	-	(696)
Interim tax-exempt dividend to owners of 1 cent per share in respect of 2018	-	-	(696)	(696)	-	(696)
Total contributions by and distributions to owners	-	-	(1,392)	(1,392)	-	(1,392)
Changes in ownership interests in subsidiaries						
Formation of subsidiary with non-controlling interests	-	-	-	-	317	317
Total changes in ownership interests in subsidiaries	-	-	-	-	317	317
Total transactions with owners	-	-	(1,392)	(1,392)	317	(1,075)
At 28 February 2018	11,191	(606)	7,408	17,993	1,012	19,005

Statement of Changes in Equity for the year ended 28 February 2018

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
2017			
At 1 March 2016	11,191	3,157	14,348
Total comprehensive income for the year			
Profit for the year	-	3,993	3,993
Transactions with owner, recorded directly in equity			
<i>Distributions to owners</i>			
Final tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	(1,392)	(1,392)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2017	-	(1,044)	(1,044)
At 28 February 2017	11,191	4,714	15,905
2018			
At 1 March 2017	11,191	4,714	15,905
Total comprehensive income for the year			
Profit for the year	-	(1,221)	(1,221)
Transactions with owners, recorded directly in equity			
<i>Distributions to owners</i>			
Final tax-exempt dividend to owners of 1 cent per share in respect of 2017	-	(696)	(696)
Interim tax-exempt dividend to owners of 1 cent per share in respect of 2018	-	(696)	(696)
At 28 February 2018	11,191	2,101	13,292

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil.

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

	28/2/18	28/2/17
Total number of issued shares	69,590,800	69,590,800

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Nil.

- 2. Whether the figures have been audited or reviewed and in accordance with auditing standard or practice.**

The figures have not been audited or reviewed.

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

NA

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

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the financial year ended 28 February 2018 as those used in the audited consolidated financial statements of Transit-Mixed Concrete Ltd and its subsidiaries for the financial year ended 28 February 2017.

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

The Group has adopted all new and revised Financial Reporting Standards ("FRS") and interpretation to FRS ("INT FRS") that are relevant to its operations and effective for the financial year beginning on 1 March 2017. The adoption of these new and revised FRS, and INT FRS did not result in substantial changes in the Group's accounting policies, and there is no material impact on the consolidated financial statements of the Group and the financial statements of the Company.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	Group 2018	Group 2017
(a) Based on the weighted average number of ordinary shares on issue; and	(6.61) cents	2.78 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	(6.61) cents	2.78 cents
Weighted average number of shares	69,590,800	69,590,800

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group 28/2/18	Group 28/2/17	Company 28/2/18	Company 28/2/17
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	25.86	34.49	19.10	22.85

*Net asset value per ordinary share based on issued share capital at the end of the year excludes NCI's share of the Group's net assets.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a) Group turnover fell 23% to \$17.0 million for the year ended 28 February 2018 compared with \$22.1 million for the previous year. The performance of the Group was affected mainly by keen competition, increased use of prefabricated concrete and slowdown in construction activities.

Against the backdrop of a challenging operating environment, group gross profit slipped to \$727,000, a decline of 77% from previous year where gross profit was \$3.1 million. The Group suffered a loss attributable to owners of \$4.6 million compared with a profit of \$1.9 million for the previous year due mainly to an impairment loss on plant and equipment of \$4.0 million for the current year. Other income was \$91,000 compared with \$644,000 for the previous year. Other income in FY2017 included a gain on disposal of plant and equipment of \$525,000.

- (b) In tandem with the decrease in revenue, trade and other receivables were down from \$7.3 million to \$6.0 million. Trade and other payables increased from \$3.9 million to \$4.6 million, mainly due to the increase in purchase of raw materials for the production of ready-mixed concrete in Johore. Cash and cash equivalents of the Group improved to \$3.1 million compared with \$2.0 million as at the end of the last financial year.

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

The current year's performance is consistent with the Profit Warning Announcement made on 23 March 2018 which stated that the Group is expected to report a net loss for the second half of the financial year ended 28 February 2018 and for the whole of the financial year ended 28 February 2018. The losses are mainly due to impairment loss on plant and equipment and a decline in revenues and profit margins from the business segments of concrete pumping services in Singapore and ready-mixed concrete business in Malaysia.

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

Moving forward, the market will remain highly competitive with depressed pricing for concrete pumping services and ready-mixed concrete. The Group expects to continue to face challenging business condition in the next financial year.

- 11. If a decision regarding dividend has been made:-**

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and
No.

(b)(i) Current financial year reported on

Name of dividend	Final (Proposed)
Dividend type	Cash
Amount per share	Nil cent (one tier tax exempt)

Name of dividend	Interim (Paid)
Dividend type	Cash
Amount per share	1 cent (one tier tax exempt)

(b)(ii) Corresponding period of the immediate preceding financial year

Name of dividend	Final (Proposed)
Dividend type	Cash
Amount per share	1 cent (one tier tax exempt)

Name of dividend	Interim (Paid)
Dividend type	Cash
Amount per share	1.5 cents (one tier tax exempt)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Please refer to 11 (b).

(d) The date the dividend is payable.
NA.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
NA.

- 12. If no dividend has been declared(recommended), a statement to that effect.**
No final dividend has been declared for the current financial year reported on.
- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
NA.
- 14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**
NA.
- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

a) Information about reportable segments

	Ready-mixed concrete		Concrete pumping services		Waste management		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenues	5,975	7,060	9,122	12,951	1,939	2,095	17,036	22,106
Inter-segment revenue – pump rental	-	-	643	1,165	-	-	643	1,165
Inter-segment revenue – pump parts	-	-	104	92	-	-	104	92
Interest income	6	6	-	-	-	-	6	6
Finance expense – Interest on borrowings	(19)	(51)	(6)	(22)	-	-	(25)	(73)
Depreciation	(353)	(290)	(3,025)	(3,164)	(160)	(144)	(3,538)	(3,598)
Tax credit/(expense)	113	20	147	(112)	19	(41)	279	(133)
Reportable segment (loss)/profit before tax	(480)	(164)	(4,788)	1,841	429	500	(4,839)	2,177
Other material non-cash items:								
- Impairment loss on plant and equipment	-	-	(3,985)	-	-	-	(3,985)	-
- (Loss)/Gain on disposal of plant and equipment	10	-	(137)	528	-	(3)	(127)	525
- Allowance for doubtful debts	-	(73)	-	56	-	-	-	(17)
- Bad debts written off	-	-	(45)	(27)	(6)	(7)	(51)	(34)
Reportable segment assets	5,788	3,828	18,600	26,168	1,252	1,314	25,640	31,310
Capital expenditure	821	258	53	1,294	127	142	1,001	1,694
Reportable segment liabilities	3,334	2,828	3,122	3,484	179	213	6,635	6,525

One customer (2017: one customer) contributed S\$675,000 to the revenue of the concrete pumping services segment in 2018 (2017: S\$1,066,000).

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

	2018 S\$'000	2017 S\$'000
Revenue		
Total revenue for reportable segments	17,783	23,363
Elimination of inter-segment revenue	(747)	(1,257)
Consolidated revenue	<u>17,036</u>	<u>22,106</u>
Profit or loss		
(Loss)/profit before tax for reportable segments	(4,839)	2,177
Unallocated amounts:		
- Other corporate expenses & income	(191)	(161)
Consolidated (loss)/profit before tax	<u>(5,030)</u>	<u>2,016</u>

b) Geographical Segment

	Group 2018 S\$'000	Group 2017 S\$'000
External revenues		
Singapore	10,227	14,130
Malaysia	6,809	7,976
Total	17,036	22,106
Non-current assets		
Singapore	13,026	18,343
Malaysia	2,624	2,217
Total	15,650	20,560

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

18. A breakdown of sales as follows:-

	Group 2018 S\$'000	Group 2017 S\$'000	+ / (-) %
(a) Sales reported for the first half year	8,607	11,790	(27)
(b) Operating profit after tax before deducting minority interests reported for the first half year	93	1,591	(94)
(c) Sales reported for second half year	8,429	10,316	(18)
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(4,844)	292	NM

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

	Latest Full Year (S\$) 28/2/18	Previous Full Year (S\$) 28/2/17
(a) Ordinary	1,391,816	2,435,678
(b) Preference	0	0
(c) Total	1,391,816	2,435,678

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

None of the persons occupying managerial positions in the issuer or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

Chen Lee Lee
Company Secretary
26/4/18