TRANSIT-MIXED CONCRETE LTD

ANNUAL REPORT 2019

Mass concrete pumping at MRT T308 Marine Parade, Marine Terrace Station project.

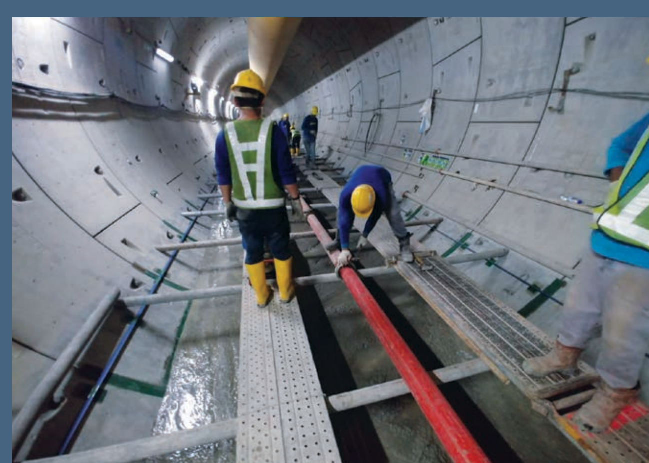
High rise building floor slab concrete pumping at Stirling Road, Stirling Residences project.

QUALITY

VALUE

SERVICE

Raft foundation concrete pumping at Market Street, project Glory.



Mass concrete pumping at MRT T305 Mayer Road, tunnel project.

CONTENTS

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

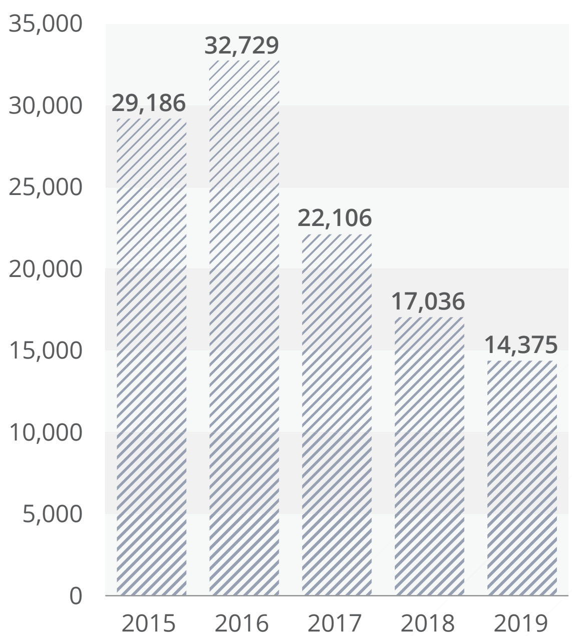
To work closely with our customers to ensure that we continue to meet their expectations.

FINANCIAL HIGHLIGHTS

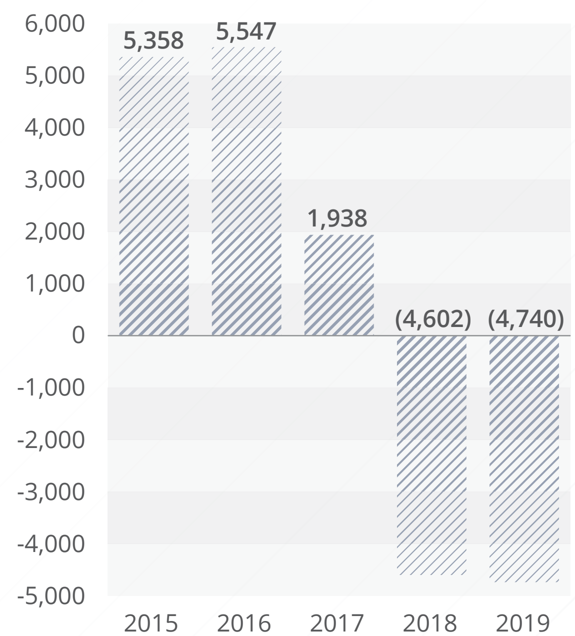
Financial year ended 28 February

	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Revenue	29,186	32,729	22,106	17,036	14,375
Profit/(Loss) before income tax	5,732	6,166	2,017	(5,030)	(6,249)
Profit/(Loss) for the year	5,490	5,725	1,883	(4,760)	(5,587)
Profit/(Loss) attributable to owners of the company	5,358	5,547	1,938	(4,602)	(4,740)
Earnings/(Loss) per share (cents)	7.70	7.97	2.78	(6.61)	(6.81)
Shareholders' equity	22,104	24,625	24,000	17,988	13,185
Total assets	33,314	36,026	31,311	25,455	16,793
Total liabilities	10,406	10,514	6,524	6,458	3,461
Net asset value per ordinary share (cents)	31.76	35.39	34.49	25.85	18.94
Return on equity (%)	24.24	22.53	8.08	-	-
Dividends (cents)	3.50	4.00	2.50	1.00	-

Revenue
($'000)



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



ACTING CEO'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Transit-Mixed Concrete Ltd and its subsidiaries ("the Group"), I am pleased to present to you the annual report for the financial year ended 28 February 2019 ("FY2019").

The Group has taken strategic measures such as streamlining procedures and the disposal of excess and old equipment to further improve operational efficiency. As part of this rationalisation initiative, the Group ceased its ready-mixed concrete operations in Malaysia, comprising Crescent Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd., in January and February 2019 respectively. This resulted in a discontinued operation in the ready-mixed concrete segment.

For the year under review comprising both continuing and discontinued operations, the Group continued to face challenges and depressed economic conditions which adversely affected the performance of our business segments. Competition within the construction industry remained intense due to increased use of prefabricated concrete, while Singapore and Malaysia both saw a slowdown in construction activities. As a result of these factors, Group turnover fell by 15% from $17.0 million in FY2018 to $14.4 million in FY2019. On the back of weakened revenue, the Group registered a gross loss of $680,000 in FY2019 as compared to a gross profit of $727,000 in FY2018. This resulted in the Group incurring a loss attributable to owners of $4.7 million compared with a loss of $4.6 million for the previous financial year. While impairment loss on plant and equipment was lower at $2.8 million as compared to $4.0 million in the previous year, there was also an impairment loss on trade receivables of $914,000 in FY2019 (FY2018: Nil).

Outlook and Strategy

According to the Building Construction Authority's (BCA) January 2019 report, total construction demand in Singapore for 2018 was at $30.5 billion. These include strong demand from institutional building and civil engineering projects, continued positive growth in the manufacturing sector and more private residential redevelopment projects from en-bloc sales in 2017 and the first half of 2018.

For 2019, the BCA projects the value of construction contracts to be awarded in Singapore to range between $27 billion and $32 billion. This forecast is based on the sustained public construction demand which is expected to reach between $16.5 billion and $19.5 billion in 2019. Public construction demand is likewise expected to be boosted by major infrastructure projects and a pipeline of major industrial building projects.

Some of the notable large infrastructure projects lined up for 2019 and over the medium term include the Cross Island Line, developments at Jurong Lake District, Changi Airport Terminal 5, North-South Corridor, and the Deep Tunnel Sewerage System (DTSS), among others.

The BCA also expects construction demand in the private sector to remain steady at between $10.5 billion and $12.5 billion in 2019. The sustained demand is supported by projects which include the redevelopment of past en-bloc sales sites concluded prior to the second half of 2018 and new industrial developments.

The Group will continue to monitor the global economic headwinds and market volatility brought about by trade tensions between the United States and China. In its May 2019 report, the Ministry of Trade and Industry (MTI) narrowed down Singapore's GDP growth forecast to 1.5% to 2.5%, compared with the earlier estimated 1.5% to 3.5% range. This is taking into account the performance of the Singapore economy during the first quarter, as well as weaker external demand outlook.

In view of the continued development of the domestic construction industry, the Group remains focused on leveraging our capabilities to meet customers' expectations and satisfaction. The anticipated strong demand in public sector construction also provides us with new prospects and we look forward to being involved in such projects. The Group will also be mindful of the challenges ahead and maintain a prudent approach by effectively managing its costs.

Conclusion

As it enters a new year, the Group remains driven towards building a resilient and competitive enterprise that can deliver long-term value for its shareholders. Amidst an ever-challenging landscape and heightened competition, we look forward to exploring viable business opportunities in the construction sector.

In conclusion, the Board would like to extend its sincere appreciation to the directors, management team and staff for their unrelenting dedication and significant contributions over the year. We also wish to express our appreciation to our customers and shareholders for their steadfast support and trust which have enabled us to sustain our direction going forward.

Liu Kien Fang
Acting Chief Executive Officer

OPERATING
& FINANCIAL REVIEW

Financial and Operational Highlights

For the financial year ended 28 February 2019 comprising both continuing and discontinued operations, the Group recorded a sales turnover of $14.4 million, a 15% slip from $17.0 million in the previous year. The decline in sales was due mainly to a slowdown in the construction activities in Singapore and Malaysia, the increased use of prefabricated concrete and heightened competition within the industry.

Against the backdrop of a challenging operating environment, the Group saw a gross loss of $680,000 in FY2019 as compared to a gross profit of $727,000 in FY2018. As a result, the Group continued to incur a loss attributable to owners of $4.7 million, as compared to $4.6 million in the previous year. While impairment loss on plant and equipment was lower at $2.8 million as compared to $4.0 million in the previous year, there was also an impairment loss on trade receivables of $914,000 in FY2019 (FY2018: Nil).

Due to deteriorating market conditions in Malaysia, the Group ceased its ready-mixed concrete operations, comprising Crescent Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd. in January and February 2019, respectively. Loss from discontinued operations was $2.1 million as compared to $383,000 for the previous year. The increase in loss was due mainly to operational loss of $557,000, an impairment loss on trade receivables of $684,000 and an impairment loss on plant and equipment of $476,000.

In tandem with the fall in revenue, trade and other receivables were down from $5.8 million in FY2018 to $3.9 million in FY2019. Trade and other payables also decreased from $4.5 million to $2.8 million. The Group's cash and cash equivalents marginally increased from $3.1 million in FY2018 to $3.5 million in FY2019.

Over the years, the Group has managed to ease its gearing ratio, bringing it further down from 0.9% in FY2018 to 0.1% in FY2019. Net asset value as of 28 February 2019 was 18.94 cents as compared to 25.85 cents in the previous year.

Geographically, Singapore continued to serve as the Group's main revenue base, contributing about 58% of the Group's revenue, while the remaining 42% was derived from our Malaysia operations. In FY2019, sales from Singapore amounted to $8.3 million, a 17% dip from $10.0 million in FY2018. Sales generated from Malaysia was $6.0 million, down 12% from $6.8 million in the previous year.

Business Segments

Ready-Mixed Concrete (Discontinued operations)

Revenue for the Group's ready-mixed concrete segment amounted to $5.4 million in FY2019, 10% decrease from $6.0 million in FY2018. The decline was attributable to keen competition in Malaysia.

The segment yielded a reportable segment loss before tax of $2.0 million in FY2019, as compared to a reportable segment loss before tax of $489,000 in FY2018.

Concrete Pumping Services

The Concrete Pumping Services segment saw a 21% decrease in revenue of $7.2 million in FY2019, as compared to $9.1 million in the previous year. This was due mainly to a slowdown in construction activities of infrastructure projects and private and public housing projects. The Group's major projects in this segment included the New State Courts at Havelock Road, Stirling Residences Condominium, CapitaSpring Commercial Building and MRT Thomson-East Coast Line T216, T217, T225, T305 & T308.

The segment posted a reportable segment loss before tax of $4.3 million in FY2019, as compared to $4.8 million in FY2018. The loss in FY2019 was due mainly to a gross loss incurred on account of lower revenue and an impairment loss on plant and equipment of $2.3 million. Impairment loss on plant and equipment was $4 million in the previous year.

Waste Management

Revenue for the Group's Waste Management segment was $1.8 million in FY2019, a 5% decrease from $1.9 million attained in the previous year. The Group's major project under this segment included cleaning contracts at SIA Engineering Company Ltd, Changi Airport (Terminals 1,2 and 3), Nanyang Technological University, Ngee Ann Polytechnic and a group of about 70 schools.

The reportable segment profit before tax was down by 44% from $429,000 in FY2018 to $239,000 in FY2019.

BOARD
OF DIRECTORS

Tan Kok Hiang, 69

is the Chairman of the Board. He was appointed an independent non-executive director of the Company since 25 September 1997 and is also the Chairman of the Audit, Remuneration and Nominating Committees. He was last elected as a director on 27 June 2018. 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 2019, he has served as a director for 21 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. Other than this, he does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. 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.

Yap Boh Lim, 81

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 and Nominating Committees. He was last elected as a director on 27 June 2018. As on 28 February 2019, he has served as a director for 39 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.

Khoo Ho Tong, 78

was appointed an independent non-executive director of the Company on 17 January 2019 and is a member of the Audit, Remuneration and Nominating Committees. There is no relationship (including immediate family relationship) between Mr Khoo and the other directors of the Company or its 10% shareholders. As on 28 February 2019, he has served as a director for 1.5 months. He is presently also an independent director of Nam Lee Pressed Metal Industries Limited, a public listed company. He is also a board member of the Singapore Institute of Accredited Tax Professionals Limited. Other than this, he does not hold any other principal commitments and his directorship in listed companies in the preceding 3 years included Aztech Group Ltd. Mr Khoo is a lifetime member of the Institute of Singapore Chartered Accountants and a life fellow member of CPA Australia. Mr Khoo was a practicing public accountant for over 35 years and last a Partner of PKF Singapore, an international accounting and business advisory firm.

BOARD
OF DIRECTORS

Low Wing Hong, 53
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 28 June 2017 and is standing for re-election at the coming annual general meeting. As on 28 February 2019, he has served as a director for 11 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 2 other private companies. Currently, he is the Investment Manager of Kheng Leong Company (Private) Limited. 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 tax and business advisory.

Dr Yap Eng Ching, 53, 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

Liu Kien Fang David
Mr Liu was appointed Group General Manager/Acting CEO of the Company on 1 June 2018. He holds a Diploma in Business Management from the Singapore Institute of Management. He is responsible for the Group's overall management, including the profit and loss of the business and the management of the Group's day-to-day operations and undertake to perform such duties as may from time to time be assigned by or under the authority of the Board of Directors.

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 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 30 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.

Lee Mow Sang, Dick
Mr Lee is the Marketing Manager responsible for the marketing of concrete pumping services in Singapore and Malaysia. He is also responsible for providing technical assistance to the customers. Mr Lee joined the Company in January 2019 and holds a Bachelor of Applied Science Construction Management and Economic from the Curtin University of Technology.

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 30 years. Mr Lee is involved in all aspects of production and operation activities.

SUSTAINABILITY REPORT

The Board of Directors has overall responsibility for overseeing the the Group's sustainability issues. The Board of Directors is assisted by the CEO/Acting CEO in its management, monitoring of sustainability matters, including strategy and practices, sustainability performance and targets and its application of the SGX sustainability reporting guidelines.

This Sustainability Report is the second sustainability report issued and it provides an update of the Group's performance and targets on sustainability.

The key areas addressed include Environmental, Social and Governance ("ESG") factors. These factors are the cornerstones of which our report will be structured and will be re-evaluated for its materiality to the Group.

Safe Working Environment

The Group is committed towards a safety culture and strives to maintain a record of low workplace incidence. Our workforce is regulated under the Employment Act, Retirement & Re-employment Act, Workplace Safety & Health Act, Work Injury Compensation Act to protect the rights and welfare of our employees.

The Group's business is divided into two main segments – concrete pumping services and waste management. The nature of our business requires continuous operation of heavy machinery and working in locations where safety is a significant priority. As such we have long recognised the need to prioritise the welfare of our workforce especially at the operations level.

The Group augments its safety practices by adhering to industry best practices for an additional layer of assurance that we conduct our business according to internationally recognised standards. This reassures our staff and customers about the quality we deliver and how we deliver it.

1. bizSAFE Level Star

bizSafe is a five-step programme for companies to build up their workplace safety and health standards. A benefit of the certification is that it allows us to submit contracts and tenders with other bizSAFE partners, main construction firms, the government sectors and other bodies. The certification is well-recognised and provides reassurance to our current and future clients.

We successfully renewed our bizSAFE Level Star in May 2017 which concluded that we had established, implemented, communicated and maintained risk assessment for the identified hazardous activities in accordance to the Workplace, Safety & Health (Risk Management) Regulations. The certification will expire on 5 May 2020.

2. Occupational Health and Safety Assessment Series ("OHSAS")

We also concluded a triennial sustainability audit in accordance with the requirements of OHSAS 18001: 2007 International Standards. This is an internationally applied British Standard for occupational health and safety management systems. It helps various organizations to put in place demonstrably sound occupational health and safety performance and promotes a safe and healthy working environment by providing a framework that helps organizations to identify and control health and safety risks, reduce the potential for accidents, aid legal compliance and improve overall performance.

SUSTAINABILITY
REPORT

Good implementation of operation system procedures such as Safe Work Procedure ("SWP") and proper monitoring system are in place. The Group is committed to the following Occupational Health & Safety ("OHS") Policy:

- Identifying safety & health hazards and its associated risks including appropriate control measures;
- Preventing or eliminating injury and ill health whenever reasonably practicable to do so;
- Meeting relevant OHS legislations and other requirements; Implementing OHS objectives & targets and management programs;
- Providing OHS training and communicating OHS concerns with our employees and all relevant external parties including contractors and visitors; and
- Monitoring and evaluating OHS performance to continually improve OHS management systems in our workplace.

Our workers are also constantly reminded to be careful during work and to wear the appropriate personal protective equipment ("PPE"). Other PPE are provided to workers according to their area of responsibility.

	FY2019 Performance	FY2020 Target
Number of fatalities	Zero	Zero
Number of workplace injuries	Six	Less than six
Occupational diseases	Zero	Zero

Staff Training

Training is important for the Group as it helps employees learn specific knowledge or skills to improve productivity in their current roles and is arranged on a regular basis. Some examples of training courses offered to technical employees are as follows:

- Advanced Workplace Safety and Health Course;
- Familiarization Course + Skill Assessment (Tradesmen);
- Confined Space Course/ Manhole Safety Course; and
- Work-At-Heights Course.

	FY2019 Performance	FY2020 Target
Average hours of training per employee	7 hours	7 hours

Environmental Regulations

The Group is committed to adhere to necessary regulation for its operational business units such as the NEA Environmental Protection Management Act (Air Pollution and Vehicular Emissions).

The following processes are in place to prevent unnecessary pollution:

- Installation of odour filtration system to our vacuum trucks;
- Vacuum trucks are registered with PUB and designated to discharge only single-type waste to enhance the efficiency of treatment plant;
- Drivers are to turn off the engine when the vehicle is stationary; and
- Vehicles are sent for annual inspection which includes checking the exhaust emission level.

	FY2019 Performance	FY2020 Target
Offences and fines	Zero	Zero

Anti-Corruption Practices

The Company has put in place a whistle-blowing 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 Audit Committee ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

	FY2019 Performance	FY2020 Target
Number of incidents	Zero	Zero

Environmental Factors

The Group understands that it too has a role to play in contributing to a cleaner and more sustainable future by being more efficient in energy consumption and the use of materials. Every step in the right direction brings us closer to achieving a mutually-beneficial goal of a greener tomorrow.

We are looking into the following areas for improvement:

- Reduce electricity consumption such as in lighting and air conditioning;
- Better integration of recycling of materials such as toners, paper and waste separation; and
- Reduce overall usage of paper.

Sustainability Reporting Framework

The Group has applied the Global Reporting Initiative (GRI) framework and selected relevant GRI to prepare its sustainability report. As we continue to improve upon our reporting framework, we will study other audits and factors for inclusion in our sustainability report. These should be in line with SGX requirements and can be implemented in phases to facilitate the drafting of a more comprehensive and holistic report. We will also continue to evaluate the suitability of existing audits and adapt where needed in future reports.

Board Statement

The Board has considered these sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The Board will continue to uphold proper governance of the Group via good corporate citizenship practices such as environmental awareness, ethical behaviour and sound corporate governance. Further details on our latest corporate governance practices can be found in our Corporate Governance Statement.

Moving forward, the Board will be closely managing the ESG impact year on year and monitoring the refinement and customisation of the report. We look forward to sharing more with our shareholders and working to improve the lives and environs of all our stakeholders.

CORPORATE INFORMATION

Board of Directors
Mr Tan Kok Hiang
(Chairman and independent non-executive director)
Mr Yap Boh Lim
(Non-independent non-executive director)
Mr Low Wing Hong
(Non-independent non-executive director)
Mr Khoo Ho Tong
(Independent non-executive director)
Dr Yap Eng Ching
(Alternate to Mr Yap Boh Lim)

Audit Committee
Mr Tan Kok Hiang (Chairman)
Mr Khoo Ho Tong
Mr Yap Boh Lim
Dr Yap Eng Ching (Alternate to Mr Yap Boh Lim)

Nominating Committee
Mr Tan Kok Hiang (Chairman)
Mr Khoo Ho Tong
Mr Yap Boh Lim
Dr Yap Eng Ching (Alternate to Mr Yap Boh Lim)

Remuneration Committee
Mr Tan Kok Hiang (Chairman)
Mr Khoo Ho Tong
Mr Low Wing Hong

Company Secretary
Ms Chen Lee Lee

Company Registration No.
197902587H

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Singapore 419973
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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 principles of 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 its 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:

CORPORATE GOVERNANCE STATEMENT

Directors' Attendance At Board And Board Committee Meetings For FY2019

	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 Kok Hiang	10	10	4	4	2	2	1	1
Yap Boh Lim/ Yap Eng Ching	10	10	4	4	2	2	–	–
Low Wing Hong	10	10	4	4	–	–	1	1
Tan Hwee Yong (passed away on 23/12/18)	10	7	4	3	2	1	1	1
Khoo Ho Tong (joined on 17/1/19)	10	–	4	–	2	–	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 proposals 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.

Mr Khoo Ho Tong was appointed as an independent director on 17 January 2019. The NC has provided an induction process for Mr Khoo to be acquainted with the vision, business, strategic direction, financial matters, values, as well as best Corporate Governance practices and other key policies and practices of the Company. Mr Khoo is not required to undergo training as prescribed by the Exchange as he has been an independent director of Nam Lee Pressed Metal Industries Limited, a public listed company in Singapore since 9 September 1999.

Principle 2: Board Composition and Guidance

Currently, the Board comprises 4 directors, 2 of whom are independent directors. The NC reviews the independence of each director annually in accordance with the listing rules and the Code's definition of what constitutes an independent director. For FY2019, independent directors made up at least one-third of the Board and no individual or small group of individuals dominates the Board's decision making. Under certain circumstances set out in Guideline 2.2, the independent directors should make up at least half of the Board. However, the Company is not required to comply with this guideline as the circumstances outlined in the guideline do not exist in the Company.

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 4 directors is appropriate, taking into account the nature and scope of the Company's operations.

<u>Independent Directors</u>

Our 2 independent directors are Mr Tan Kok Hiang and Mr Khoo Ho Tong. Mr Tan Kok Hiang has served on the Board for more than 9 years as an independent director while Mr Khoo Ho Tong was appointed as an independent director on 17 January 2019. Their independence has been thoroughly and rigorously reviewed by the NC and the Board. The Board is satisfied that Mr Tan Kok Hiang (notwithstanding that he has served on the Board beyond 9 years) and Mr Khoo Ho Tong are considered independent as they have met all the conditions and criteria of independence under the listing rules and the Code. Mr Tan Kok Hiang and Mr Khoo Ho Tong 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 directors' fees which are approved by shareholders at the Annual General Meeting ("AGM"). The Board is assured that Mr Tan Kok Hiang and Mr Khoo Ho Tong are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

The Board as a group provides 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 4 directors in the Company, the directors all of whom are non-executive do constructively challenge and help develop proposals on strategy and perform effective check on the performance of management at Board meetings.

Principle 3: Chairman and CEO/Acting CEO

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer ("CEO")/acting CEO. The Group keeps the posts of Chairman and CEO/acting CEO separate so as to ensure a balance of power and authority at the top of the Group. Under certain circumstances set out in 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 this guideline as the circumstances outlined in the guideline do not exist in the Company.

CORPORATE GOVERNANCE
STATEMENT

The Board has delegated the day-to-day running of the Group to the CEO/acting CEO while the Chairman of the Board 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 effective contribution of all directors 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 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 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 listing rules and 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.

In the process for selection of new directors, the NC will seek out suitable qualified persons, usually through a network of contacts and ascertain 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, an alternate director to Mr Yap Boh Lim since 15 September 2009, was appointed to assist Mr Yap who is currently 81 years old. Dr Yap is familiar with the Company's 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.

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

Current members	Date of appointment	Nature of appointment	Prime/Other functions	Last re-election	Academic and professional qualifications
Tan Kok Hiang	25/9/97	Independent, non-executive	Chairman of Board, AC, RC and NC	27/6/18	Bachelor of Accountancy (Hons), University of Singapore
Yap Boh Lim	31/8/79	Non-executive	Member of AC and NC	27/6/18	Barrister-at-Law
Khoo Ho Tong	17/1/19	Independent, non-executive	Member of AC, RC and NC	N.A.	Lifetime member of the Institute of Singapore Chartered Accountants, Life fellow member of CPA Australia
Low Wing Hong	29/8/07	Non-executive	Member of RC	28/6/17	Bachelor of Accountancy, National University of Singapore
Yap Eng Ching (Alternate to Yap Boh Lim)	15/9/09	Alternate director	Alternate director	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 of the Board 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 FY2019, 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 FY2019, 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 management during the year to enable them to carry out their duties. Directors also liaise with 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 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 matters.

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

Principle 8: Level and Mix of Remuneration

The remuneration package of the CEO/acting CEO includes a basic salary and a performance related bonus which is linked to the financial performance of the Group. The CEO/acting 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 any 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/or 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, if any, 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 FY2019, subject to shareholders' approval, it is proposed that directors' fees of $106,623 be paid. A breakdown of the directors' remuneration is also disclosed on page 96.

The remuneration of the directors/acting CEO of the Company for FY2019 is as follows:

	Total Remuneration $'000	**Fee %**	**Salary %**	**Bonus %**	**Total %**
Liu Kien Fang	113	–	96	4	100
Tan Kok Hiang	53	100	–	–	100
Yap Boh Lim	19	100	–	–	100
Tan Hwee Yong (passed away on 23/12/18)	17	100	–	–	100
Low Wing Hong	16	100	–	–	100
Khoo Ho Tong (joined on 17/1/19)	2	100	–	–	100

The Company has only 4 key management personnel. The remuneration of the 4 key management personnel (who are not directors or CEO/acting CEO) for FY2019 is as follows:

	Salary %	**Bonus %**	**Total %**
Below $250,000			
Loke Kai Hoong	89	11	100
Chen Lee Lee	88	12	100
Kek Yong Hock (left in January 2019)	95	5	100
Lee Kim Keow	91	9	100

The Company does not disclose in aggregate the total remuneration paid to the 4 key management personnel (who are not directors or CEO/acting CEO) for the purpose of maintaining confidentiality of staff remuneration matters.

For FY2019, the Company and its subsidiaries do not have any employee who is an immediate family member of a director or CEO/acting CEO whose remuneration exceeds $50,000.

The CEO/acting 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 breakdown of remuneration in percentage terms earned through fixed salary and bonus also displays a link between remuneration paid to CEO/acting 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.

For FY2019, the Board has received assurance from the acting CEO and the Finance Manager that overall, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the risk management and internal control systems within the Group are effective. The Board has played a supervisory role to the new acting CEO who joined in June 2018.

For FY2019, the Board has considered sustainability issues as part of its strategic formulation, determined the material ESG (environmental, social and governance) factors and overseen the management and monitoring of the material ESG factors.

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 Khoo Ho Tong is a lifetime member of the Institute of Singapore Chartered Accountants. 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 $80,000 for audit services. There is no non-audit service provided by the external auditors.

The AC will undertake a review of all non-audit services, if any, 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 whistle-blowing 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 FY2019 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 of the Company's existing auditing firm 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/acting CEO on administrative matters. The AC approves the hiring, removal, evaluation and compensation of the 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.

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.

CORPORATE GOVERNANCE STATEMENT

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. No dividend has been declared over the year in review. Any declaration and payment of dividends in future will depend on underlying net profit for each financial year.

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 had an agreement for the lease of its office premises with a former director of the Company, Mr Chua Eng Him who has passed away on 30 January 2018. Rental paid under this agreement for FY2019 amounted to $79,762 for the Group and the Company. This interested person transaction had 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 2019.

In our opinion:

(a) the financial statements set out on pages 38 to 119 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 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Yap Boh Lim	
Tan Kok Hiang	
Low Wing Hong	
Yap Eng Ching	(Alternate to Yap Boh Lim)
Khoo Ho Tong	(Appointed on 17 January 2019)

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**
<u>Company</u>				
Ordinary shares				
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				
Yap Boh Lim	–	–	1,330,000	1,330,000

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

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning (or at the date of appointment, if later) 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 2019.

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

Share options

During the financial year, there were:

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

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

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

Audit Committee

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

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

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

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

The Audit Committee also reviewed the following:

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

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

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

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

Auditors

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

On behalf of the Board of Directors

Yap Boh Lim
Director

Tan Kok Hiang
Director

29 May 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Transit-Mixed Concrete Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 28 February 2019, 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 38 to 119.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 28 February 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Concrete Pumping Services Segment Valuation of plant and equipment	
The key audit matter	*How the matter was addressed in our audit*
Risk The Group identified indicators of impairment in the concrete pumping services segment, a cash-generating-unit ("CGU") of the Group. Due to weak market conditions and intense competition, the profitability of the concrete pumping services segment continues to decline in the current year. Management performed an impairment assessment on the concrete pumping services segment. This involves a comparison of the carrying value of the non-financial asset of the concrete pumping services segment to its recoverable amount determined based on the value-in-use (discounted cash flow) method. Forecasting future cash flows is a judgemental process which involves making assumptions on revenue growth rates, profit margins, asset residual values and determining the appropriate discount rate. Based on management's assessment, the recoverable amount of the concrete pumping services segment is lower than the carrying amount. Consequently, the Group recognised an allowance for impairment loss of $2,286,000.	Our response We reviewed the key assumptions used in the cash flow projections to derive the recoverable amount of the concrete pumping service segment. We considered the result of our retrospective review of the prior year's cash flow forecasts (in management's impairment assessment last year) in our assessment of the current's cash flow projections. We challenged management's estimates of the revenue growth rates and profit margins used in the cash flow projections by corroborating to past performance and/or relevant industry data. We compared management's estimate of the residual values of the plant and equipment to market quotes obtained by management. We independently derived an applicable discount rate and compared it to the discount rate used by management. Our findings We found the valuation methodology used to be appropriate and key assumptions used in the value-in-use calculation to be within range.

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

<table>
<tr><td colspan="2">Valuation of the ready-mixed concrete segment (discontinued operations)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Risk</td><td>Our response</td></tr>
<tr><td>The Group's ready-mixed concrete segment operated in the construction sector in Malaysia. As at 28 February 2019, the ready-mixed concrete segment's assets are primarily plant and equipment ($698,890), and trade receivables ($431,654) which comprised 67% of the ready-mixed concrete segment's total assets.

During the year, the Group announced cessation of the ready-mixed concrete segment's operations and that the Group commenced activities to dispose of its non-financial assets (comprising of plant and equipment) and to recover the receivables of the ready-mixed concrete segment. On this basis, the Group classified the non-financial assets of the ready-mixed concrete segment as assets held for sale and measure it at the lower of their carrying amount and fair value less costs to sell. Similarly, the Group assessed the recoverability of its receivables balances outstanding in the ready-mixed concrete segment taking into account the cessation status and latest discussions with their customers.

The Group recognised an allowance for impairment loss on trade receivables of $683,782 and impairment loss on plant and equipment of $475,856 on ready-mixed concrete segment.

Management judgement is required in the estimation of the valuations of the assets, both individually and in aggregate, of the ready-mixed concrete segment.</td><td>We tested the trade receivables ageing profile of the ready-mixed concrete segment for the purpose of placing reliance on the ageing profile for our analysis. We reviewed the ready-mixed concrete segment's profile of trade receivables and management's assessment of the recoverability of credit-impaired trade receivables taking into account the payment records of trade receivables and challenged management's assessment on the probability of recoverability of significant trade receivables.

We reviewed the Group's estimate of the fair value less costs to sell value of the ready-mixed concrete segment's plant and equipment by comparing it to available transacted prices of comparable asset in the recent 12 months, disposal margins achieved in those transactions, and indicative price obtained from quotations and/or contracted with agreements from interested parties up till the reporting date.

Our findings

We found management's estimate of impairment losses on trade receivables and plant and equipment to have incorporated the relevant information currently available to the Group in forming the estimated impairment losses.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Members of the Company
Transit-Mixed Concrete Ltd

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

29 May 2019

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2019

		Group			Company		
	Note	2019 $	2018 $	1 March 2017 $	2019 $	2018 $	1 March 2017 $
Non-current assets							
Plant and equipment	4	6,089,027	13,317,908	19,930,290	1,035,118	1,948,861	3,167,483
Investment in subsidiaries	5	–	–	–	10,810,060	12,705,060	12,740,060
Investment in joint venture	7	1,957,896	1,857,054	629,519	2,135,507	2,135,507	943,006
Deferred tax asset	14	–	465,554	469,000	–	449,000	469,000
Total non-current assets		8,046,923	15,640,516	21,028,809	13,980,685	17,238,428	17,319,549
Inventories	8	701,459	903,888	1,010,452	–	–	–
Trade and other receivables	9	3,886,120	5,823,975	7,251,145	115,886	1,398,629	2,194,149
Cash and cash equivalents	10	3,459,893	3,086,937	2,020,322	2,471,381	2,202,621	1,559,147
		8,047,472	9,814,800	10,281,919	2,587,267	3,601,250	3,753,296
Assets held for sale	11	698,890	–	–	–	–	–
Current assets		8,746,362	9,814,800	10,281,919	2,587,267	3,601,250	3,753,296
Total assets		16,793,285	25,455,316	31,310,728	16,567,952	20,839,678	21,072,845
Equity attributable to owners of the Company							
Share capital	12	11,190,764	11,190,764	11,190,764	11,190,764	11,190,764	11,190,764
Reserves	13	1,994,456	6,797,624	12,809,169	280,048	2,100,568	4,714,201
Total equity attributable to owners of the Company		13,185,220	17,988,388	23,999,933	11,470,812	13,291,332	15,904,965
Non-controlling interests	6	147,259	1,009,114	786,536	–	–	–
Total equity		13,332,479	18,997,502	24,786,469	11,470,812	13,291,332	15,904,965
Non-current liabilities							
Deferred tax liabilities	14	618,543	1,818,324	2,149,013	–	–	–
Finance lease obligations	15	–	44,856	83,297	–	–	–
Total non-current liabilities		618,543	1,863,180	2,232,310	–	–	–
Current liabilities							
Trade and other payables	16	2,797,675	4,461,604	3,905,317	5,097,140	7,548,346	5,167,880
Contract liabilities	17	34,203	–	–	–	–	–
Current tax liabilities		854	18,417	19,774	–	–	–
Finance lease obligations	15	9,531	114,613	366,858	–	–	–
Total current liabilities		2,842,263	4,594,634	4,291,949	5,097,140	7,548,346	5,167,880
Total liabilities		3,460,806	6,457,814	6,524,259	5,097,140	7,548,346	5,167,880
Total equity and liabilities		16,793,285	25,455,316	31,310,728	16,567,952	20,839,678	21,072,845

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2019

	Note	Group 2019 $	Group 2018 $ Restated*
Continuing operations			
Revenue	17	8,981,321	11,060,677
Cost of sales		(9,460,290)	(9,987,083)
Gross (loss)/ profit		(478,969)	1,073,594
Other income		95,762	63,530
Selling, general and administrative expenses		(1,466,030)	(1,780,709)
Impairment loss on trade receivables		(230,463)	–
Other operating expenses		(2,286,000)	(3,985,000)
Net finance income/(cost)		24,929	(32,577)
Share of profit of joint venture, net of tax	7	121,924	120,551
Loss before tax from continuing operations		(4,218,847)	(4,540,611)
Tax credit		690,522	164,361
Loss from continuing operations		(3,528,325)	(4,376,250)
Discontinued operations			
Loss from discontinued operations (net of tax)	11	(2,058,798)	(383,492)
Loss for the year		(5,587,123)	(4,759,742)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations			
- Continuing operations		(48,961)	(140,982)
- Discontinued operations		(28,939)	186,421
		(77,900)	45,439
Total comprehensive income for the year		(5,665,023)	(4,714,303)

* See Note 11

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2019

	Note	Group 2019 $	Group 2018 $ Restated*
Loss for the year attributable to:			
Continuing operations			
- Owners of the Company		(3,528,325)	(4,376,250)
Discontinued operations			
- Owners of the Company		(1,211,379)	(226,101)
- Non-controlling interests	6	(847,419)	(157,391)
		(2,058,798)	(383,492)
Loss for the year		(5,587,123)	(4,759,742)
Total comprehensive income attributable to:			
Continuing operations			
- Owners of the Company		(3,577,286)	(4,517,232)
Discontinued operations			
- Owners of the Company		(1,225,882)	(102,497)
- Non-controlling interests	6	(861,855)	(94,574)
		(2,087,737)	(197,071)
Total comprehensive income for the year		(5,665,023)	(4,714,303)
Loss per share (cents)			
Continuing operations			
- basic and fully diluted	22	(5.07)	(6.29)
Discontinued operations			
- basic and fully diluted	22	(1.74)	(0.32)

* See Note 11

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2019

	Share capital $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non-controlling interests $	Total $
Group						
2018						
At 1 March 2017	11,190,764	(588,948)	13,398,117	23,999,933	786,536	24,786,469
Total comprehensive income for the year						
Loss for the year	–	–	(4,602,351)	(4,602,351)	(157,391)	(4,759,742)
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	–	(17,378)	–	(17,378)	62,817	45,439
Total other comprehensive income for the year	–	(17,378)	–	(17,378)	62,817	45,439
Total comprehensive income for the year	–	(17,378)	(4,602,351)	(4,619,729)	(94,574)	(4,714,303)
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final tax-exempt dividend to owners of 1 cent per share in respect of 2017	–	–	(695,908)	(695,908)	–	(695,908)
Interim tax-exempt dividend to owners of 1 cent per share in respect of 2018	–	–	(695,908)	(695,908)	–	(695,908)
Total distributions to owners	–	–	(1,391,816)	(1,391,816)	–	(1,391,816)
Changes in ownership interests in subsidiary						
Capital contribution in subsidiary by non-controlling interests	–	–	–	–	317,152	317,152
Total changes in ownership interests in subsidiary	–	–	–	–	317,152	317,152
Total transactions with owners	–	–	(1,391,816)	(1,391,816)	317,152	(1,074,664)
At 28 February 2018	11,190,764	(606,326)	7,403,950	17,988,388	1,009,114	18,997,502

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2019

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 28 February 2019

	Note	Group 2019 $	Group 2018 $
Cash flows from operating activities			
Loss before tax		(6,248,645)	(5,029,686)
Adjustments for:			
Depreciation of plant and equipment	4	3,332,644	3,537,415
Write-off of plant and equipment	4	47,752	26,117
Impairment loss on plant and equipment	18	2,761,856	3,985,000
Reversal of gain on disposal of plant and equipment	18	–	194,972
Gain/(loss) on disposal of plant and equipment	18	58,869	(67,989)
Interest income	20	(22,210)	(6,064)
Interest expense	20	15,574	24,613
Impairment loss on trade receivables	18	914,245	–
Bad debts written off	18	10,396	51,115
Share of profit of joint venture		(121,924)	(120,551)
		748,557	2,594,942
Changes in:			
Inventories		202,429	106,564
Trade and other receivables		1,251,293	721,237
Trade and other payables		(1,663,929)	912,606
Contract liabilities		34,203	–
Cash generated from operations		572,553	4,335,349
Income taxes paid		(90,268)	(58,656)
Net cash from operating activities		482,285	4,276,693
Cash flows from investing activities			
Interest received		22,210	6,064
Purchase of plant and equipment		(232,635)	(1,411,751)
Proceeds from disposal of plant and equipment		283,867	842,981
Investment in joint venture		–	(1,192,500)
Net cash from/(used in) investing activities		73,442	(1,755,206)
Cash flows from financing activities			
Interest expense paid		(15,574)	(24,613)
Proceeds from non-controlling interest upon the formation of a subsidiary		–	317,152
Loan from non-controlling interest		–	165,542
Repayment of finance lease obligations		(149,938)	(396,091)
Dividends paid		–	(1,391,816)
Net cash used in financing activities		(165,512)	(1,329,826)
Net increase in cash and cash equivalents		390,215	1,191,661
Cash and cash equivalents at beginning of the year		3,086,937	2,020,322
Effects of exchange rate fluctuations on cash held		(17,259)	(125,046)
Cash and cash equivalents at end of the year	10	3,459,893	3,086,937

Significant non-cash transactions:

In prior year, the Group acquired plant and equipment of $105,405 under finance lease arrangements.

During the year, the Group disposed of plant and equipment for a total consideration of $521,946 (2018: $381,274) which $238,079 (2018: $154,379) remains as outstanding receivable as at the reporting date.

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

NOTES TO
THE FINANCIAL STATEMENTS

Year ended 28 February 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 May 2019.

1. Domicile and activities

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

The principal activities of the Company are those of an investment holding company, supply of ready-mixed concrete and the manufacture and sale of ready-mixed concrete. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The financial statements of the Group as at and for the year ended 28 February 2019 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities), and the Group's investment in joint venture.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)). These are the Company's first financial statements prepared in accordance with SFRS(I), and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore (FRS). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows of the Company is provided in Note 27.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

2. Basis of preparation (Cont'd)

2.4 Use of estimates and judgements (Cont'd)

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

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

Valuation of 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.

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.

Valuation of trade receivables

Trade receivable balances are subjected to the expected credit losses (ECL) impairment model. Measurement of ECL allowance for trade receivables and key assumptions in determining the weighted-average loss rates is disclosed in Note 25.

The management measures loss allowances on trade receivables at amounts equal to lifetime ECL using a provision matrix which involved significant management judgement in estimating loss rates. In addition, management's assessment of individually significant credit-impaired balances are based on currently available information and the actual recovery of these balances may defer from the estimates and judgements exercised.

Valuation of non-financial assets held for sale

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

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 March 2017 for the purpose of the transition of SFRS(I) unless otherwise indicated.

The accounting policies have been applied consistently by Group.

3.1 Basis of consolidation

Business combinations

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

Acquisition from 1 March 2017

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.

Any contingent consideration payable is recognised at fair value on the acquisition date and is included in the consideration transferred. If the contingent consideration 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 (NCI) that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at NCI's 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 SFRS(I)s.

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

Acquisition from 1 March 2017 (Cont'd)

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.

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

Acquisition before 1 March 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 March 2017.

Subsidiaries

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

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

Loss of control

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

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

Acquisition before 1 March 2017 (Cont'd)

Joint venture

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

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

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

Transactions eliminated on consolidation

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

Subsidiaries and joint venture in the separate financial statements

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

3. Significant accounting policies (Cont'd)

3.2 Foreign currencies

Foreign currency transactions

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

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

Foreign operations

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

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

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

3. Significant accounting policies (Cont'd)

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets - Policies applicable from 1 March 2018

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

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

Financial assets at amortised costs

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

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

Financial assets at FVTPL

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

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Financial assets: Business model assessment - Policy applicable from 1 March 2018

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

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

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

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest - Policy applicable from 1 March 2018

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

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

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

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest - Policy applicable from 1 March 2018 (Cont'd)

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

Non-derivative financial assets: Subsequent measurement and gains and losses - Policy applicable from 1 March 2018

Financial assets at amortised costs

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

Financial assets at FVTPL

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

Non-derivative financial assets - Policy applicable from 1 March 2018

The Group classified 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 recognised initially 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. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Non-derivative financial liabilities

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

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

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

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

Offsetting

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

Cash and cash equivalents

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

Share capital

Ordinary shares

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 require the issuer to make specified payments to reimburse the holder for the 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 issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance. Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Intra-group financial guarantees in the separate financial statements – Policy applicable before 1 March 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2019. However, for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

3. Significant accounting policies (Cont'd)

3.4 Plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

3. Significant accounting policies (Cont'd)

3.4 Plant and equipment (Cont'd)

Depreciation (Cont'd)

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.

3.5 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. Significant accounting policies (Cont'd)

3.7 Impairment

Non-derivative financial assets - Policy applicable from 1 March 2018

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

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

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

Simplified approach

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

General approach

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

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

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

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

3. Significant accounting policies (Cont'd)

3.7 Impairment (Cont'd)

General approach (Cont'd)

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

3. Significant accounting policies (Cont'd)

3.7 Impairment (Cont'd)

Write-off

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

Policy applicable before 1 March 2018

A financial asset not carried at fair value through profit or loss including an interest in a joint venture, 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.

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.

3. Significant accounting policies (Cont'd)

3.7 Impairment (Cont'd)

Joint venture

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

Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 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.

3. Significant accounting policies (Cont'd)

3.8 Employee benefits (Cont'd)

Short-term benefits

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

3.9 Revenue recognition

Sale of goods and rendering of services

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

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

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

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

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

3. Significant accounting policies (Cont'd)

3.9 Revenue recognition (Cont'd)

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

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

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

3.10 Dividend income

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

3.11 Lease payments

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

The Group's finance income and finance costs include:

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

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

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

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

3. Significant accounting policies (Cont'd)

3.12 Finance income and finance costs (Cont'd)

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

3.13 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.

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

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

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

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

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

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

3. Significant accounting policies (Cont'd)

3.13 Tax (Cont'd)

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.

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

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

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. Significant accounting policies (Cont'd)

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 and the Board of Directors (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 and the Board of Directors 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.

3.16 Assets held for sale and discontinued operations

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

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

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

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

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 29.

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 2017	2,508,208	133,949	3,643,391	216,401	349,545	33,837,846	59,563	40,748,903
Additions	797,003	67,226	127,958	–	–	3,109	–	995,296
Disposals	(67,390)	–	(273,374)	–	–	(1,625,605)	–	(1,966,369)
Write-off	–	–	–	–	–	(26,117)	–	(26,117)
Translation adjustments	92,145	8,728	132,695	46	–	65,917	–	299,531
At 28 February 2018	3,329,966	209,903	3,630,670	216,447	349,545	32,255,150	59,563	40,051,244
At 1 March 2018	3,329,966	209,903	3,630,670	216,447	349,545	32,255,150	59,563	40,051,244
Additions	136,482	2,180	90,263	3,710	–	–	–	232,635
Disposals	(686,671)	–	(906,809)	–	(137,229)	(767,001)	–	(2,497,710)
Write-off	(59,596)	–	–	–	–	–	–	(59,596)
Translation adjustments	(32,396)	(3,109)	(35,403)	(14)	–	(14,495)	–	(85,417)
Reclassification to assets held for sale (Note 11)	(901,983)	(154,825)	(1,249,007)	–	–	–	–	(2,305,815)
At 28 February 2019	1,785,802	54,149	1,529,714	220,143	212,316	31,473,654	59,563	35,335,341
Accumulated depreciation								
At 1 March 2017	1,667,252	122,697	1,877,001	214,720	237,006	16,640,374	59,563	20,818,613
Depreciation charge for the year	285,939	9,191	301,201	1,681	19,109	2,920,294	–	3,537,415
Impairment loss	–	–	–	–	–	3,985,000	–	3,985,000
Disposals	(65,217)	–	(214,881)	–	–	(1,468,360)	–	(1,748,458)
Translation adjustments	48,901	5,575	51,322	46	–	34,922	–	140,766
At 28 February 2018	1,936,875	137,463	2,014,643	216,447	256,115	22,112,230	59,563	26,733,336
At 1 March 2018	1,936,875	137,463	2,014,643	216,447	256,115	22,112,230	59,563	26,733,336
Depreciation charge for the year	363,302	6,873	294,204	2,495	19,109	2,646,661	–	3,332,644
Impairment loss	290,033	–	185,823	–	–	2,286,000	–	2,761,856
Disposals	(521,847)	–	(511,698)	–	(122,353)	(760,997)	–	(1,916,895)
Write-off	(11,844)	–	–	–	–	–	–	(11,844)
Translation adjustments	(17,963)	(1,946)	(17,092)	(14)	–	(8,843)	–	(45,858)
Reclassification to assets held for sale (Note 11)	(704,078)	(117,416)	(785,431)	–	–	–	–	(1,606,925)
At 28 February 2019	1,334,478	24,974	1,180,449	218,928	152,871	26,275,051	59,563	29,246,314
Carrying amounts								
At 1 March 2017	840,956	11,252	1,766,390	1,681	112,539	17,197,472	–	19,930,290
At 28 February 2018	1,393,091	72,440	1,616,027	–	93,430	10,142,920	–	13,317,908
At 28 February 2019	451,324	29,175	349,265	1,215	59,445	5,198,603	–	6,089,027

4. Plant and equipment (Cont'd)

Motor vehicles with carrying amounts of $180,602 (2018: $727,234; 1 March 2017: $782,085) were held under non-cancellable finance leases with terms of 36 months.

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 2017	16,100	45,918	524,899	166,456	137,228	5,455,926	59,563	6,406,090
Disposals	–	–	(271,374)	–	–	–	–	(271,374)
Write-off	–	–	–	–	–	(11,625)	–	(11,625)
At 28 February 2018	16,100	45,918	253,525	166,456	137,228	5,444,301	59,563	6,123,091
At 1 March 2018	16,100	45,918	253,525	166,456	137,228	5,444,301	59,563	6,123,091
Disposals	–	–	(157,555)	–	(137,228)	(4,900)	–	(299,683)
At 28 February 2019	16,100	45,918	95,970	166,456	–	5,439,401	59,563	5,823,408
Accumulated depreciation								
At 1 March 2017	16,100	45,918	348,050	166,456	122,352	2,480,168	59,563	3,238,607
Depreciation charge for the year	–	–	24,604	–	–	362,066	–	386,670
Impairment loss	–	–	–	–	–	762,000	–	762,000
Disposals	–	–	(213,047)	–	–	–	–	(213,047)
At 28 February 2018	16,100	45,918	159,607	166,456	122,352	3,604,234	59,563	4,174,230
At 1 March 2018	16,100	45,918	159,607	166,456	122,352	3,604,234	59,563	4,174,230
Depreciation charge for the year	–	–	14,344	–	–	362,066	–	376,410
Impairment loss	–	–	–	–	–	465,000	–	465,000
Disposals	–	–	(100,588)	–	(122,352)	(4,410)	–	(227,350)
At 28 February 2019	16,100	45,918	73,363	166,456	–	4,426,890	59,563	4,788,290
Carrying amounts								
At 1 March 2017	–	–	176,849	–	14,876	2,975,758	–	3,167,483
At 28 February 2018	–	–	93,918	–	14,876	1,840,067	–	1,948,861
At 28 February 2019	–	–	22,607	–	–	1,012,511	–	1,035,118

4. Plant and equipment (Cont'd)

Impairment loss on concrete pump equipment

Continuing operation

Concrete pumping services segment

In the current year, due to uncertain market conditions and intense competition, the Group's economic benefits derived from the concrete pumping services segment continues on a declining trend. Management assessed that there are indicators of impairment on the concrete pump equipment, and consequently, carried out an impairment assessment on the carrying amount of the concrete pump equipment.

The recoverable amount of the concrete pump equipment was estimated based on the present value of the future cash flows expected to be derived from the concrete pumping services segment (i.e. value in use). The key assumptions applied in the computation of value in use include:

Key assumptions	2019	2018
4 year (2018: 5 year) average revenue growth rate*	9%	3%
4 year (2018: 5 year) average earnings before interest, taxes, depreciation and amortisation rate*	8%	22%
Pre-tax discount rate	9.5%	9.5%
Residual value	10% of the cost of the concrete pump equipment	10% of the cost of the concrete pump equipment

* Based on the remaining useful life of the concrete pump equipment at the respective year end.

The cash flow projections were based on the forecasts prepared by management which considered current operating results and latest available industry information.

Based on management's assessment, the recoverable amount of the concrete pump equipment was lower than its carrying amount. As such, management recognised an impairment loss of $2,286,000 (2018:$ 3,985,000) to the profit or loss ("other operating expenses"). Following the impairment loss recognised in the concrete pumps, the recoverable amounts are equal to their carrying amounts and any adverse fluctuations on key assumptions may lead to additional impairment losses in future periods.

4. Plant and equipment (Cont'd)

Assets held for sale

On 16 January 2019 and 18 February 2019, the Group announced the cessation of operations of in Concrete Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd., respectively. The companies represents the ready-mixed concrete segment, which is principally operating in Malaysia. The Group is actively marketing the plant and equipment of the ready-mixed concrete segment with the sales of certain plant and equipment progressively completed in the year. The Group assessed that these plant and equipment met the criteria as assets held for sale and reclassified these plant and equipment to current assets in the year.

Subsequent to reclassification as assets held for sale, the Group measured these plant and equipment based on the lower of their carrying amount and its fair value less costs to sell. The Group estimated the fair value less costs to sell for these plant and equipment based on available transacted prices of comparable assets in the recent 12 months, disposal margins achieved in those transactions and indicative prices obtained quotations and/or contracted agreements with interested parties up till the reporting date.

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

5. Investment in subsidiaries

	Company		
	2019	2018	1 March 2017
	$	$	$
Investment in subsidiaries, at cost	13,395,880	13,395,880	13,395,880
Impairment losses	(2,585,820)	(690,820)	(655,820)
	10,810,060	12,705,060	12,740,060

In the current year, the Company reviewed its cost of investments and identified subsidiaries in the concrete pumping services segment and the ready-mixed concrete segment to have indicators of impairment. The indicators of impairment were primarily attributable to the continued losses incurred by the concrete pumping services segment and the cessation of operations of the ready-mixed concrete segment.

Management estimated the recoverable amounts of these subsidiaries based on their fair value less costs to sell. The fair value less cost to sell of the investment in subsidiaries were determined based on the recoverability of the subsidiaries' underlying assets and liabilities, which comprise mainly plant and equipment, monetary receivables and monetary liabilities. The recoverable values of the subsidiaries' plant and equipment and monetary receivables are based on the assessments disclosed in Note 4 (plant and equipment) and Note 25 (credit risk), respectively.

5. Investment in subsidiaries (Cont'd)

Based on their assessment, the Group recognised allowance for impairment on its investment in subsidiaries by $1,895,000 (2018: $35,000).

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

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group		
			2019	2018	1 March 2017
			%	%	%
TMC Pumping System Pte. Ltd. [3]	Supply of concrete pumping services	Singapore	100	100	100
TMC (Beijing) Materials Co Ltd. [3]	Inactive	People's Republic of China	100	100	100
TMC Concrete Pumping Services Pte. Ltd. [1]	Supply of concrete pumping services	Singapore	100	100	100
TMC Waste Management Pte. Ltd. [1]	Provision of waste management services	Singapore	100	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	100
Held under Transit-Mixed Concrete (M) Sdn. Bhd.					
Crescent Concrete Sdn. Bhd. [2]	Manufacture of concrete and related products	Malaysia	66.5	66.5	66.5
Crescent Forest Ready Mix Sdn. Bhd. [3]	Manufacture of concrete and related products	Malaysia	51	51	–
Optocorp Sdn. Bhd. [3], [4] and its subsidiaries	Inactive	Malaysia	100	100	100

5. Investment in subsidiaries (Cont'd)

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group		
			2019 %	2018 %	1 March 2017 %
Mustajab Ilmu Sdn. Bhd. [3], [4]	Rental of truck mixers	Malaysia	100	100	100
Warta Suci Sdn. Bhd. [3], [4]	Rental of truck mixers	Malaysia	100	100	100
Pinespeed Sdn. Bhd. [3] and its subsidiaries	Dormant	Malaysia	100	100	100
Pesiaran Makmur Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100	100
Prestige Portfolio Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100	100

[1] Audited by KPMG LLP Singapore

[2] Audited by a member firm of KPMG International

[3] Audited by other certified public accountants

[4] Optocorp Sdn Bhd and its subsidiaries were transferred to the Group's key management personnel to hold in trust of the Group in order to facilitate the strike off process. The strike off process was completed on 29 March 2019.

In the prior year, the Group, together with a non-controlling shareholder, incorporated Crescent Forest Ready Mix Sdn. Bhd. ("Crescent Forest") with a paid-up share capital of $330,000. The Group's contributed capital of $330,000 represents a 51% interests in Crescent Forest.

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.

5. Investment in subsidiaries (Cont'd)

Judgements made in applying accounting policies

The Group assessed the terms and conditions of the shareholders' agreement of subsidiaries that are not wholly-owned by the Group to determine if an entity is a controlled entity. The Group exercised judgements over:

(a) their ability to exercise power over its investees;

(b) their exposure or rights to variable returns for its investments with those investees; and

(c) their ability to use its power to affect those returns.

The Group's judgement included considerations of their power exercised at the board of the respective investees and rights and obligations arising from board reserve of matters as agreed with the other shareholders.

6. Non-controlling interests

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non-controlling interests		
			2019 %	2018 %	1 March 2017 %
Crescent Concrete Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	33.5	33.5	33.5
Crescent Forest Ready Mix Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	49	49	–

6. Non-controlling interests (Cont'd)

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

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	49%	
2019			
Revenue	1,528,482	3,865,421	
Loss for the year	(1,041,240)	(1,017,558)	
Other comprehensive income	(21,794)	(14,561)	
Total comprehensive income	(1,063,034)	(1,032,119)	
Attributable to non-controlling interests:			
- Loss for the year	(348,816)	(498,603)	(847,419)
- Other comprehensive income	(7,301)	(7,135)	(14,436)
- **Total comprehensive income**	(356,117)	(505,738)	(861,855)
Non-current assets	–	–	
Current assets	1,375,261	266,549	
Assets held for sale	467,102	231,788	
Non-current liabilities	–	–	
Current liabilities	(613,694)	(1,037,817)	
Net assets/ (liabilities)	1,228,669	(539,480)	
Net assets attributable to non-controlling interests	411,604	(264,345)	147,259
Cash flows (used in)/ from operating activities	(39,316)	80,460	
Cash flows from/(used in) investing activities	159,603	(43,775)	
Cash flows used in financing activities (dividends to non-controlling interests: $Nil)	(159,475)	(49)	
Net (decrease)/increase in cash and cash equivalents	(39,188)	36,636	

6. Non-controlling interests (Cont'd)

	Crescent Concrete Sdn. Bhd $	Crescent Forest Ready Mix Sdn. Bhd $	Total $
	33.5%	**49%**	
2018			
Revenue	4,778,667	1,196,755	
Loss for the year	(196,905)	(186,587)	
Other comprehensive income	157,923	20,232	
Total comprehensive income	(38,982)	(166,355)	
Attributable to non-controlling interests:			
- Loss for the year	(65,963)	(91,428)	(157,391)
- Other comprehensive income	52,904	9,913	62,817
- **Total comprehensive income**	(13,059)	(81,515)	(94,574)
Non-current assets	1,426,591	689,266	
Current assets	2,797,628	1,397,026	
Non-current liabilities	(44,856)	–	
Current liabilities	(1,870,476)	(1,605,399)	
Net assets	2,308,887	480,893	
Net assets attributable to non-controlling interests	773,477	235,637	1,009,114
Cash flows from/(used in) operating activities	122,703	(248,723)	
Cash flows from/(used in) investing activities	10,648	(749,567)	
Cash flows (used in)/from financing activities (dividends to non-controlling interests: $Nil)	(198,169)	1,013,564	
Net (decrease)/increase in cash and cash equivalents	(64,818)	15,274	

6. Non-controlling interests (Cont'd)

	Crescent Concrete Sdn. Bhd $
	33.5%
1 March 2017	
Revenue	6,988,961
Loss for the year	(164,292)
Other comprehensive income	(134,140)
Total comprehensive income	(298,432)
Attributable to non-controlling interests:	
- Loss for the year	(55,038)
- Other comprehensive income	(44,937)
- **Total comprehensive income**	(99,975)
Non-current assets	1,511,414
Current assets	2,882,414
Non-current liabilities	(143,865)
Current liabilities	(1,902,095)
Net assets	2,347,868
Net assets attributable to non-controlling interests	786,536
Cash flows from operating activities	732,891
Cash flows used in investing activities	(27,349)
Cash flows used in financing activities (dividends to non-controlling interests: $Nil)	(524,244)
Net increase in cash and cash equivalents	181,298

7. Investment in joint venture

	Group			Company		
	2019	2018	1 March 2017	2019	2018	1 March 2017
	$	$	$	$	$	$
Investment in joint venture	1,957,896	1,857,054	629,519	2,135,507	2,135,507	943,006

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 45% shareholding interest in PT ATMC. In March 2016, the Company and PT Acset contributed shareholder's capital of $628,290 and $767,910 at shareholding interest of 45% and 55%, respectively.

In 2018, the Company amd PT Acset made additional capital contribution of $1,192,500 and $1,457,500, 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		
			2019	2018	1 March 2017
			%	%	%
Joint venture held by the Company:					
PT ATMC	Leasing of concrete pumps	Indonesia	45	45	45

The following table summarises the financial information of PT ATMC, based on its financial statements prepared in accordance with SFRS (I).

7. Investment in joint venture (Cont'd)

	2019 $	2018 $	1 March 2017 $
Revenue	2,763,212	1,807,266	1,071,262
Profit for the year [a]	270,941	267,890	215,009
Other comprehensive income	(46,849)	(406,108)	9,693
Total comprehensive income	224,092	(138,218)	224,702
[a] Includes:			
- Depreciation	701,659	473,545	281,412
- Income tax expense	80,836	75,636	51,223
Non-current assets	4,555,365	3,878,770	2,762,957
Current assets [b]	1,860,854	1,377,018	680,652
Non-current liabilities [c]	(53,783)	(34,714)	(43,511)
Current liabilities [d]	(1,266,634)	(349,370)	(1,040,173)
Net assets	5,095,802	4,871,704	2,359,925
[b] Includes cash and cash equivalents	203,899	650,782	191,461
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(7,872)	(10,669)	(26,825)
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(13,467)	(14,073)	(18,861)
Group's interest in net assets of investee at beginning of the year	1,857,054	629,519	332,560
Capital contributed to subscribe new equity shares in the year	–	1,192,500	628,290
Share of profit for the year	121,924	120,551	96,754
Share of other comprehensive income	(21,082)	(182,749)	4,362
Elimination of unrealised loss on downstream sale of equipment	–	97,233	(432,447)
Carrying amount of interest in investee at end of the year	1,957,896	1,857,054	629,519

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

	2019 $	2018 $	1 March 2017 $
Raw materials and consumables	22,435	155,780	115,234
Spare parts and accessories	679,024	748,108	895,218
	701,459	903,888	1,010,452

During the year, inventories recognised as cost of sales amounted to $5,829,580 (2018: $6,164,914).

9. Trade and other receivables

	Group			Company		
	2019 $	2018 $	1 March 2017 $	2019 $	2018 $	1 March 2017 $
Trade receivables	4,083,706	5,290,211	5,689,291	22,610	20,219	264,636
Deposit receivables	144,650	173,826	160,276	55,967	47,304	62,694
Other receivables	371,862	141,460	95,602	–	7,229	10,121
Amounts due from joint venture						
- trade	10,321	8,953	84,549	–	–	–
- non-trade	154,379	154,379	1,185,002	–	–	939,012
Amounts due from subsidiaries						
- non-trade	–	–	–	37,309	1,323,877	917,686
Impairment loss for trade and other receivables	(1,018,461)	(111,276)	(151,363)	–	–	–
Loans and receivables	3,746,457	5,657,553	7,063,357	115,886	1,398,629	2,194,149
Prepayments	139,663	166,422	187,788	–	–	–
	3,886,120	5,823,975	7,251,145	115,886	1,398,629	2,194,149

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

10. Cash and cash equivalents

	Group			Company		
	2019	2018	1 March 2017	2019	2018	1 March 2017
	$	$	$	$	$	$
Cash at bank and in hand	1,337,694	2,083,716	1,012,046	349,182	1,199,400	550,871
Fixed deposits	2,122,199	1,003,221	1,008,276	2,122,199	1,003,221	1,008,276
Cash and cash equivalents in the statement of cash flows	3,459,893	3,086,937	2,020,322	2,471,381	2,202,621	1,559,147

The weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company is 1.5% (2018: 1.0%; 1 March 2017: 0.9%), at the reporting date.

The Company maintains bank overdraft facilities amounting to $1,500,000 (2018: $1,500,000; 1 March 2017: $1,500,000). The bank overdraft is secured by a debenture incorporating fixed and floating charges over all present and future assets of the Company. The Company did not utilise the bank overdrafts facilities as at 28 February 2019.

11. Assets held for sale and discontinued operations

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

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

11. Assets held for sale and discontinued operations (Cont'd)

Impairment losses relating to the assets held for sale

Impairment losses of $475,856 representing the write-down of the plant and machinery, office equipment, furniture and fittings and motor vehicles to the lower of its carrying amount and the fair value less costs to sell have been included in 'other expenses' (see Note 18).

At 28 February 2019, the assets held for sale was stated at their fair value less costs to sell value and comprised the following asset:

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

	Group	
	2019 $	**2018 $**
Results of discontinued operations		
Total external revenue	5,393,903	5,975,422
Total expenses	(7,423,701)	(6,464,497)
Loss from operating activities	(2,029,798)	(489,075)
Less: Tax (expense)/ credit	(29,000)	105,583
Loss from discontinued operations, net of tax	(2,058,798)	(383,492)
Cash flows used in discontinued operations		
Net cash from/ (used in) operating activities	41,144	(126,020)
Net cash from/ (used in) investing activities	115,828	(738,919)
Net cash (used in)/ from financing activities	(159,524)	815,395
Net cash outflows for the year	(2,552)	(49,544)

12. Share capital

	2019		2018	
	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.

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

	Group	
	2019	**2018**
	$	**$**
Finance lease obligations	9,531	159,469
Net debt	9,531	159,469
Total equity attributable to owners of the Company	13,185,220	17,988,388
Net debt to equity ratio at the end of financial year	0.07%	0.9%

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.

13. Reserves

	Group			Company		
	2019	2018	1 March 2017	2019	2018	1 March 2017
	$	$	$	$	$	$
Foreign currency translation reserve	(669,790)	(606,326)	(588,948)	–	–	–
Retained earnings	2,664,246	7,403,950	13,398,117	280,048	2,100,568	4,714,201
	1,994,456	6,797,624	12,809,169	280,048	2,100,568	4,714,201

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	
	2019	2018
	$	$
Paid by the Company to owners of the Company		
Interim dividend of 1.0 cent per ordinary share in respect of year 2018	–	695,908
Final dividend of 1.0 cent per ordinary share in respect of year 2017	–	695,908
	–	1,391,816

14. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities		
	2019 $	2018 $	1 March 2017 $	2019 $	2018 $	1 March 2017 $
Group						
Plant and equipment	–	–	–	(692,543)	(2,129,405)	(2,714,013)
Unabsorbed capital allowances and unutilised tax losses	74,000	776,635	1,034,000	–	–	–
Deferred tax assets/ (liabilities)	74,000	776,635	1,034,000	(692,543)	(2,129,405)	(2,714,013)
Set off of tax	(74,000)	(311,081)	(565,000)	74,000	311,081	565,000
Net deferred tax assets/ (liabilities)	–	465,554	469,000	(618,543)	(1,818,324)	(2,149,013)
Company						
Plant and equipment	–	–	–	–	(461,000)	(469,000)
Unabsorbed capital allowances and unutilised tax losses	–	910,000	938,000	–	–	–
Deferred tax assets/ (liabilities)	–	910,000	938,000	–	(461,000)	(469,000)
Set off of tax	–	(461,000)	(469,000)	–	461,000	469,000
Net deferred tax assets/ (liabilities)	–	449,000	469,000	–	–	–

14. Deferred tax assets/(liabilities) (Cont'd)

Movements in deferred tax balances during the year:

	Balance as at 1 March 2017 $	Recognised in profit or loss (Note 21) $	Balance as at 28 February 2018 $	Recognised in profit or loss (Note 21) $	Balance as at 28 February 2019 $
Group					
Plant and equipment	(2,714,013)	584,608	(2,129,405)	1,436,862	(692,543)
Unabsorbed capital allowances and unutilised tax losses	1,034,000	(257,365)	776,635	(702,635)	74,000
	(1,680,013)	327,243	(1,352,770)	734,227	(618,543)
Company					
Plant and equipment	(469,000)	8,000	(461,000)	461,000	–
Unabsorbed capital allowances and unutilised tax losses	938,000	(28,000)	910,000	(910,000)	–
	469,000	(20,000)	449,000	(449,000)	–

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

15. Finance lease obligations

	Group		
	2019 $	2018 $	1 March 2017 $
Non-current portion	–	44,856	83,297
Current portion	9,531	114,613	366,858
	9,531	159,469	450,155

15. Finance lease obligations (Cont'd)

In 2018, the Group entered into one (1 March 2017: three) finance lease arrangements with term of 36 months (1 March 2017: 12 to 36 months). The Group incurred interest cost from the finance lease arrangement at effective interest rates of 6.6% per annum (2018: 6.60% per annum; 1 March 2017: 2.63% per annum to 6.80% per annum). The carrying amount of the leased assets is disclosed in Note 4.

	Future minimum lease payments	Interest	Principal	Future minimum lease payments	Interest	Principal	Future minimum lease payments	Interest	Principal
	2019	2019	2019	2018	2018	2018	1 March 2017	1 March 2017	1 March 2017
	$	$	$	$	$	$	$	$	$
Group									
Within one year	10,533	1,002	9,531	126,546	11,933	114,613	387,665	20,807	366,858
Between one and five years	–	–	–	49,466	4,610	44,856	92,027	8,730	83,297
	10,533	1,002	9,531	176,012	16,543	159,469	479,692	29,537	450,155

In the prior periods, the Company provided an intra-group financial guarantee to a bank in respect of finance lease facilities amounting to $220,296 (as at 28 February 2017) granted to wholly-owned subsidiaries. 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. The financial guarantee was discharged by the bank in 2018.

15. Finance lease obligations (Cont'd)

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

	Liabilities Finance lease obligations $
Balance as at 1 March 2017	450,155
Changes from financing cash flows	
Repayment of lease obligations	(396,091)
Interest paid	(24,613)
Total changes from financing cash flows	(420,704)
The effect of changes in foreign exchange rates	
Other changes	
Liability-related	
New finance lease obligation	105,405
Interest expense	24,613
Total liability-related changes	130,018
Balance as at 28 February 2018	159,469
Balance as at 1 March 2018	159,469
Changes from financing cash flows	
Repayment of lease obligations	(149,938)
Interest paid	(15,574)
Total changes from financing cash flows	(165,512)
The effect of changes in foreign exchange rates	
Other changes	
Liability-related	
Interest expense	15,574
Total liability-related changes	15,574
Balance as at 28 February 2019	9,531

16. Trade and other payables

	Group			Company		
	2019	2018	1 March 2017	2019	2018	1 March 2017
	$	$	$	$	$	$
Trade payables	1,747,503	3,210,849	2,394,854	39,441	30,062	37,824
Accruals	804,728	814,808	853,681	668,678	682,976	732,898
Payables for plant and equipment	–	–	521,860	–	–	–
Other payables	83,192	270,405	134,922	8,103	8,491	8,491
Loan from non-controlling interest	162,252	165,542	–	–	–	–
Amounts due to subsidiaries						
- non-trade	–	–	–	4,380,918	6,826,817	4,388,667
	2,797,675	4,461,604	3,905,317	5,097,140	7,548,346	5,167,880

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

17. Revenue

	Group	
	2019	2018
	$	$
		Restated
Continuing operations		
Sale of products	228,928	249,707
Rendering of services	8,752,393	10,810,970
	8,981,321	11,060,677
Discontinued operations		
Sale of products (Note 11)	5,393,903	5,975,422

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

17. Revenue (Cont'd)

Ready-mixed concrete segment

Nature of goods	The Group's ready-mixed concrete segment manufactures and sell ready-mixed concrete to customers.
When revenue is recognised	Revenue is recognised at a point in time when goods are delivered to the customer and control of the goods is transfer to the customer in accordance with the terms and conditions (including incoterms) as agreed with the customer.
Significant payment terms	Invoices for all revenue streams are issued upon delivery of goods and are payable within 30-60 days.
Variable consideration	There is no right to return and warranty for the goods sold. There are no variable considerations such as volume discounts and sales rebates provided to customers.

Concrete pumping services segment

Nature of goods	The Group's concrete pumping services segment is engaged in supply of concrete pump equipment and providing services to pump ready-mixed concrete through the equipment.
When revenue is recognised	Revenue is recognised at a point in time. The revenue is determined based on the concrete volume pumped through the equipment (i.e. usage-based consumption). The service term of concrete pumps are typically short-term (i.e. for period of less than 12 months).
Significant payment terms	Invoices are issued on monthly basis based on the concrete volume pumped to date and are payable within 30-60 days.
Variable consideration	There is no warranty provided for the services. There are no variable considerations such as volume discounts and sales rebates provided to customers.

17. Revenue (Cont'd)

Waste management services segment

Nature of goods	The Group's provides waste management services to customers in the construction sector in Singapore.
When revenue is recognised	Revenue is recognised when service is completed (i.e. at point in time) as the Group will only have the enforceable right to payment for such services at its completion. The waste management services are short-term (i.e. for period of less than one month).
Significant payment terms	Invoices are issued at the completion of services rendered and are payable within 30-60 days. There are cases whereby the customer is required to pay 50% in advance before service rendered. The service will be rendered shortly after (a few days) from the payment date. There are no other instance where the Group receives advances from its customers. On this basis, the Group assessed that there is no significant financing component in revenue transactions.
Variable consideration	There is no warranty provided for the services. There are no variable considerations such as volume discounts and sales rebates provided to customers.

17. Revenue (Cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, products and service lines and timings of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (See Note 26).

	Reportable Segment							
	Ready-mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
Primary geographical markets								
Singapore	–	2,141	6,511,874	8,286,117	1,821,321	1,939,089	8,333,195	10,227,347
Malaysia	5,393,903	5,973,281	648,126	835,471	–	–	6,042,029	6,808,752
Total	5,393,903	5,975,422	7,160,000	9,121,588	1,821,321	1,939,089	14,375,224	17,036,099
Major product/ service lines								
Ready-mixed concrete	5,393,903	5,975,422	–	–	–	–	5,393,903	5,975,422
Concrete pumping services	–	–	7,160,000	9,121,588	–	–	7,160,000	9,121,588
Waste management services	–	–	–	–	1,821,321	1,939,089	1,821,321	1,939,089
Total	5,393,903	5,975,422	7,160,000	9,121,588	1,821,321	1,939,089	14,375,224	17,036,099
Timing of revenue recognition								
At a point in time	5,393,903	5,975,422	7,160,000	9,121,588	1,821,321	1,939,089	14,375,224	17,036,099
Total	5,393,903	5,975,422	7,160,000	9,121,588	1,821,321	1,939,089	14,375,224	17,036,099

17. Revenue (Cont'd)

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2019 $	2018 $
Trade receivables	3,065,245	5,178,935
Contract liabilities	34,203	–

The contract liabilities primarily relate to advance consideration received from customers for the provision of waste management services in March 2019.

Significant changes in the contract liabilities balances during the year are as follows:

	Contract Liabilities	
	2019 $	2018 $
Increase due to cash received, excluding amounts recognised as revenue during the year	34,203	–

18. Loss before tax

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

	Group	
	2019	**2018**
	$	**$**
Audit fee paid to		
- auditor of the Company	80,000	72,000
- other auditors	25,767	21,933
Non-audit fee paid to		
- other auditors	14,984	14,208
Wages and salaries expenses	4,041,647	4,154,100
Contributions to defined contribution plans	220,359	236,878
Bad debts written off	10,396	51,115
Impairment loss on trade receivables		
- continuing operations	230,463	–
- discontinued operations	683,782	–
Depreciation expense	3,332,644	3,537,415
Impairment loss on plant and equipment	2,761,856	3,985,000
Write-off of plant and equipment	47,752	26,117
Loss on disposal of plant and equipment (net)		
- reversal of gain on disposal of plant and equipment	–	194,972
- loss/(gain) on disposal of plant and equipment	58,869	(67,989)
Operating lease expenses included in		
- cost of sales	776,555	837,802
- selling, general and administrative expenses	91,277	88,531

In 2018, the joint venture requested to return certain plant and equipment to the Group as they were unable to deploy the plant and equipment. Subsequent to their negotiations, the Group agreed to the return of these plant and equipment and to refund the sales consideration of the plant and equipment in full to the non-controlling interests. As a result, the Group recognised a reversal of gain on disposal of plant and equipment of $194,972.

19. Other income

	Group 2019 $	Group 2018 $
Government grants	21,615	49,864
Other miscellaneous income	95,895	41,264
	117,510	91,128

20. Net finance income/(cost)

	Group 2019 $	Group 2018 $
Interest income under the effective method on:		
- Cash and cash equivalents	22,210	6,064
- Net foreign exchange gain	2,719	–
Finance income	24,929	6,064
Finance cost:		
- Finance lease interests	(15,574)	(24,613)
- Net foreign exchange loss	–	(31,738)
	(15,574)	(56,351)
Net finance costs recognised in profit or loss	9,355	(50,287)

21. Tax credit

	Group 2019 $	Group 2018 $
Current tax expense		
- Current year	84,926	86,285
- Over provision in respect of prior years	(12,221)	(28,986)
	72,705	57,299
Deferred tax		
- Movements in temporary differences	(687,022)	(327,243)
- Over provision of deferred tax expense in respect of prior years	(47,205)	–
	(734,227)	(327,243)
Total tax credit	(661,522)	(269,944)
Reconciliation of effective tax rate		
Loss before tax	(6,248,645)	(5,029,686)
Tax using the Singapore tax rate of 17% (2018: 17%)	(1,062,270)	(855,047)
Effect of different tax rates in foreign jurisdictions	(126,170)	(18,111)
Tax effects of:		
- Expenses not deductible for tax purposes	663,274	709,755
- Tax incentive	(76,930)	(77,555)
- Overprovision of tax in respect of prior years	(59,426)	(28,986)
	(661,522)	(269,944)

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 2019 and 29 February 2018 had been reduced based on the above tax incentives.

22. Loss per share

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

	Group 2019	Group 2018
Continuing operations		
Loss for the year attributable to owners of the Company	(3,528,325)	(4,376,250)
Weighted average number of ordinary shares	69,590,800	69,590,800
Discontinued operations		
Loss for the year attributable to owners of the Company	(1,211,379)	(226,101)
Weighted average number of ordinary shares	69,590,800	69,590,800

There are no class of capital or financial instruments that might have a dilutive effect on the Group's loss per share.

23. Commitments

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 year (2018: one to three years, with an option to renew the lease after that date). None of the leases include contingent rentals.

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

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Payable within 1 year	571,596	658,250	79,762	79,762
Payable after 1 year but within 5 years	–	5,326	–	–
	571,596	663,576	79,762	79,762

23. Commitments (Cont'd)

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

The Company has an existing agreement for the lease of its office premises with a former director of the Company, Mr Chua Eng Him (deceased on 30 January 2018). Rental paid under this agreement for the financial year amounted to $79,762 (2018: $79,762) for the Group and Company, which has been reviewed by the Audit Committee.

In 2018, included in the future aggregate minimum lease payments of the Group and Company was $79,762 which was paid to the estate of a key management personnel/controlling shareholder, Mr Chua Eng Him (deceased 30 January 2018) in the current year.

24. Related party transactions

Key management personnel compensation

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

	Group	
	2019	**2018**
	$	**$**
Key management compensation		
- Salaries, other short-term benefits and contributions to defined contribution plans*	549,823	633,199
Non-executive directors		
- Fees	106,623	110,000
	656,446	743,199

* Includes executive directors' remuneration.

24. 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	
	2019	**2018**
	$	**$**
Joint Venture		
- Sale of equipment	–	307,530
- Return on sale of equipment	–	(375,804)
- Sale of parts	3,155	6,845

	Company	
	2019	**2018**
	$	**$**
Subsidiaries		
- Management fee income (within other income)	744,000	744,000
- Equipment rental income (within revenue)	631,200	643,400
- Office rental income	79,762	79,762

25. 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.

25. 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 Group's and Company's activities expose it to credit risk, liquidity risk and foreign currency risk. The Group's and Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's and Company's financial performance. At the reporting date, the Group and Company do not have significant interest rate risk exposure.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statements of financial position represent the Group's maximum to credit risk, before taking into account any collateral held. The Group do not require any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2019	2018
	$	$
Impairment losses on trade and other receivables	914,245	–

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.

25. Financial risk management (Cont'd)

Credit risk (Cont'd)

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

A summary of the Group's exposures to credit risk for trade and other receivables are as follows:

	2019		2018	1 March 2017
	Not credit-impaired	Credit-impaired		
	$	$	$	$
Group				
Customers within:				
• two or more years' trading history with the Group	2,486,411	291,825	3,893,993	4,129,278
• Less than two years' trading history with the Group	1,260,046	726,636	1,874,836	3,085,442
Total gross carrying amount	3,746,457	1,018,461	5,768,829	7,214,720
Loss allowance	–	(1,018,461)	(111,276)	(151,363)
	3,746,457	–	5,657,553	7,063,357
Company				
Customers within:				
• two or more years' trading history with the Company	115,886	–	1,398,629	2,194,149
Total gross carrying amount	115,886	–	1,398,629	2,194,149
Loss allowance	–	–	–	–
	115,886	–	1,398,629	2,194,149

25. Financial risk management (Cont'd)

Credit risk (Cont'd)

Comparative information under FRS 39

An analysis of the ageing of trade and other receivables that were not impaired is as follows:

	Group		Company	
	2018	1 March 2017	2018	1 March 2017
	$	$	$	$
Not past due	2,399,331	2,410,905	1,389,662	1,620,030
Past due 0 – 30 days	1,151,401	1,088,046	3,681	1,196
Past due 31 – 90 days	1,167,248	2,576,279	5,286	59,936
Past due 91 – 180 days	939,573	988,127	–	512,987
Total not impaired trade and other receivables	5,657,553	7,063,357	1,398,629	2,194,149

Expected credit loss assessment for trade and other receivables as at 1 March 2018 and 28 February 2019

The Group identified first trade and other receivables that are credit-impaired and for which default event(s) had occurred. For such receivables, the Group assessed specifically the probability of recovery to the receivables balances and recognised the difference as an impairment loss.

The Group uses an allowance matrix to measure the ECLs for the remaining of trade and other receivables which comprises a large customer base with small balances and which are not credit impaired. The loss rates applied to the allowance matrix are calculated based on historical credit loss experience in the past 3 years. The Group assessed that the past credit loss experience adequately reflect the credit risk exposure of the Group.

25. Financial risk management (Cont'd)

Credit risk (Cont'd)

Expected credit loss assessment for trade and other receivables as at 1 March 2018 and 28 February 2019 (Cont'd)

The following table provides information about the exposure to Group's credit risk and ECLs for trade and other receivables as at 28 February 2019:

	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $
Group			
Credit impaired receivables	100	1,018,461	(1,018,461)
Remaining receivables			
Not past due	0.00*	1,366,419	–
Past due 0 – 30 days	0.00*	737,641	–
Past due 31 – 120 days	0.00*	1,238,911	–
More than 120 days	0.00*	403,486	–
		4,764,918	(1,018,461)
Company			
Not past due	0.00*	101,237	–
Past due 0 – 30 days	0.00*	9,994	–
Past due 31 – 120 days	0.00*	3,799	–
More than 120 days	0.00*	856	–
		115,886	–

* Loss rate is less than 0.1%.

25. Financial risk management (Cont'd)

Credit risk (Cont'd)

Movements in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment losses in respect of trade and other receivables during the year was as follows:

	Group Individual impairments $	Company Individual impairments $
At 1 March 2017 per FRS 39	151,363	–
Impairment loss utilised	(44,000)	–
Effect of movement in exchange rates	3,913	–
At 28 February 2018 per FRS 39	111,276	–

	Group Lifetime ECL $	Company Lifetime ECL $
At 1 March 2018 per FRS 39	111,276	–
Adjustment on initial application of FRS 109	–	–
At 1 March 2018 per FRS 109	111,276	–
Impairment loss recognised	914,245	–
Effect of movement in exchange rates	(7,060)	–
At 28 February 2019 per FRS 109	1,018,461	–

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $3,459,893 and $2,471,381 respectively, at 28 February 2019 (2018: $3,086,937 and $2,202,621; 1 March 2017: $2,020,322 and $1,559,147, respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AAA to Baa1 based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

25. Financial risk management (Cont'd)

Credit risk (Cont'd)

Non-trade amounts due from subsidiaries

The Company held receivables from its subsidiaries of $37,309 (2018: $1,323,877; 1 March 2017: $917,686) and joint venture of $154,379 (2018: $154,379; 1 March 2017: $1,267,839). These balances are amounts extended to subsidiaries and joint venture to satisfy short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

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						
2019						
Trade and other payables	16	2,797,675	2,797,675	2,797,675	–	–
Finance lease obligations	15	9,531	10,533	10,533	–	–
		2,807,206	2,808,208	2,808,208	–	–
2018						
Trade and other payables	16	4,461,604	4,461,604	4,461,604	–	–
Finance lease obligations	15	159,469	176,012	64,140	62,406	49,466
		4,621,073	4,637,616	4,525,744	62,406	49,466
1 March 2017						
Trade and other payables	16	3,905,317	3,905,317	3,905,317	–	–
Finance lease obligations	15	450,155	479,692	227,678	159,987	92,027
		4,355,472	4,385,009	4,132,995	159,987	92,027

25. Financial risk management (Cont'd)

Liquidity risk (Cont'd)

			Cash flows			
	Note	Carrying amount	Contractual cash flows	Within 6 months	Within 7-12 months	Within 1 to 5 years
		$	$	$	$	$
Company						
2019						
Trade and other payables	16	5,097,140	5,097,140	5,097,140	–	–
2018						
Trade and other payables	16	7,548,346	7,548,346	7,548,346	–	–
1 March 2017						
Trade and other payables	16	5,167,880	5,167,880	5,167,880	–	–
Intra-group financial guarantee		–	220,296	220,296	–	–
		5,167,880	5,388,176	5,388,176	–	–

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rate will affect the Group's and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group and Company incur foreign currency risk on amounts due from joint venture which are denominated in United States Dollar (USD). The Group's and Company's exposure to foreign currency risk is closely monitored by management on an ongoing basis. The Group does not use any derivative financial instruments to hedge against the foreign currency risk.

25. Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

At the reporting date, the Group's and the Company's exposure to foreign currency, other than the respective functional currencies of the Group's entities, is as follows:

	Group USD $	Company USD $
2019		
Amounts due from joint venture	154,379	–
2018		
Amounts due from joint venture	154,379	–
1 March 2017		
Amounts due from joint venture	1,267,839	939,012

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against the USD at reporting date would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2018 and 2017, as indicated below.

	Group Profit or loss $	Company Profit or loss $
28 February 2019		
USD	(15,438)	–
28 February 2018		
USD	(15,438)	–
1 March 2017		
USD	(126,783)	(93,901)

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

25. Financial risk management (Cont'd)

Fair values

Measurement of fair values

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

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

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

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

No fair value hierarchy information is disclosed for the Group's and Company's financial assets and financial liabilities measured at amortised cost as the carrying amount of these financial assets and liabilities approximate their fair values.

Determination of fair values

Financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of their short period to maturity.

25. Financial risk management (Cont'd)

Fair values (Cont'd)

Accounting classification and fair values

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

		Carrying amount		
	Note	**Amortised cost $**	**Other financial liabilities $**	**Total $**
Group				
2019				
Financial assets not measured at fair value				
Cash and cash equivalents	10	3,459,893	–	3,459,893
Trade and other receivables*	9	3,746,457	–	3,746,457
		7,206,350	–	7,206,350
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(2,797,675)	(2,797,675)

* Exclude prepayments.

25. Financial risk management (Cont'd)

Fair values (Cont'd)

Accounting classification and fair values (Cont'd)

		Carrying amount		
	Note	Loans and receivables $	Other financial liabilities $	Total $
Group				
2018				
Financial assets not measured at fair value				
Cash and cash equivalents	10	3,086,937	–	3,086,937
Trade and other receivables*	9	5,657,553	–	5,657,553
		8,744,490	–	8,744,490
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(4,461,604)	(4,461,604)
1 March 2017				
Financial assets not measured at fair value				
Cash and cash equivalents	10	2,020,322	–	2,020,322
Trade and other receivables*	9	7,063,357	–	7,063,357
		9,083,679	–	9,083,679
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(3,905,317)	(3,905,317)

* Exclude prepayments.

25. Financial risk management (Cont'd)

Fair values (Cont'd)

Accounting classification and fair values (Cont'd)

	Note	Carrying amount		
		Amortised cost	Other financial liabilities	Total
		$	$	$
Company				
2019				
Financial assets not measured at fair value				
Cash and cash equivalents	10	2,471,381	–	2,471,381
Trade and other receivables*	9	115,886	–	115,886
		2,587,267	–	2,587,267
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(5,097,140)	(5,097,140)

* Exclude prepayments.

25. Financial risk management (Cont'd)

Fair values (Cont'd)

Accounting classification and fair values (Cont'd)

		Carrying amount		
	Note	Loans and receivables	Other financial liabilities	Total
		$	$	$
Company				
2018				
Financial assets not measured at fair value				
Cash and cash equivalents	10	2,202,621	–	2,202,621
Trade and other receivables*	9	1,398,629	–	1,398,629
		3,601,250	–	3,601,250
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(7,548,346)	(7,548,346)
1 March 2017				
Financial assets not measured at fair value				
Cash and cash equivalents	10	1,559,147	–	1,559,147
Trade and other receivables*	9	2,194,149	–	2,194,149
		3,753,296	–	3,753,296
Financial liabilities not measured at fair value				
Trade and other payables	16	–	(5,167,880)	(5,167,880)

* Exclude prepayments.

26. Segment reporting

Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they cater to different markets and customer base. For each of the strategic business units, the Group's CEO and Board of Directors (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Ready-mixed concrete	:	Manufacture and supply of ready-mixed concrete.
Concrete pumping services	:	Supply of concrete pumping services.
Waste management services	:	Provision of waste management services.

Information regarding the results of each reportable segment is included below. Performance is measured based on profit from operating activities before unallocated corporate expenses, unallocated other income and tax, as included in the internal management reports that are reviewed by the Group's CEO and Board of Directors. Segment profit from operating activities is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

26. Segment reporting (Cont'd)

Information about reportable segments

	Ready-mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
External revenues	5,393,903	5,975,422	7,160,000	9,121,588	1,821,321	1,939,089	14,375,224	17,036,099
Inter-segment revenue - pump rental	–	–	631,200	643,400	–	–	631,200	643,400
Inter-segment revenue - pump parts	–	–	66,817	103,548	–	–	66,817	103,548
Interest income	–	–	22,210	6,064	–	–	22,210	6,064
Finance expense	(15,574)	(18,372)	–	(5,916)	–	(325)	(15,574)	(24,613)
Depreciation expense	(426,470)	(352,708)	(2,739,302)	(3,025,288)	(166,892)	(159,419)	(3,332,664)	(3,537,415)
Reportable segment (loss)/profit before tax	(2,029,798)	(489,075)	(4,309,580)	(4,778,891)	239,080	429,213	(6,100,298)	(4,838,753)
Other material non-cash items:								
- Impairment loss on plant and equipment	(475,856)	–	(2,286,000)	(3,985,000)	–	–	(2,761,856)	(3,985,000)
- (Loss)/Gain on disposal of plant and equipment	(61,417)	10,130	2,548	(136,946)	–	(167)	(58,869)	(126,983)
- Impairment loss on trade and other receivables	(683,782)	–	(230,463)	–	–	–	(914,245)	–
- Bad debts written off	(1,667)	–	(8,729)	(45,350)	–	(5,765)	(10,396)	(51,115)
Reportable segment assets	1,689,560	5,790,209	13,754,357	18,412,891	1,349,368	1,252,216	16,793,285	25,455,316
Capital expenditure	47,734	805,328	30,913	52,710	153,988	137,258	232,635	995,296
Reportable segment liabilities	1,382,663	3,344,683	1,869,534	2,934,453	208,609	178,678	3,460,806	6,457,814

26. Segment reporting (Cont'd)

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

	2019 $	2018 $
Revenue		
Total revenue for reportable segments	15,073,241	17,783,047
Elimination of inter-segment revenue	(698,017)	(746,948)
Revenue from continuing and discontinued operations	14,375,224	17,036,099
Profit or loss		
Total loss before tax for reportable segments	(6,100,298)	(4,838,753)
Unallocated amounts:		
- Other corporate expenses	(148,347)	(190,933)
Loss before tax from continuing and discontinued operations	(6,248,645)	(5,029,686)

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]		
	$ (Continuing)	$ (Discontinued)	$ Total	$ (Continuing)	$ (Discontinued)	$ Total
2019						
Singapore	8,333,195	–	8,333,195	5,859,853	–	5,859,853
Malaysia	648,126	5,393,903	6,042,029	229,174	–	229,174
Indonesia	–	–	–	1,957,896	–	1,957,896
	8,981,321	5,393,903	14,375,224	8,046,923	–	8,046,923
2018						
Singapore	10,225,206	2,141	10,227,347	10,694,027	–	10,694,027
Malaysia	835,471	5,973,281	6,808,752	524,578	2,099,303	2,623,881
Indonesia	–	–	–	1,857,054	–	1,857,054
	11,060,677	5,975,422	17,036,099	13,075,659	2,099,303	15,174,962

[1] Exclude deferred tax assets

26. Segment reporting (Cont'd)

Geographical information (Cont'd)

Major customer

Revenue from one (2018: one) customer of the Group's concrete pumping services segment contributed $738,982 (2018: $675,427) representing 5% (2018: 4%) of the Group's total revenue.

27. Explanation of transition to (SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018.

As stated in Note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 28 February 2019, the comparative information presented in these financial statements for the year ended 28 February 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 March 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes the clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;

- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;

- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;

- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and

- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

27. Explanation of transition to (SFRS(I) and adoption of new standards (Cont'd)

The application of the above standards and interpretations do not have a material effect on the financial statements, except for SFRS(I) 9.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 15 have affected the Group's financial statements is detailed below.

SFRS(I) 1

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 1 March 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 28 Feburary 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1.

The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 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.

The Group adopted SFRS(I) 15 in its financial statements, using the retrospective approach. All requirements of SFRS(I)15 have been applied retrospectively, except for the application of the practical expedients where completed contracts that began and ended in the same annual reporting period in 2018 and contracts completed at 1 March 2017 are not restated.

The adoption of SFRS(I) 15 did not have any significant impact on the financial statements.

SFRS(I) 9

SFRS(I) 9 sets out requirements for recognising and measuring financial assets and financial liabilities. It also introduces a new ECL model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 March 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences (if any) in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 March 2018.

27. Explanation of transition to (SFRS(I) and adoption of new standards (Cont'd)

SFRS(I) 9 (Cont'd)

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 March 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

Classification of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measure at amortised cost or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held to maturity, loans and receivables and available-for-sale.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, refer to Note 3.3.

27. Explanation of transition to (SFRS(I) and adoption of new standards (Cont'd)

Classification of financial assets and financial liabilities (Cont'd)

The following table and accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets 1 March 2018:

			1 March 2018	
	Classification under FRS 39	**Classification under SFRS(I) 9**	**Carrying amount under FRS 39 $**	**Carrying amount under SFRS(I) 9 $**
Group				
Financial assets				
Trade and other receivables*	Loans and receivables	Amortised costs	5,657,553	5,657,553
Cash and cash equivalents	Loans and receivables	Amortised costs	3,086,937	3,086,937
Total financial assets			8,744,490	8,744,490
Company				
Financial assets				
Trade and other receivables*	Loans and receivables	Amortised costs	1,398,629	1,398,629
Cash and cash equivalents	Loans and receivables	Amortised costs	2,202,621	2,202,621
Total financial assets			3,601,250	3,601,250

* Excluding prepayments.

Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model with an ECL model. The new impairment model applies to financial assets measured at amortised cost but not to equity investments.

As a result of the adoption of SFRS(I) 9, the Group presented impairment loss related to trade receivables, separately disclose in the statement of comprehensive income.

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

Additional information on how the Group measures the allowance for impairment is described in Note 25.

28. Subsequent events

On 29 March 2019, the Group has struck off three dormant indirect wholly-owned subsidiaries, namely Mustajab Ilmu Sdn Bhd, Warta Such Sdn Bhd and Optocorp Sdn Bhd under Section 308(1) of the Malaysia Companies Act 1965.

29. New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2020 financial statements

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

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group's assessment of SFRS(I) 16 which is expected to have a more significant impact on the Group is described below.

29. New standards and interpretations not yet adopted (Cont'd)

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 March 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 March 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 March 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group has entered into the lease agreement for rental of office and foreign workers accommodation.

The lease rental of office and all other lease agreement were signed for a period of 12 months with no renewal options. The Group is thus qualify for exemption for short-term leases, hence, there is no right-of-use asset and lease liability being disclosed. The lease rental will be charged out to the statement of profit or loss as and when incurred.

The Group had performed their assessment based on the information currently available. The actual impact of adopting SFRS(I) 16 on 1 March 2019 may change because the new accounting policies are subject to change until the Group presents its first financial statements that includes the date of initial application.

ANALYSIS OF SHAREHOLDINGS

As at 15 May 2019

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	0.20	113	0.00
100 to 1,000	523	52.04	507,400	0.73
1,001 to 10,000	341	33.93	1,876,900	2.70
10,001 to 1,000,000	134	13.33	13,746,177	19.75
1,000,001 and above	5	0.50	53,460,210	76.82
Total	1,005	100	69,590,800	100

Shareholdings Held in Hands of Public

24.95% 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	Estate of Chua Eng Him, Deceased	20,154,566	28.96
2	Kheng Leong Company (Private) Limited	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	893,200	1.28
9	DBS Nominees Pte Ltd	831,600	1.19
10	A-Power Investment Pte Ltd	743,200	1.07
11	Cheong Wai Ngan Gillian	724,000	1.04
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 Hoong Tat Franz	494,800	0.71
17	HSBC (Singapore) Nominees Pte Ltd	490,500	0.70
18	Chua Seng Guan	479,897	0.69
19	Wong Man On	277,500	0.40
20	Raffles Nominees (Pte) Ltd	254,800	0.37
	Total	62,725,707	90.14

Substantial Shareholders

	Direct interest		Deemed interest	
Name of substantial shareholders	No. of shares	% of total issued shares	No. of shares	% of total issued shares
Estate of Chua Eng Him, Deceased	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) The 577,000 shares are held by Hee Geok Lin, wife of Chua Eng Him (deceased).

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

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

(4) 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.

ADDITIONAL INFORMATION ON DIRECTORS
SEEKING RE-APPOINTMENT

The following information relating to Mr Low Wing Hong and Mr Khoo Ho Tong, each of whom is standing for re-election as a director at the Annual General Meeting of the Company on 26 June 2019, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	**Low Wing Hong**	**Khoo Ho Tong**
Date of first appointment as a director	29 August 2007	17 January 2019
Date of last re-election as a director	28 June 2017	N.A.
Age	53	78
Country of principal residence	Singapore	Singapore
The Board's comments on the re-election	Mr Low has continued to discharge his duties well and his expertise will continue to benefit the Company and set the direction for growth	Mr Khoo has wide and deep business experience and with his valuable knowledge, skill and experience, will contribute positively to the Company
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job title	Non-executive Director, Member of Remuneration Committee	Independent Non-executive Director, Member of Audit Committee, Nominating Committee and Remuneration Committee
Professional qualifications	Bachelor of Accountancy, National University of Singapore	Lifetime member of the Institute of Singapore Chartered Accountants, Life fellow member of CPA Australia
Working experience and occupation(s) during the past 10 years	Investment Manager of Kheng Leong Company (Private) Limited (1999 to present)	Practicing public accountant, Partner of PKF Singapore (1980 to 2016)
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Investment Manager of Kheng Leong Company (Private) Limited which is a substantial shareholder of the Company	No

Name of Director	Low Wing Hong	Khoo Ho Tong
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships Past (for the last 5 years) Present	Past Foremost Secura Corporation Peak Summit Holdings Limited Present Bondi Holdings International Limited New Estate International Limited	Past Aztech Group Ltd PKF-Khoo Management Services Pte Ltd PKF-ACPA Management Consultants Pte Ltd PKF-CAP LLP PKF-CAP Risk Consulting Pte Ltd PKF-CAP Advisory Partners Pte Ltd PKF HTKHOO PAC Association of Taxation Technicians (S) Limited Certified Accounting Technicians (Singapore) Limited Institute of Singapore Chartered Accountants Pte Ltd SAA Global Education Pte Ltd Viz Branz Holdings Pte Ltd Present Nam Lee Pressed Metal Industries Limited (Independent non-executive director) Singapore Institute of Accredited Tax Professionals Ltd (Board member)

ADDITIONAL INFORMATION ON DIRECTORS
SEEKING RE-APPOINTMENT

Name of Director		Low Wing Hong	Khoo Ho Tong
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS
SEEKING RE-APPOINTMENT

Name of Director	Low Wing Hong	Khoo Ho Tong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

Name of Director	Low Wing Hong	Khoo Ho Tong
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th annual general meeting of Transit-Mixed Concrete Ltd will be held at Esplanade 3 & 4, Level 4, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 26 June 2019 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 2019 and the auditors' report thereon.

2 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 non-executive director. Detailed information on Mr Low is set out on pages 9 and 122 of the annual report.

3 To re-elect Mr Khoo Ho Tong, a director who will cease to hold office in accordance with Article 88 of the Company's Constitution and who, being eligible, will offer himself for re-election.

Note: Mr Khoo Ho Tong, if re-elected as a director, will remain a member of the audit committee, nominating committee and remuneration committee. Mr Khoo is an independent non-executive director. Detailed information on Mr Khoo is set out on pages 8 and 122 of the annual report.

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

SPECIAL BUSINESS

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

"That directors' fees of S$106,623 for the year ended 28 February 2019 be and are hereby approved." (2018: S$110,000)

6 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

NOTICE OF
ANNUAL GENERAL MEETING

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

7 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
6 June 2019

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 5 above is to approve the payment of directors' fees for the year ended 28 February 2019.

The ordinary resolution proposed in item 6 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.

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 6 June 2019.

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 39th annual general meeting of the Company to be held at Esplanade 3 & 4, Level 4, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 26 June 2019 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 re-elect Mr Low Wing Hong as director		
3	To re-elect Mr Khoo Ho Tong as director		
4	To re-appoint KPMG LLP as auditors and to authorise the directors to fix their remuneration		
Special Business			
5	To approve directors' fees		
6	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 ______________ 2019

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, 24 June 2019.

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
150 Changi Road #03-05 Guthrie Building Singapore 419973
Tel: 6344 3922 Fax: 6342 0990
Company Registration No.:197902587H