



TRANSIT-MIXED CONCRETE LTD (CO REG No. 197902587H)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 6 months ended 31/8/21 (Unaudited) S\$'000	Group 6 months ended 31/8/20 (Unaudited) S\$'000	+ / (-) %
<u>Continuing operations</u>				
Revenue	4	3,880	1,644	136
Cost of sales		(2,771)	(2,173)	28
Gross profit/(loss)		1,109	(529)	NM
Other income		144	275	(48)
Net finance income		11	25	(56)
Selling, general and administrative expenses		(846)	(659)	28
Profit on sale of joint venture		8	-	NM
Share of loss of joint venture, net of tax		(86)	(44)	95
Profit/(Loss) before tax	6	340	(932)	NM
Tax (expense)/credit	7	(128)	97	NM
Profit/(Loss) from continuing operations		212	(835)	NM
<u>Discontinued operations</u>				
Loss from discontinued operations (net of tax)		(2)	(8)	(75)
Profit/(Loss) for the period		210	(843)	NM
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations				
- Continuing operations		261	(109)	NM
- Discontinued operations		(19)	(15)	27
		242	(124)	NM
Total comprehensive income for the period		452	(967)	NM
Profit/(Loss) attributable to:				
<u>Continuing operations</u>				
Owners of the Company		212	(835)	NM
<u>Discontinued operations</u>				
Owners of the Company		(1)	(11)	(91)
Non-controlling interests		(1)	3	NM
Profit/(Loss) for the period		210	(843)	NM
Total comprehensive income attributable to:				
Owners of the Company		459	(965)	NM
Non-controlling interests		(7)	(2)	250
Total comprehensive income for the period		452	(967)	NM
Earnings per share (cents)				
<u>Continuing operations</u>				
- basic and fully diluted		0.235	(1.20)	
<u>Discontinued operations</u>				
- basic and fully diluted		(0.001)	(0.01)	

NM - not meaningful

Earnings per share - The calculation of earnings per share (on basic and on a fully diluted basis) was based on weighted number of shares 90,220,663 (Half Year 31/8/2020: 67,590,800) in issue during the period.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 31/8/21 S\$'000	Group 28/2/21 S\$'000	Company 31/8/21 S\$'000	Company 28/2/21 S\$'000
Non-current assets					
Plant and equipment		1,906	1,838	256	268
Right-of-use assets		5	12	-	-
Investment in subsidiaries		-	-	5,178	5,178
Investment in joint venture		-	1,703	-	1,887
Total non-current assets		1,911	3,553	5,434	7,333
Current assets					
Inventories		593	635	-	-
Trade and other receivables		2,238	2,300	52	210
Cash and cash equivalents		12,264	5,495	9,889	3,380
Current assets		15,095	8,430	9,941	3,590
Total assets		17,006	11,983	15,375	10,923
Equity attributable to owners of the Company					
Share capital	11	16,049	11,191	16,049	11,191
Reserves		(675)	(1,134)	(4,997)	(4,987)
Total equity attributable to owners of the Company		15,374	10,057	11,052	6,204
Non-controlling interests		363	370	-	-
Total equity		15,737	10,427	11,052	6,204
Non-current liabilities					
Deferred tax liabilities		73	82	-	-
Lease liabilities		-	3	-	-
Total non-current liabilities		73	85	-	-
Current liabilities					
Trade and other payables		1,135	1,430	4,323	4,719
Current tax liabilities		56	32	-	-
Lease liabilities		5	9	-	-
Total current liabilities		1,196	1,471	4,323	4,719
Total liabilities		1,269	1,556	4,323	4,719
Total equities and liabilities		17,006	11,983	15,375	10,923

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group (unaudited)

Consolidated Statement of Changes in Equity for the six months ended

	Share capital S\$'000	Capital contribution reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
<u>31 August 2021</u>							
At 1 March 2021	11,191	-	(754)	(380)	10,057	370	10,427
Total comprehensive income for the period							
Profit for the period	-	-	-	211	211	(1)	210
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	-	248	-	248	(6)	242
Total other comprehensive income for the period	-	-	248	-	248	(6)	242
Total comprehensive income for the period	-	-	248	211	459	(7)	452
Contributions by and distributions to owners							
Issue of ordinary shares	4,858	-	-	-	4,858	-	4,858
Total contributions by and distributions to owners	4,858	-	-	-	4,858	-	4,858
At 31 August 2021	16,049	-	(506)	(169)	15,374	363	15,737
<u>31 August 2020</u>							
At 1 March 2020	11,191	162	(638)	782	11,497	376	11,873
Total comprehensive income for the period							
Loss for the period	-	-	-	(846)	(846)	3	(843)
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations	-	-	(119)	-	(119)	(5)	(124)
Total other comprehensive income for the period	-	-	(119)	-	(119)	(5)	(124)
Total comprehensive income for the period	-	-	(119)	(846)	(965)	(2)	(967)
At 31 August 2020	11,191	162	(757)	(64)	10,532	374	10,906

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company (unaudited)

Statement of Changes in Equity for the six months ended

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<u>31 August 2021</u>			
At 1 March 2021	11,191	(4,987)	6,204
Profit for the period, representing total comprehensive income for the period	-	(10)	(10)
Contributions by and distributions to owners			
Issue of ordinary shares	4,858	-	4,858
At 31 August 2021	<u>16,049</u>	<u>(4,997)</u>	<u>11,052</u>
<u>31 August 2020</u>			
At 1 March 2020	11,191	(5,450)	5,741
Profit for the period, representing total comprehensive income for the period	-	685	685
At 31 August 2020	<u>11,191</u>	<u>(4,765)</u>	<u>6,426</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	338	(940)
Adjustments for:		
Depreciation of plant and equipment	103	515
(Gain)/Loss on disposal of plant and equipment	(11)	1
Bad debts written off	2	-
Interest income	(2)	(21)
Profit on sale of joint venture	(8)	-
Share of loss of joint venture	86	44
	508	(401)
Changes in:		
Inventories	43	(51)
Trade and other receivables	59	1,543
Trade and other payables	(303)	(567)
Cash generated from operations	307	524
Income taxes paid	(113)	(14)
Net cash from operating activities	194	510
Cash flows from investing activities		
Interest received	2	21
Purchase of plant and equipment	(181)	(59)
Proceeds from disposal of plant and equipment	20	1
Proceeds from disposal of assets held for sale	-	47
Proceeds from sale of joint venture	1,895	-
Net cash from investing activities	1,736	10
Cash flows from financing activities		
Proceeds from issue of share capital	4,858	-
Net cash from financing activities	4,858	-
Net increase in cash and cash equivalents	6,788	520
Cash and cash equivalents at beginning of the period	5,495	4,836
Effects of exchange rate fluctuations on cash held	(19)	(20)
Cash and cash equivalents at end of the period	12,264	5,336
<i>Comprising:</i>		
Cash at bank, trust account and in hand	8,824	1,902
Fixed deposits	3,440	3,434
Cash and cash equivalents at end of the period	12,264	5,336

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Transit-Mixed Concrete Ltd (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the six months ended 31 August 2021 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company are those of an investment holding company and the supply of concrete pumping services. The principal activities of the subsidiaries are the supply of concrete pumping services and the provision of waste management services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 August 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 28 February 2021.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 28 February 2021.

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.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognized in the Group's condensed interim financial statements for the six months period ended 31 August 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has two 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 Executive Director and Board of Directors (the chief operating decision maker) review internal management reports on a monthly basis.

The Group is organised into the following main business segments:

- | | | |
|-------------------------------|---|--|
| (a) Concrete pumping services | : | Supply of concrete pumping services; and |
| (b) Waste management services | : | Provision of waste management services. |

4.1 Reportable segments

	Ready-mixed concrete (Discontinued operations)		Concrete pumping services		Waste management		Total	
	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000
External revenues	-	-	2,952	1,041	928	603	3,880	1,644
Inter-segment revenue – pump rental	-	-	316	51	-	-	316	51
Inter-segment revenue – pump parts	-	-	33	22	-	-	33	22
Interest income	-	-	2	21	-	-	2	21
Other income	-	-	119	233	14	43	133	276
Depreciation on plant and equipment	-	-	(35)	(445)	(68)	(70)	(103)	(515)
Profit on sale of joint venture	-	-	8	-	-	-	8	-
Share of (loss) of joint venture	-	-	(86)	(44)	-	-	(86)	(44)
Reportable segment profit/(loss) before tax	(2)	(8)	415	(864)	188	52	601	(820)
Other material non-cash items:								
- Impairment loss on plant and equipment	-	-	-	-	-	-	-	-
- Gain/(loss) on disposal of plant and equipment	-	-	11	(1)	-	-	11	(1)
- Impairment loss on trade receivables	-	-	-	-	-	-	-	-
- Bad debts written off	-	-	-	-	(2)	-	(2)	-
	31/8/21 S\$'000	28/2/21 S\$'000	31/8/21 S\$'000	28/2/21 S\$'000	31/8/21 S\$'000	28/2/21 S\$'000	31/8/21 S\$'000	28/2/21 S\$'000
Reportable segment assets	510	522	14,957	9,949	1,539	1,512	17,006	11,983
Additions of plant and equipment	-	-	179	80	2	111	181	191
Reportable segment liabilities	2	3	1,029	1,305	238	248	1,269	1,556

4.2 Disaggregation of Revenue

	Ready-mixed concrete (Discontinued operations)		Concrete pumping services		Waste management		Total	
	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000
Major product/service lines								
Sales of parts	-	-	108	25	-	-	108	25
Concrete pumping services	-	-	2,844	1,016	-	-	2,844	1,016
Waste management services	-	-	-	-	928	603	928	603
Total	-	-	2,952	1,041	928	603	3,880	1,644
Timing of revenue recognition								
At a point in time	-	-	2,952	1,041	928	603	3,880	1,644
Primary geographical markets								
Singapore	-	-	2,786	916	928	603	3,714	1,519
Malaysia	-	-	166	125	-	-	166	125
Total	-	-	2,952	1,041	928	603	3,880	1,644

Revenue from one (31/8/20: one) customer of the Group's concrete pumping services segment contributed S\$199,000 (31/8/20: S\$109,000) representing 5% (31/8/20: 7%) of the Group's total revenue for the 6 months ended 31/8/21.

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

	6 months ended 31/8/21 (Unaudited) S\$'000	6 months ended 31/8/20 (Unaudited) S\$'000
Revenue		
Total revenue for reportable segments	4,229	1,717
Elimination of inter-segment revenue	(349)	(73)
Revenue from continuing and discontinued operations	<u>3,880</u>	<u>1,644</u>
Profit or loss		
Total profit/(loss) before tax for reportable segments	601	(820)
Unallocated amounts:		
- Other corporate expenses	(263)	(120)
Profit/(Loss) before tax from continuing and discontinued operations	<u>338</u>	<u>(940)</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 August 2021 and 28 February 2021:

	Group 31/8/2021 S\$'000	Group 28/2/2021 S\$'000	Company 31/8/2021 S\$'000	Company 28/2/2021 S\$'000
Financial Assets not measured at fair value				
Cash and cash equivalents (Amortised cost)	12,264	5,495	9,889	3,380
Trade and other receivables (Amortised cost)	2,179	2,125	50	190
	<u>14,443</u>	<u>7,620</u>	<u>9,939</u>	<u>3,570</u>
Financial Liabilities not measured at fair value				
Trade and other payables (Amortised cost)	(1,099)	(1,305)	(4,294)	(4,651)

6. Profit/(Loss) before tax

6.1 Significant items

Profit/(Loss) before tax for the period included the following:

	Group	
	6 months ended 31/8/2021 S\$'000	6 months ended 31/8/2020 S\$'000
Other income	(133)	(276)
Interest income	(2)	(21)
Depreciation expense of plant and equipment	103	515
Bad debts written off	2	-
(Gain)/Loss on disposal of plant and equipment (net)	(11)	1
Foreign exchange loss/(gain)	(9)	(4)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	6 months ended
	31/8/2021	31/8/2020
	S\$'000	S\$'000
Current tax expense		
- Current year	42	14
- Withholding tax on sale of joint venture	95	-
	<u>137</u>	<u>14</u>
Deferred tax		
- Movements in temporary differences	(9)	(111)
- Changes in estimates related in prior years	-	-
	<u>(9)</u>	<u>(111)</u>
Total tax expense/(credit)	<u>128</u>	<u>(97)</u>

8. Dividends

	6 months ended 31/8/2021 S\$'000	6 months ended 31/8/2020 S\$'000
(a) Ordinary	Nil	Nil
(b) Preference	Nil	Nil
(c) Total	Nil	Nil

9. Net asset value

	Group (Unaudited) 31/8/21	Group (Unaudited) 28/2/21	Company (Unaudited) 31/8/21	Company (Unaudited) 28/2/21
Net asset value per ordinary share (cents)*	14.74	14.45	10.60	9.00

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

10. Plant and equipment

During the six months ended 31 August 2021, the Group acquired assets amounting to S\$181,000 (31 August 2020: S\$59,000) and disposed assets amounting to S\$20,000 (31 August 2020: S\$1,000).

11. Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/8/21 (S\$'000)		As at 28/2/21 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/8/21 (S\$'000)		As at 28/2/21 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Company's banking and overdraft facilities are secured by a fixed and floating charge of up to S\$1,500,000 (28/2/2021: S\$1,500,000) on the Company's assets.

12. Share capital

	31 August 2021		28 February 2021	
	No. of shares	S\$	No. of shares	S\$
The Company				
Beginning of interim period	69,590,800	11,190,764	69,590,800	11,190,764
Issue of ordinary shares by share placement	34,700,000	4,858,000	-	-
End of interim period	<u>104,290,800</u>	<u>16,048,764</u>	<u>69,590,800</u>	<u>11,190,764</u>

On 27 July 2021, 34,700,000 ordinary shares in the share capital of the Company were issued, pursuant to Section 161 of the Companies Act and the listing rules of the Singapore Exchange Securities Trading Limited, with an issue price of \$0.14 per share. All issued shares are fully paid.

The Company did not hold any treasury shares as at 31 August 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 August 2021 and 28 February 2021.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Transit-Mixed Concrete Ltd and its subsidiaries as at 31 August 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

Continuing operations

Group turnover improved by 136% to S\$3.88 million for the half year ended 31 August 2021 compared with S\$1.64 million for the previous period. The low sales turnover of the previous period was caused by strict Covid-19 pandemic lockdown and curbs in manpower usage measures which severely affected the construction industry and delayed numerous projects in both Singapore and Malaysia. During the period under review, the Group has been able to remain operational amid the COVID-19 constraints.

The Group recorded a gross profit of S\$1.11 million compared to a gross loss of S\$529,000 in the previous period. This was due mainly to a substantial increase in the sales of concrete pumping services. Depreciation fell from S\$515,000 in the previous period to S\$103,000 as a result of lower asset values after substantial impairment in the previous years. Materials and labour costs remained costly throughout the pandemic.

With the improvement in gross profit, the Group managed to achieve a profit attributable to owners of S\$212,000 compared with a loss of S\$835,000 for the previous period. Other income fell from S\$275,000 to S\$144,000, due largely to the fall in grant from the Job Support Scheme. Selling, general and administrative expenses were S\$846,000 compared to S\$659,000 of the previous period. The increase was due mainly to professional expenses and SGX listing expenses incurred of approximately S\$150,000 for the purposes of a mandatory general offer and a share placement. Share of loss of joint venture amounted to S\$86,000 compared to S\$44,000 of the previous period. Tax expense of S\$128,000 included a withholding tax of S\$95,000, 5% on the sale consideration of S\$1.89 million arising from the sale of investment in joint venture in Indonesia.

Discontinued operations

The Group ceased its ready-mixed concrete operation in early 2019 due to deteriorating market conditions in Malaysia. Loss attributable to owners from discontinued operations was S\$1,000 as compared to S\$11,000 of the previous period.

Review of Statement of Financial Position and Cash Flows

Although business activities have increased, trade and other receivables were slightly down from S\$2.30 million to S\$2.24 million. This was due mainly to an improvement in collection. Trade and other payables fell from S\$1.43 million to S\$1.14 million as a result of major payments made towards insurance premium of S\$155,000 and towing expenses. Cash and cash equivalents of the Group was S\$12.26 million compared with S\$5.50 million in the previous year end. The increase came from the sale of investment in joint venture of S\$1.80 million and the issue of share capital of S\$4.86 million.

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

No forecast was previously provided.

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

The resurgence of the coronavirus pandemic may dampen the pace of recovery of the construction sector in Singapore. Due to the shortage of manpower, many infrastructure and private projects are delayed. There are fewer new projects due to higher construction cost and uncertain economic outlook. The disruptive effects caused by closed borders, quarantine orders and other safe distancing measures have resulted in higher operational cost to our business.

Under these challenging circumstances, the Group will remain vigilant and continue to improve the effectiveness and efficiency in delivering its services by focusing on its sales, operations and credit controls.

5. Dividend

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

(b)(i) Current financial period reported on

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil

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

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil

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

Please refer to 5(b).

(d) The date the dividend is payable.

NA.

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

NA.

- 6. If no dividend has been declared(recommended), a statement to that effect and reason(s) for the decision.**

As the Company's retained earnings is negative, no dividend is declared for the current financial period reported on.

- 7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

NA.

- 8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

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

- 9. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 31 August 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Kok Hiang
Chairman

Lee Sai Sing
Executive Director

13 October 2021

