TRANSIT-MIXED CONCRETE LTD

ANNUAL REPORT
2016

QUALITY

VALUE

SERVICE

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**

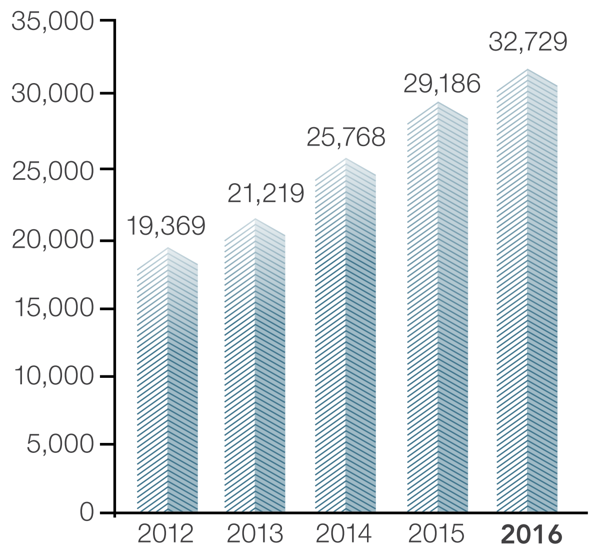
To work closely with our customers to ensure that we continue to meet their expectations.

FINANCIAL **HIGHLIGHTS**

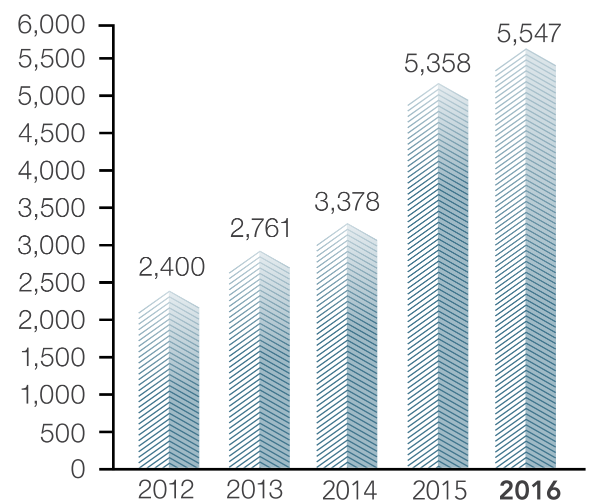
Financial Year Ended 29 February

	2012 $'000	2013 $'000	2014 $'000	2015 $'000	2016 $'000
Revenue	19,369	21,219	25,768	29,186	32,729
Profit before income tax	2,265	2,636	4,145	5,732	6,166
Profit for the year	2,459	2,784	3,519	5,490	5,725
Profit attributable to owners of the company	2,400	2,761	3,378	5,358	5,547
Earnings per share (cents)	3.45	3.97	4.85	7.70	7.97
Shareholders' equity	15,983	17,309	18,895	22,104	24,625
Total assets	25,257	26,973	30,637	33,314	36,026
Total liabilities	8,698	9,086	11,045	10,406	10,514
Net asset value per ordinary share (cents)	22.97	24.87	27.15	31.76	35.39

Revenue
($'000)



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



CEO'S
STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is with great pleasure that I present to you our annual report for the financial year ended 29 February 2016 ("FY2016").

For the financial year under review, the Group's turnover rose from $29.2 million to $32.7 million, equivalent to a 12% increase for the year ended 29 February 2016. The growth was driven by the higher volume of construction activities of infrastructure projects as well as private and public housing projects in Singapore and Malaysia. Correspondingly, the Group's gross profit grew by 4%, from $8.3 million in the previous year to $8.6 million in the year in review. The profit attributable to owners was up 4% to $5.6 million from $5.4 million achieved the year before.

According to the Building and Construction Authority (BCA), total construction demand in Singapore for 2015 was approximately $27.2 billion, with public sector projects accounting for slightly more than half of the demand. This fell short of earlier estimates of $29 billion to $36 billion due to the rescheduling of a few major public infrastructure contracts such as MRT projects from the fourth quarter of 2015 to early 2016. Despite the benign market conditions, the Group managed to achieve robust results due to steady demand for our construction materials and services.

Outlook and Strategy

According to BCA's report, the total construction output for 2016 will moderate to between $32 billion and $34 billion, partly due to lower construction demand last year. The BCA expects that construction demand for 2016 will reach between $27 billion and $34 billion. Public sector projects will compose about 65% or $18.5 billion to $21.5 billion of construction demand in 2016. If the estimates are met, this would be the highest proportion of construction demand from the public sector since 2002.

The BCA forecasts construction demand from the private sector this year to moderate to between $8.5 billion and $12.5 billion compared to $13.2 billion last year. This is due to less favourable economic conditions and an increased supply of completed private housing projects and offices. However, this is mitigated by higher construction demand from the public sector, largely due to an increase in civil engineering demand.

The Singapore Ministry of Trade and Industry noted in a February 2016 report, that the broader Singapore economy is projected to grow at a more modest pace of 1.0% to 3.0% for 2016.

Key large public sector projects lined up in 2016 include the ramp-up in the Home Improvement Programme for HDB flats, the construction of the new National Cancer Centre, State Courts' new building at Havelock Square, JTC's Integrated Logistics Hub,

CEO'S STATEMENT

PUB's water reclamation and sewerage projects, Changi Airport's Terminal 5, improvement works to the Kranji Expressway and Pan-Island Expressway, and the remaining contracts for the Thomson-East Coast MRT line.

Given the uncertain outlook for the domestic construction sector, we will continue to focus on our operations, while keeping a lookout for opportunities that offer sustainable growth. Despite growing competition in the Singapore construction market, the Group remains cautiously optimistic for the upcoming financial year.

Dividends

To thank our shareholders for their support, the Board is proposing a final dividend of 2 cents per share subject to shareholders approval at the upcoming Annual General Meeting. Together with our interim dividend of 2 cents per share, total dividends over the year in review will be 4 cents per share.

Conclusion

Despite a modest projection for Singapore's GDP growth, the Group remains optimistic about its prospects in the domestic construction sector. Keeping in mind the challenging conditions of the upcoming financial year, we are positioning ourselves to better overcome any challenges and capitalise on opportunities that arise in the forthcoming year.

In conclusion, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our fellow directors, management and staff for their trust and commitment over the years.

The Board would like to thank Mr Tan Kok Hiang for his invaluable insight, advice and contributions during his tenure as Chairman.

On the same note, we are also pleased to welcome Mr Tan Hwee Yong, who was elected on 14 October 2015 as Chairman. We look forward to working closely with him in guiding the Group to new horizons.

We would also like to thank our clients and shareholders whose support have helped us attain further growth and development. We hope to continue to achieve our long-term goals and unlock greater value for our stakeholders.

Chua Eng Him
Chief Executive Officer

OPERATING & FINANCIAL
REVIEW

Financial and Operational Highlights

For FY2016, the Group recorded a sales turnover of $32.7 million, a 12% increase compared with $29.2 million in the previous year. This was driven mainly by the higher volume of construction activities of infrastructure projects and private and public housing projects in Singapore and Malaysia. On the back of the higher sales, the Group achieved gross profit of $8.6 million, a 4% improvement over the previous financial year where gross profit was $8.3 million.

Group profit attributable to owners grew 4% to $5.6 million from $5.4 million the year before. Trade and other receivables increased from $8.2 million to $8.6 million. Trade and other payables were also up from $5.3 million to $7.0 million due to the purchase of plant and equipment. Cash and cash equivalents of the Group improved to $3.1 million compared with $1.9 million for the previous year. Overall, the Group's gearing eased from 15% in FY2015 to 5% in FY2016.

The Group's return on equity slipped slightly to 23%, compared with 24% for the previous year. On a per share basis, earnings climbed from 7.70 cents in FY2015 to 7.97 cents in FY2016, a 0.27 cents increase while net asset value as of 29 February 2016 rose to 35.39 cents from 31.76 cents the year before.

Geographically, Singapore continues to be the nexus of most of the Group's business activity, with a revenue of $21.2 million this year, compared to $21.5 million in FY2015. Revenue generated from Malaysia was $11.5 million in FY2016, compared with $7.7 million last year. Singapore remained the primary contributor of revenue, amounting to approximately 65%, while Malaysia contributed about 35%.

OPERATING & FINANCIAL REVIEW

Business Segments

Ready-Mixed Concrete

Revenue for this segment amounted to $10.8 million, compared to about $7.4 million in FY2015. This was boosted mainly by the buoyant construction activities in the Iskandar Region in Johor Bahru.

In tandem with the growth in revenue, reportable segment profit before income tax increased to $775,000 in FY2016 from $659,000 in FY2015.

Concrete Pumping Services

Revenue for the Group's concrete pumping services segment was maintained at $20.1 million, about the same level as the previous year. This was sustained by a steady flow of construction activities of infrastructure projects and private and public housing projects in Singapore and Malaysia. Our major projects in this segment included SLNG Terminal (Phase 3), Thomson Line – Mandai Depot, Lentor Station & Tunnel, Gardens By The Bay Station & Tunnel, Frasers Tower and National Centre for Infectious Diseases.

The segment posted a reportable segment profit before income tax of $5.7 million in FY2016, a moderate improvement from $5.5 million the year before.

Waste Management

The Waste Management segment registered revenue of $1.76 million in FY2016, a slight decrease from $1.84 million in the previous period. Our major projects included cleaning contracts at SIA Engineering Company Ltd, Changi Airport (Terminal 1, 2 and 3), Nanyang Technological University, Ngee Ann Polytechnic, Republic Polytechnic, Marine Parade Town Council, West Coast Town Council, Moulmein Kallang Town Council and group of about 100 schools.

Despite the dip in revenue, reportable segment profit before income tax was up by approximately 64% to $312,000 in FY2016 as compared with $190,000 in FY2015. This was attributable mainly to greater cost control and better margin projects.

BOARD OF DIRECTORS

TAN HWEE YONG, 57

is the Chairman of the Board. He was appointed an independent non-executive director of the Company on 18 May 2007 and is a member of the Audit, Nominating and Remuneration Committees. He was last elected as a director on 24 June 2015. As on 29 February 2016, he has served as a director for 8 years 9 months. Currently, he is the executive director of Bernard Valuers & Real Estate Consultants Pte Ltd and does not hold any other principal commitments. In the preceding 3 years, he was also an independent director of Viz Branz Ltd. He holds a Bachelor of Science degree in Estate Management from the National University of Singapore and a Master of Commerce degree in Accounting from the University of Adelaide. Mr Tan has more than 30 years of experience in property valuation, agency, management and consultancy.

CHUA ENG HIM, 66

is the Chief Executive Officer ("CEO"). He is a non-independent executive director of the Company and a member of the Nominating Committee. Mr Chua, as CEO cum director of the Company is not subject to retirement by rotation. He has been holding the position since 5 May 1980. As on 29 February 2016, he has served as a director for 35 years 10 months. He also holds directorships in all the related corporations. He does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. Mr Chua graduated in 1971 from the University of Singapore with a Bachelor of Science. As the CEO of the Company, he oversees all activities, in particular the marketing and financial aspects, of the Company. He also takes an active role in the management of the Company's subsidiaries.

YAP BOH LIM, 78

is a founding member and has been a director of the Company since it was incorporated on 31 August 1979. He is a non-independent non-executive director and a member of the Audit Committee. As on 29 February 2016, he has served as a director for 36 years 6 months. He also holds directorships in a number of related corporations. Pursuant to Section 153(6) of the Companies Act, Cap. 50 which was in force immediately before 3 January 2016, Mr Yap is subject to re-appointment as a director at this coming annual general meeting. Other than Dr Yap Eng Ching, there is no relationship (including immediate family relationship) between Mr Yap and the other directors of the Company or its 10% shareholders. He does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. He is a Barrister-at-Law and had since 2005 retired from practice.

BOARD OF **DIRECTORS**

TAN KOK HIANG, 66

was appointed an independent non-executive director of the Company since 25 September 1997 and is the Chairman of the Audit, Nominating and Remuneration Committees. He was last elected as a director on 26 June 2013 and is standing for re-election at this coming annual general meeting. There is no relationship (including immediate family relationship) between Mr Tan and the other directors of the Company or its 10% shareholders. As on 29 February 2016, he has served as a director for 18 years 4 months. He is presently also an independent director of 3 other public companies namely EnviroHub Holdings Ltd, ICP Ltd and LHT Holding Ltd. He does not hold any other principal commitments and his directorships in listed companies in the preceding 3 years included Viz Branz Limited and Food Junction Holdings Ltd. Mr Tan has more than 30 years of experience in accounting, finance, strategic planning and risks management. He holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and is a member of the Singapore Institute of Directors.

LOW WING HONG, 50

was appointed a non-independent non-executive director of the Company on 29 August 2007 and is a member of the Remuneration Committee. He was last elected as a director on 25 June 2014. As on 29 February 2016, he has served as a director for 8 years 6 months. His present directorships include 3 other private companies. Currently, he is the Investment Manager of Kheng Leong Company (Pte) Ltd. Other than this, he does not hold any other principal commitments or any directorships in other listed companies currently or over the preceding 3 years. Mr Low holds a Bachelor of Accountancy degree from the National University of Singapore. He has more than 20 years of experience in investment management and tax and business advisory.

DR YAP ENG CHING, 50, ALTERNATE TO YAP BOH LIM

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

KEY MANAGEMENT PERSONNEL

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

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

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

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

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

CORPORATE INFORMATION

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

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

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

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

Company Secretary
Ms Chen Lee Lee

Company Registration No.
197902587H

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

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

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

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

CORPORATE GOVERNANCE
STATEMENT

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

Board Matters

Principle 1: The Board's Conduct of Affairs

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

Directors' Attendance At Board And Board Committee Meetings For FY2016

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

The Board oversees the business affairs of the Group. Apart from its statutory responsibilities, it approves the Group's strategic plans, key operational initiatives, nominations of directors, annual budgets, major investments, divestment proposals, funding decisions and reviews the financial performance and announcements of the Group. Specific Board approval is required for any investments or expenditures exceeding $250,000.

All the directors are appropriately qualified and experienced to discharge their responsibilities. The Company will initiate relevant training for directors, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

Principle 2: Board Composition and Guidance

The Board comprises 5 directors, 2 of whom are independent non-executive directors. The NC reviews the independence of each director annually in accordance with the Code's definition of what constitutes an independent director. For FY2016, the NC is of the view that independent directors made up at least one-third of the Board and that no individual or small group of individuals dominates the Board's decision making.

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

Independent Directors

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

The Board comprises directors who as a group provide 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.

Principle 3: Chairman and Chief Executive Officer (“CEO”)

There is a clear division of responsibilities between the Chairman and the CEO, which ensures there is a balance of power and authority at the top of the Group. The Group keeps the posts of Chairman and CEO separate and these positions are held by Mr Tan Hwee Yong and Mr Chua Eng Him respectively.

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

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

Principle 4: Board Membership

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

The role of the NC is to oversee the appointment and induction process for directors. It is responsible for reviewing the composition of the Board and making recommendations to the Board on the appropriate skill mix, personal qualities and experience required for the effective performance of the Board. The NC is also tasked with the selection, appointment and succession planning process of the Group’s CEO and helps to ascertain that independent directors meet the criteria set out in the Code.

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

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 NC 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 or her duties as director of the Company.

CORPORATE GOVERNANCE **STATEMENT**

The Board comprises suitably qualified members as follows:

	Date of appointment	Nature of appointment	Prime function/ Other functions	Last re-election	Academic and professional qualifications
Tan Hwee Yong	18/5/07	Independent, non-executive	Chairman of Board, Member of AC, NC and RC	24/6/15	Bachelor of Science, National University of Singapore
Tan Kok Hiang	25/9/97	Independent, non-executive	Chairman of AC, NC and RC	26/6/13	Bachelor of Accountancy (Hons), University of Singapore
Chua Eng Him	5/5/80	Executive	CEO and member of NC	N.A.	Bachelor of Science, University of Singapore
Yap Boh Lim	31/8/79	Non-executive	Member of AC	24/6/15	Barrister-at-Law
Low Wing Hong	29/08/07	Non-executive	Member of RC	25/6/14	Bachelor of Accountancy, National University of Singapore
Yap Eng Ching (Alternate to Yap Boh Lim)	15/9/09	Non-executive	Alternate to Yap Boh Lim	N.A.	Bachelor of Medicine and Surgery University of Bristol, UK

Principle 5: Board Performance

The NC has established a formal framework of assessment process to assess each director's contribution to the effectiveness of the Board. The assessment parameter includes attendance at meetings of the Board and Board committees, intensity of participation at meetings, the quality of interventions and special contributions.

In assessing Board performance as a whole, the NC adopted both quantitative and qualitative criteria such as return on equity and evaluation of Board performance against strategic goals.

Principle 6: Access to Information

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

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

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

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's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

Annual reviews of the compensation of directors are also carried out by the RC to ensure that the executive directors 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 CEO's remuneration package includes a variable bonus element which is performance-related. The Chairman and the non-executive directors have no service contracts.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and attendance fees. Executive directors do not receive directors' fees. Non-executive directors are paid directors' fees, subject to approval at the AGM.

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 FY2016, subject to shareholders' approval, it is proposed that directors' fees of $100,000 be paid. A breakdown of the directors' remuneration is also disclosed on page 53.

The remuneration of the directors of the Company for FY2016 is as follows:

	Total Remuneration $'000	Fee %	Salary %	Bonus %	Total %
Chua Eng Him	493	–	25	75	100
Tan Hwee Yong	27	100	–	–	100
Tan Kok Hiang	31	100	–	–	100
Yap Boh Lim	23	100	–	–	100
Low Wing Hong	19	100	–	–	100

The remuneration of the top 5 key management personnel of the Group (who are not directors or the CEO) for FY2016 is as follows:

	Salary %	Bonus %	Total %
Below $250,000			
Loke Kai Hoong	77	23	100
Chen Lee Lee	77	23	100
Kek Yong Hock	79	21	100
Lee Kim Keow	85	15	100
Yeo Tin Check	83	17	100

The Company does not disclose in aggregate the total remuneration paid to the top 5 key management personnel of the Group (who are not directors or the CEO) for the purpose of maintaining confidentiality of staff remuneration matters. For FY2016, the Company and its subsidiaries do not have any employee who is an immediate family member of a director or the CEO whose remuneration exceeds $50,000.

The RC does not prescribe any termination, retirement and post-employment benefits that may be granted to directors and key management personnel.

The CEO's remuneration package is linked to Group's performance. It includes a variable bonus element which is performance-related to ensure that he is fairly remunerated. The remuneration paid to key management personnel is not performance-related.

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. Management currently provides the Board with appropriate detailed management accounts of the Group's performance, position and prospects on a monthly basis. The Board releases the Group's half and full-year results via the SGXNET and annual reports are issued within the mandatory period.

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. The Board regularly reviews the adequacy and effectiveness of the Group's risk management and internal control systems. 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.

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

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

Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. Having identified the risks to achievement of their strategic objectives, each business is required to document the management and mitigating actions in place and proposals in respect of each significant risk.

Principle 12: Audit Committee ("AC")

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

Specifically, the AC:

1) reviews the audit plans and scope of audit examination of the external auditors and approves the audit plans of the internal auditors;

2) evaluates the overall effectiveness of both the internal and external audits through regular meetings with each group of auditors;

3) reviews the adequacy of the internal audit function;

4) determines that no restrictions are being placed by management upon the work of the internal and external auditors;

5) evaluates 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;

6) evaluates adherence to the Group's administrative, operating and annual accounting controls;

7) reviews the annual and interim financial statements and announcements to shareholders before submission to the Board for adoption;

8) reviews 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;

9) discusses with the external auditors any suspected fraud or irregularity or failure of internal controls or suspected infringement of any Singapore or other applicable laws, rules and regulations; and

10) considers 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 and $3,000 for non-audit services.

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

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

Principle 13: Internal Audit

The Group outsourced its internal audit function to a reputable auditing firm. The internal auditors report directly to the Chairman of the AC on audit matters and to the CEO on administrative matters. The AC carries out review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management.

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

All shareholders of the Company receive the annual report and notice of AGM. The notice is also published in newspapers and announced via the SGXNET. At AGMs, shareholders are given the opportunity to communicate their views on various matters affecting the Company. The Chairmen of the Board committees and external auditors will be present and available to address relevant queries by shareholders. The Company's Constitution allows a member of the Company to appoint proxies to attend and vote instead of the member.

Dealings In Securities

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

Interested Person Transactions

The Company has adopted internal procedures, in accordance with Chapter 9 of the SGX-ST Listing Manual, to identify and report and where necessary, review and seek approval for interested person transactions. The Company has an existing agreement for the lease of office premises with a director of the Company, Mr Chua Eng Him. Rental paid under this agreement for FY2016 amounted to $79,762 for the Group and the Company. This interested person transaction has been reviewed by the AC.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 29 February 2016.

In our opinion:

(a) the financial statements set out on pages 23 to 61 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 29 February 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

Directors

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

Yap Boh Lim
Chua Eng Him
Tan Kok Hiang
Tan Hwee Yong
Low Wing Hong
Yap Eng Ching (Alternate to Yap Boh Lim)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	**At end of the year**	**At beginning of the year**	**At end of the year**
<u>Company</u>				
Ordinary shares				
Chua Eng Him	20,731,566	20,731,566	–	–
Yap Boh Lim	15,252,104	14,252,104	–	–
Yap Eng Ching	–	500,000	–	–
Subsidiaries				
<u>Crescent Concrete Sdn. Bhd.</u>				
Ordinary shares of RM1.00 each fully paid				
Chua Eng Him	–	–	1,330,000	1,330,000
Yap Boh Lim	–	–	1,330,000	1,330,000

DIRECTORS' **STATEMENT**

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

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 March 2016.

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

Share options

During the financial year, there were:

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

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

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

Audit committee

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

Tan Kok Hiang	(Chairman, independent and non-executive director)
Tan Hwee Yong	(Independent and non-executive director)
Yap Boh Lim	(Non-executive director)

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' report. 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; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

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 significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

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

On behalf of the Board of Directors

Chua Eng Him
Director

Yap Boh Lim
Director

30 May 2016

INDEPENDENT
AUDITORS' REPORT

Members of the Company
Transit-Mixed Concrete Ltd

Report on the financial statements

We have audited the accompanying financial statements of Transit-Mixed Concrete Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 29 February 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 61.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 May 2016

STATEMENTS OF FINANCIAL POSITION

As at 29 February 2016

	Note	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Non-current assets					
Plant and equipment	4	22,185,519	21,781,714	3,677,356	2,841,175
Investment in subsidiaries	5	–	–	12,740,060	12,740,060
Investment in joint venture	7	332,560	–	314,716	–
Deferred tax asset	13	646,000	370,000	646,000	370,000
Total non-current assets		23,164,079	22,151,714	17,378,132	15,951,235
Current assets					
Inventories	8	1,103,492	1,062,970	–	–
Trade and other receivables	9	8,611,599	8,199,909	775,966	1,521,779
Cash and cash equivalents	10	3,146,513	1,899,294	2,524,233	524,540
Total current assets		12,861,604	11,162,173	3,300,199	2,046,319
Total assets		36,025,683	33,313,887	20,678,331	17,997,554
Equity attributable to owners of the Company					
Share capital	11	11,190,764	11,190,764	11,190,764	11,190,764
Reserves	12	13,434,571	10,913,595	3,157,014	3,564,510
Total equity attributable to owners of the Company		24,625,335	22,104,359	14,347,778	14,755,274
Non-controlling interests	6	886,511	803,825	–	–
Total equity		25,511,846	22,908,184	14,347,778	14,755,274
Non-current liabilities					
Deferred tax liabilities	13	2,242,333	1,834,288	–	–
Finance lease obligations	14	72,543	1,158,468	–	–
Total non-current liabilities		2,314,876	2,992,756	–	–
Current liabilities					
Trade and other payables	15	7,042,346	5,291,208	6,330,553	3,242,280
Current tax liabilities		90,306	39,856	–	–
Finance lease obligations	14	1,066,309	2,081,883	–	–
Total current liabilities		8,198,961	7,412,947	6,330,553	3,242,280
Total liabilities		10,513,837	10,405,703	6,330,553	3,242,280
Total equity and liabilities		36,025,683	33,313,887	20,678,331	17,997,554

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

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

Year ended 29 February 2016

	Note	Group 2016 $	Group 2015 $
Revenue	16	32,728,779	29,186,110
Cost of sales		(24,145,616)	(20,911,012)
Gross profit		8,583,163	8,275,098
Other income	18	93,740	145,637
Selling, general and administrative expenses		(2,492,388)	(2,558,355)
Net finance costs	19	(36,776)	(130,644)
Share of profit of joint venture	7	17,844	–
Profit before tax	17	6,165,583	5,731,736
Tax expense	20	(440,696)	(241,304)
Profit for the year		5,724,887	5,490,432
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(337,593)	(86,330)
		(337,593)	(86,330)
Total comprehensive income for the year		5,387,294	5,404,102
Profit attributable to:			
Owners of the Company		5,546,652	5,358,185
Non-controlling interests	6	178,235	132,247
Profit for the year		5,724,887	5,490,432
Total comprehensive income attributable to:			
Owners of the Company		5,304,608	5,296,683
Non-controlling interests		82,686	107,419
Total comprehensive income for the year		5,387,294	5,404,102
Earnings per share (cents)			
- basic and fully diluted	21	7.97	7.70

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year ended 29 February 2016

	Share capital	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total
	$	$	$	$	$	$
Group						
2015						
At 1 March 2014	11,190,764	(157,576)	7,862,212	18,895,400	696,406	19,591,806
Total comprehensive income for the year						
Profit for the year	–	–	5,358,185	5,358,185	132,247	5,490,432
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	–	(61,502)	–	(61,502)	(24,828)	(86,330)
Total other comprehensive income for the year	–	(61,502)	–	(61,502)	(24,828)	(86,330)
Total comprehensive income for the year	–	(61,502)	5,358,185	5,296,683	107,419	5,404,102
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Final tax-exempt dividend to owners of 1.5 cents per share in respect of 2014	–	–	(1,043,862)	(1,043,862)	–	(1,043,862)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2015	–	–	(1,043,862)	(1,043,862)	–	(1,043,862)
Total contributions by and distributions to owners	–	–	(2,087,724)	(2,087,724)	–	(2,087,724)
At 28 February 2015	11,190,764	(219,078)	11,132,673	22,104,359	803,825	22,908,184

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Year ended 29 February 2016

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 29 February 2016

	Note	Group 2016 $	Group 2015 $
Cash flows from operating activities			
Profit before tax		6,165,583	5,731,736
Adjustments for:			
Depreciation of plant and equipment	4	3,579,760	3,221,295
Write-off of plant and equipment	4	21,519	342,000
Loss/(gain) on disposal of plant and equipment	18	11,109	(64,500)
Interest income	19	(1,698)	(34)
Interest expense	19	92,899	140,052
Allowance for doubtful debts	17	136,214	750
Bad debts written off	17	75,789	15,327
		10,081,175	9,386,626
Changes in:			
Inventories		(40,522)	(894)
Trade and other receivables		(623,693)	(983,135)
Trade and other payables		993,937	(201,697)
Cash generated from operations		10,410,897	8,200,900
Income taxes paid		(258,201)	(197,439)
Net cash from operating activities		10,152,696	8,003,461
Cash flows from investing activities			
Interest received		1,698	34
Purchase of plant and equipment	4	(3,582,993)	(1,190,842)
Proceeds from disposal of plant and equipment		43,058	186,057
Investment in joint venture		(314,716)	–
Net cash used in investing activities		(3,852,953)	(1,004,751)
Cash flows from financing activities			
Interest expense paid		(92,899)	(140,052)
Repayment of finance lease obligations		(2,101,499)	(2,028,890)
Dividends paid		(2,783,632)	(2,087,724)
Net cash used in financing activities		(4,978,030)	(4,256,666)
Net increase in cash and cash equivalents		1,321,713	2,742,044
Cash and cash equivalents at beginning of the year		1,899,294	(833,276)
Effects of exchange rate fluctuations on cash held		(74,494)	(9,474)
Cash and cash equivalents at end of the year	10	3,146,513	1,899,294

Significant non-cash transactions:

During the year, the Group purchased plant and equipment amounting to $2,506,170 (2015: $1,748,969) which remains unpaid as at the reporting date. In addition, the Group acquired plant and equipment of $55,333 (2015: $3,479,115) under finance lease arrangements.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 May 2016.

1. Domicile and activities

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

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

The financial statements of the Company as at and for the year ended 29 February 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"), and the Group's interest in equity-accounted investees.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

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

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 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 valuation 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.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Valuation of loans and receivables

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

3. Summary of significant accounting policies

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

3.1 Consolidation

Business combinations

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

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI 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 at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition- date fair value, unless another measurement basis is required by FRSs.

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

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

3.1 Consolidation (cont'd)

Subsidiaries

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

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Joint ventures

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

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI 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.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

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

Accounting for subsidiaries and joint ventures by the Company

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

3. Summary of 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 (Singapore Dollar, Malaysian Ringgit and Renminbi) at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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 retranslated 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 retranslation are recognised in profit or loss.

Foreign operations

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

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the 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, significant influence 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 significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.3 Financial instruments

Non-derivative financial assets

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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

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

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are 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.

Cash and cash equivalents

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

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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

3.3 Financial instruments (cont'd)

Intra-group financial guarantees in the separate financial statements

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

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

3.4 Plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

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

3. Summary of 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.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss events 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 in the Group, 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.

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

3.7 Impairment (cont'd)

Loans and receivables (cont'd)

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.

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, 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 CGU.

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

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

3.8 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 services are rendered by employees.

3. Summary of 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 Provisions

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

3.10 Revenue recognition

Sale of goods

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

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

Rendering of services

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

Rental revenue

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

Dividend income

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

3.11 Leases payment

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss 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. Summary of significant accounting policies (cont'd)

3.12 Finance income and finance costs

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

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

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

3.13 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

- temporary differences related to investments in subsidiaries and joint ventures where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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

3.14 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses and income.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

3.16 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 March 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, FRS 18 Revenue.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group. The Group is currently assessing the potential impact on its financial statements and to implement the standards. The Group does not plan to adopt these standards early.

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 28 February 2019 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the potential impact of transitioning to the new reporting framework on its financial statements.

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 2014	2,421,358	150,308	2,753,331	211,974	349,545	33,493,065	59,563	39,439,144
Additions	30,154	1,000	899,805	6,427	–	2,942,626	–	3,880,012
Disposals	(134,315)	–	(52,922)	–	–	(612,887)	–	(800,124)
Write-off	–	–	–	–	–	(342,000)	–	(342,000)
Translation adjustments	(30,908)	(3,037)	(59,614)	(24)	–	(21,563)	–	(115,146)
At 28 February 2015	2,286,289	148,271	3,540,600	218,377	349,545	35,459,241	59,563	42,061,886
At 1 March 2015	2,286,289	148,271	3,540,600	218,377	349,545	35,459,241	59,563	42,061,886
Additions	264,594	368	307,598	20,292	–	3,725,823	–	4,318,675
Disposals	–	–	(145,189)	(24,901)	–	(882,550)	–	(1,052,640)
Write-off	–	–	–	–	–	(21,519)	–	(21,519)
Translation adjustments	(99,853)	(10,830)	(212,298)	(85)	–	(75,220)	–	(398,286)
At 29 February 2016	2,451,030	137,809	3,490,711	213,683	349,545	38,205,775	59,563	44,908,116
Accumulated depreciation								
At 1 March 2014	1,318,031	111,867	1,133,486	210,622	179,679	14,762,486	59,563	17,775,734
Depreciation charge for the year	207,366	9,499	332,448	4,565	19,109	2,648,308	–	3,221,295
Disposals	(118,486)	–	(48,345)	–	–	(511,736)	–	(678,567)
Translation adjustments	(18,766)	(2,251)	(9,298)	(24)	–	(7,951)	–	(38,290)
At 28 February 2015	1,388,145	119,115	1,408,291	215,163	198,788	16,891,107	59,563	20,280,172
At 1 March 2015	1,388,145	119,115	1,408,291	215,163	198,788	16,891,107	59,563	20,280,172
Depreciation charge for the year	189,394	8,786	371,008	17,914	19,109	2,973,549	–	3,579,760
Disposals	–	–	(144,976)	(24,901)	–	(828,596)	–	(998,473)
Translation adjustments	(57,742)	(8,288)	(40,402)	(85)	–	(32,345)	–	(138,862)
At 29 February 2016	1,519,797	119,613	1,593,921	208,091	217,897	19,003,715	59,563	22,722,597
Carrying amounts								
At 1 March 2014	1,103,327	38,441	1,619,845	1,352	169,866	18,730,579	–	21,663,410
At 28 February 2015	898,144	29,156	2,132,309	3,214	150,757	18,568,134	–	21,781,714
At 29 February 2016	931,233	18,196	1,896,790	5,592	131,648	19,202,060	–	22,185,519

Concrete pumps, plant and machinery and motor vehicles with carrying amounts of $2,448,792 (2015: $4,117,109), $269,630 (2015: $305,079) and $1,092,893 (2015: $1,574,613), respectively, are held under non-cancellable finance leases with terms ranging between 24 months and 36 months.

4. Plant and equipment (cont'd)

Company	Plant and machinery $	Office equipment, furniture and fittings $	Motor vehicles $	Computers $	Trucks and mixers $	Concrete pumps $	Renovation and electrical installations $	Total $
Cost								
At 1 March 2014	16,100	45,918	586,390	163,975	137,228	7,125,403	59,563	8,134,577
Additions	–	–	83,698	–	–	1,270,276	–	1,353,974
Disposals	–	–	–	–	–	(205,746)	–	(205,746)
Write-off	–	–	–	–	–	(342,000)	–	(342,000)
At 28 February 2015	16,100	45,918	670,088	163,975	137,228	7,847,933	59,563	8,940,805
At 1 March 2015	16,100	45,918	670,088	163,975	137,228	7,847,933	59,563	8,940,805
Additions	–	–	–	16,572	–	1,223,444	–	1,240,016
Disposals	–	–	(145,189)	(14,091)	–	(113,374)	–	(272,654)
Write-off	–	–	–	–	–	(21,519)	–	(21,519)
At 29 February 2016	16,100	45,918	524,899	166,456	137,228	8,936,484	59,563	9,886,648
Accumulated depreciation								
At 1 March 2014	16,100	43,584	427,002	163,975	122,352	5,259,185	59,563	6,091,761
Depreciation charge for the year	–	1,120	9,907	–	–	182,011	–	193,038
Disposals	–	–	–	–	–	(185,169)	–	(185,169)
At 28 February 2015	16,100	44,704	436,909	163,975	122,352	5,256,027	59,563	6,099,630
At 1 March 2015	16,100	44,704	436,909	163,975	122,352	5,256,027	59,563	6,099,630
Depreciation charge for the year	–	1,121	28,272	13,460	–	327,913	–	370,766
Disposals	–	–	(144,976)	(14,091)	–	(102,037)	–	(261,104)
At 29 February 2016	16,100	45,825	320,205	163,344	122,352	5,481,903	59,563	6,209,292
Carrying amounts								
At 1 March 2014	–	2,334	159,388	–	14,876	1,866,218	–	2,042,816
At 28 February 2015	–	1,214	233,179	–	14,876	2,591,906	–	2,841,175
At 29 February 2016	–	93	204,694	3,112	14,876	3,454,581	–	3,677,356

5. Investment in subsidiaries

	Company 2016 $	Company 2015 $
Investment in subsidiaries, at cost	13,395,880	13,395,880
Impairment losses	(655,820)	(655,820)
	12,740,060	12,740,060

5. Investment in subsidiaries (cont'd)

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

In prior years, management assessed that:

- the investment in TMC (Beijing) Materials Co Ltd. was impaired as the entity has been dormant. Management assessed that the investment amount of $527,820 was impaired and recognised a full impairment of the investment.

- the investment in Chian Hua Singapore Pte Ltd was impaired as the entity has been loss making. Management assessed that $128,000 of the investment was impaired.

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

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2016	2015
			%	%
Chian Hua Singapore Pte Ltd [3]	Rental of pump equipment	Singapore	100	100
TMC (Beijing) Materials Co Ltd. [3]	Inactive	People's Republic of China	100	100
TMC Concrete Pumping Services Pte. Ltd. [1]	Supply of concrete pumping services	Singapore	100	100
TMC Waste Management Pte. Ltd. [1]	Provision of waste management services	Singapore	100	100
Transit-Mixed Concrete (M) Sdn. Bhd. [2] and its subsidiaries	Supply of ready-mixed concrete and provision of batching services	Malaysia	100	100
Held under Transit-Mixed Concrete (M) Sdn. Bhd.				
Crescent Concrete Sdn. Bhd. [2]	Manufacture of concrete and related products	Malaysia	66.5	66.5
Optocorp Sdn. Bhd. [3] and its subsidiaries	Inactive	Malaysia	100	100
Mustajab Ilmu Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Warta Suci Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Pinespeed Sdn. Bhd. [3] and its subsidiaries	Inactive	Malaysia	100	100
Pesiaran Makmur Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100
Prestige Portfolio Sdn. Bhd. [3]	Rental of truck mixers	Malaysia	100	100

5. Investment in subsidiaries (cont'd)

[1] Audited by KPMG LLP Singapore

[2] Audited by member firms of KPMG International

[3] Audited by other certified public accountants

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for those listed in the table above. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6. Non-controlling interests

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non-controlling interests	
			2016 %	2015 %
Crescent Concrete Sdn. Bhd.	Manufacture of concrete and related products	Malaysia	33.5	33.5

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

	2016 $	2015 $
NCI shareholdings	33.5%	33.5%
Revenue	10,733,106	7,169,616
Profit	532,045	394,770
Total comprehensive income	532,045	394,770
Attributable to NCI:		
- Profit	178,235	132,247
- **Total comprehensive income**	178,235	132,247
Non-current assets	1,629,262	2,011,485
Current assets	4,065,835	2,915,996
Non-current liabilities	(164,543)	(596,162)
Current liabilities	(2,884,254)	(1,931,841)
Net assets	2,646,300	2,399,478
Net assets attributable to NCI	886,511	803,825
Cash flows from operating activities	187,953	567,700
Cash flows from investing activities	(54,353)	(117,471)
Cash flows from financing activities (dividends to NCI: $Nil (2015: $Nil))	(564,475)	(309,602)
Net (decrease)/increase in cash and cash equivalents	(430,875)	140,627

7. Investment in joint venture

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Unquoted ordinary shares, at cost	314,716	–	314,716	–
Share of total comprehensive income	17,844	–	–	–
	332,560	–	314,716	–

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

Name	Principal activities	Country of incorporation/ Principal place of business	Ownership interest	
			2016	2015
			%	%
Joint venture held by the Company:				
PT ATMC Pump Services	Supply of concrete pumping services	Indonesia	45	45

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

	2016
	$
Revenue	214,580
Profit for the year, representing total comprehensive income a	39,652
[a] Includes:	
Depreciation	43,987
Income tax expense	5,810
Non-current assets	1,028,847
Current assets [b]	384,322
Current liabilities [c]	(674,147)
Net assets	739,022
[b] Includes cash and cash equivalents	277,323
[c] Includes current financial liabilities (excluding trade and other payables and provisions)	–
Group's interest in net assets of investee at beginning of the year	–
Consideration paid on interest in joint venture	314,716
Share of total comprehensive income	17,844
Carrying amount of interest in investee at end of the year	332,560

The joint-venture is audited by other certified accountant and is not considered to be significant to the Group. For this purpose, a joint-venture is considered significant as defined under the Singapore Exchange Limited Listing Manual if Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

8. Inventories

	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Raw materials and consumables	142,484	135,147	–	–
Spare parts and accessories	961,008	927,823	–	–
	1,103,492	1,062,970	–	–

During the year, inventories recognised as cost of sales amounted to $9,380,773 (2015: $7,430,042).

9. Trade and other receivables

	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Trade receivables	8,329,148	7,755,037	138,327	134,987
Deposit receivables	197,543	180,701	87,172	71,704
Other receivables	37,195	146,865	28,964	67,983
Amount due from joint venture - trade	1,712	–	–	–
Amounts due from subsidiaries				
- trade	–	–	–	127,544
- non-trade	–	–	521,503	1,119,561
Allowance for doubtful receivables	(136,214)	(750)	–	–
Loans and receivables	8,429,384	8,081,853	775,966	1,521,779
Prepayments	182,215	118,056	–	–
	8,611,599	8,199,909	775,966	1,521,779

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

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

	2016 Gross $	2016 Impairment losses $	2015 Gross $	2015 Impairment losses $
Group				
Not past due	2,324,928	–	2,826,771	–
Past due 0 - 30 days	2,835,373	–	2,291,313	–
Past due 31 - 120 days	2,676,694	–	2,650,027	–
More than > 120 days	728,603	(136,214)	314,492	(750)
	8,565,598	(136,214)	8,082,603	(750)

9. Trade and other receivables (cont'd)

	2016		2015	
	Gross	Impairment losses	Gross	Impairment losses
	$	$	$	$
Company				
Not past due	690,648	–	1,469,219	–
Past due 0 - 30 days	69,684	–	22,097	–
Past due 31 - 120 days	11,235	–	18,233	–
More than > 120 days	4,399	–	12,230	–
	775,966	–	1,521,779	–

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

	Group	
	2016	2015
	$	$
At 1 March 2015	(750)	–
Impairment loss recognised during the year	(136,214)	(750)
Impairment allowance reversed during the year	750	–
At 29 February 2016	(136,214)	(750)

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

10. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Cash at bank and in hand	2,144,822	1,899,294	1,522,542	524,540
Fixed deposits	1,001,691	–	1,001,691	–
Cash and cash equivalents in the statement of cash flows	3,146,513	1,899,294	2,524,233	524,540

The weighted average effective interest rates per annum relating to fixed deposits for the Group is 1% (2015: 2.55%), at the reporting date.

The Group maintains bank overdraft facilities amounting to $1,500,000 (2015: S$1,500,000). The bank overdraft is secured by a debenture incorporating fixed and floating charges over all present and future assets of the Company. The Group did not utilise its bank overdrafts facilities as at 29 February 2016.

11. Share capital

	2016		2015	
	No. of shares	$	No. of shares	$
Group and Company				
At beginning and end of the financial year	69,590,800	11,190,764	69,590,800	11,190,764

All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

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

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

	Group	
	2016	2015
	$	$
Finance lease obligations	1,138,852	3,240,351
Net debt	1,138,852	3,240,351
Total equity	24,625,335	22,104,359
Net debt to equity ratio at the end of financial year	4.6%	14.7%

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

12. Reserves

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Foreign currency translation reserve	(461,122)	(219,078)	–	–
Retained earnings	13,895,693	11,132,673	3,157,014	3,564,510
	13,434,571	10,913,595	3,157,014	3,564,510

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

12. Reserves (cont'd)

Dividends

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

	Group and Company	
	2016	2015
	$	$
Paid by the Company to owners of the Company		
2.0 cents per ordinary share (2015: 1.5 cents)	1,391,816	1,043,862

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

	Group and Company	
	2016	2015
	$	$
2.0 cents per ordinary share (2015: 2.0 cents)	1,391,816	1,391,816

13. Deferred tax liabilities/(assets)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2016	2015	2016	2015
	$	$	$	$
Group				
Plant and equipment	–	–	2,652,333	2,597,339
Unabsorbed capital allowances and unutilised tax losses	(1,056,000)	(1,133,051)	–	–
Deferred tax (assets)/liabilities	(1,056,000)	(1,133,051)	2,652,333	2,597,339
Set off of tax	410,000	763,051	(410,000)	(763,051)
Net deferred tax (assets)/liabilities	(646,000)	(370,000)	2,242,333	1,834,288
Company				
Plant and equipment	–	–	410,000	319,000
Unabsorbed capital allowances and unutilised tax losses	(1,056,000)	(689,000)	–	–
Deferred tax (assets)/liabilities	(1,056,000)	(689,000)	(410,000)	(319,000)
Set off of tax	410,000	319,000	410,000	319,000
Net deferred tax (assets)/liabilities	(646,000)	(370,000)	–	–

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

Movements in deferred tax balances during the year:

	Balance as at 1 March 2014	Recognised in profit or loss (note 20)	Balance as at 28 February 2015	Recognised in profit or loss (note 20)	Balance as at 29 February 2016
	$	$	$	$	$
Group					
Plant and equipment	2,545,683	51,656	2,597,339	54,994	2,652,333
Unabsorbed capital allowances and unutilised tax losses	(1,161,117)	28,066	(1,133,051)	77,051	(1,056,000)
	1,384,566	79,722	1,464,288	132,045	1,596,333

	Balance as at 1 March 2014	Recognised in profit or loss	Balance as at 28 February 2015	Recognised in profit or loss	Balance as at 29 February 2016
	$	$	$	$	$
Company					
Plant and equipment	279,453	39,547	319,000	91,000	410,000
Unabsorbed capital allowances and unutilised tax losses	(394,453)	(294,547)	(689,000)	(367,000)	(1,056,000)
	(115,000)	(255,000)	(370,000)	(276,000)	(646,000)

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

14. Finance lease obligations

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Non-current portion	72,543	1,158,468	–	–
Current portion	1,066,309	2,081,883	–	–
	1,138,852	3,240,351	–	–

14. Finance lease obligations (cont'd)

In FY2016, the Group entered into one (2015: twelve) finance lease arrangement with a term of 36 months (2015: 24 – 36 months). The Group incurred interest cost from the finance lease arrangement at an effective interest rate of 6.8% (2015: 2.38% - 6.8%) per annum. The carrying amount of the leased assets is disclosed in note 4.

	Future minimum lease payments 2016 $	Interest 2016 $	Principal 2016 $	Future minimum lease payments 2015 $	Interest 2015 $	Principal 2015 $
Group						
Within one year	1,126,504	60,195	1,066,309	2,177,022	95,139	2,081,883
Between one and five years	80,006	7,463	72,543	1,227,955	69,487	1,158,468
	1,206,510	67,658	1,138,852	3,404,977	164,626	3,240,351

Intra-group financial guarantee comprises a guarantee given by the Company to a bank in respect of finance lease facilities amounting to $646,895 (2015: $2,210,661) granted to wholly-owned subsidiaries which expire within 2 years. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under guarantee.

15. Trade and other payables

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Trade payables	3,448,454	2,324,294	57,728	9,284
Accruals	902,907	1,088,286	720,208	889,936
Payables for plant and equipment	2,506,170	1,748,969	978,755	1,016,220
Other payables	184,815	129,659	85,291	64,777
Amounts due to subsidiaries				
- non-trade	–	–	4,488,571	1,262,063
	7,042,346	5,291,208	6,330,553	3,242,280

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

16. Revenue

	Group	
	2016 $	2015 $
Sale of products	11,784,587	8,763,783
Rendering of services	20,944,192	20,422,327
	32,728,779	29,186,110

17. Profit before tax

Profit before tax is derived at after charging:

	Group 2016 $	Group 2015 $
Audit fee paid to		
- auditor of the Company	79,764	74,969
- other auditors	6,483	7,962
Non-audit fee paid to		
- auditor of the Company	2,396	2,664
- other auditors	13,167	11,219
Wages and salaries expenses	5,422,324	5,011,886
Defined contribution plans	287,334	257,766
Direct materials and services purchased	5,341,344	4,945,774
Bad debts written off	75,789	15,327
Allowance for doubtful debts	136,214	750
Depreciation expense	3,579,760	3,221,295
Operating lease expenses	636,803	614,106

18. Other income

	Group 2016 $	Group 2015 $
(Loss)/gain on disposal of plant and equipment	(11,109)	64,500
Government grants	87,358	57,217
Other miscellaneous income	17,491	23,920
	93,740	145,637

19. Net finance costs

	Group 2016 $	Group 2015 $
Finance income:		
- Interest income on bank deposits	1,698	34
- Net foreign currency exchange gain	54,425	9,374
	56,123	9,408
Finance costs:		
- Bank overdraft	–	(44,482)
- Finance lease obligations	(92,899)	(95,570)
	(92,899)	(140,052)
	(36,776)	(130,644)

20. Tax expense

	Group 2016 $	Group 2015 $
Current tax expense		
- Current year	291,691	150,732
- Under provision in prior years	16,960	10,850
	308,651	161,582
Deferred tax expense		
- Movements in temporary differences	120,239	122,136
- Under/(over) provision in prior years	11,806	(42,414)
	132,045	79,722
Total tax expense	440,696	241,304

Reconciliation of effective tax rate

	Group 2016 $	Group 2015 $
Profit before tax	6,165,583	5,731,736
Income tax at 17% (2015: 17%)	1,048,149	974,395
Effect of different tax rates in foreign jurisdictions	84,522	54,826
Tax effects of:		
- Expenses not deductible for tax purposes	32,445	36,015
- Tax incentive	(753,186)	(792,368)
- Under provision of current tax in respect of prior years	16,960	10,850
- Under/(over) provision of deferred tax in respect of prior years	11,806	(42,414)
	440,696	241,304

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 29 February 2016 and 28 February 2015 had been reduced based on the above tax incentives.

21. Earnings per share

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

	Group	
	2016	2015
Net profit attributable to ordinary shareholders	5,546,652	5,358,185
Weighted average number of ordinary shares:	69,590,800	69,590,800

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

22. Commitments

a) *Capital commitments*

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

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Plant and equipment	584,165	143,000	–	–

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

The Group and the Company have commitments for future minimum lease payments under non-cancellable operating leases for staff accommodations and various sites offices. The leases typically run for a period of one to three years, with an option to renew the lease after that date. None of the leases include contingent rentals.

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

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Payable within 1 year	779,840	770,722	79,762	79,762
Payable after 1 year but within 5 years	171,057	81,047	159,524	–
	950,897	851,769	239,286	79,762

Included in the future aggregate minimum lease payments of the Group and Company are $239,286 (2015: $79,762) which will be payable to a key management personnel.

23. Related party transactions

Key management personnel compensation

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

	Group	
	2016	**2015**
	$	**$**
Key management compensation		
- Salaries, other short-term benefits and contributions to defined contribution plan*	1,109,751	1,067,529
Non-executive directors		
- Fees	100,000	100,000
	1,209,751	1,167,529

* Includes executive directors' remuneration

Other transactions with key management personnel

The Company has an existing agreement for the lease of its office premises with a director of the Company, Mr Chua Eng Him. Rental paid under this agreement for the financial year amounted to $79,762 (2015: $79,762) for the Group and Company, which has been reviewed by the Audit Committee.

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:

	Company	
	2016	**2015**
	$	**$**
Subsidiaries		
- Management fee income (within other income)	753,600	744,000
- Equipment rental income (within revenue)	1,026,400	842,400
- Sale of plant and equipment	–	10,519
- Office rental income	79,762	79,762
- Production overheads paid on behalf by Company	(91,832)	–

24. Financial risk management

Overview

The Group and Company have exposures to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's and Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and cost of managing the risks. Management continually monitors the Group's and Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and Company's activities.

The Audit Committee oversees how management monitors compliance with the Group's and Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

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

Credit risk

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

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantee at the reporting date is in the amount of $646,895 (2015: $2,210,661). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

Trade and other receivables

The Group and Company have a credit policy in place which establishes credit limits for customers and monitors outstanding balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. If the customers are independently rated, these ratings are used. Otherwise, the credit quality of customers is assessed after taking into account its financial position and the Group's past experience with the customer. The Group does require the customer to provide personal guarantees in respect of certain trade and other receivables.

24. Financial risk management (cont'd)

Trade and other receivables (cont'd)

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

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

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

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						
2016						
Trade and other payables	15	7,042,346	7,042,346	7,042,346	–	–
Finance lease obligations	14	1,138,852	1,206,510	781,735	344,769	80,006
		8,181,198	8,248,856	7,824,081	344,769	80,006
2015						
Trade and other payables	15	5,291,208	5,291,208	5,291,208	–	–
Finance lease obligations	14	3,240,351	3,404,977	1,088,511	1,088,511	1,227,955
		8,531,559	8,696,185	6,379,719	1,088,511	1,227,955

24. Financial risk management (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount $	Cash flows: Contractual cash flows $	Cash flows: Within 6 months $
Company				
2016				
Trade and other payables	15	6,330,553	6,330,553	6,330,553
Intra-group financial guarantee	14	–	646,895	646,895
		6,330,553	6,977,448	6,977,448
2015				
Trade and other payables	15	3,242,280	3,242,280	3,242,280
Intra-group financial guarantee	14	–	2,210,661	2,210,661
		3,242,280	5,452,941	5,452,941

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

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

Market risk

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

24. Financial risk management (cont'd)

Foreign currency risk

The Group and Company incur foreign currency risk on payables for plant and equipment which are denominated in Renminbi. The Group's and Company's exposure to foreign currency risk is closely monitored by management on an ongoing basis. The Group does not use any derivative financial instruments to hedge against the foreign currency risk.

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

	Group RMB $	Company RMB $
29 February 2016		
Payables for plant and equipment	(1,966,410)	(978,755)
28 February 2015		
Payables for plant and equipment	(1,016,220)	(1,016,220)

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against the Renminbi at reporting date would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2015, as indicated below.

	Group Profit or loss $	Company Profit or loss $
29 February 2016		
RMB	196,641	97,876
28 February 2015		
RMB	101,622	101,622

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

24. Financial risk management (cont'd)

Fair values

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values as at 29 February 2016 and 28 February 2015 because of their short period to maturity.

Financial instrument by category –Fair values versus carrying amounts

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

	Note	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
		$	$	$	$
Group					
2016					
Financial assets					
Cash and cash equivalents	10	3,146,513	–	3,146,513	3,146,513
Loans and receivables	9	8,429,384	–	8,429,384	8,429,384
		11,575,897	–	11,575,897	11,575,897
Financial liabilities					
Trade and other payables	15	–	(7,042,346)	(7,042,346)	(7,042,346)
Finance lease obligations	14	–	(1,138,852)	(1,138,852)	(1,138,852)
		–	(8,181,198)	(8,181,198)	(8,181,198)
2015					
Financial assets					
Cash and cash equivalents	10	1,899,294	–	1,899,294	1,899,294
Loans and receivables	9	8,081,853	–	8,081,853	8,081,853
		9,981,147	–	9,981,147	9,981,147
Financial liabilities					
Trade and other payables	15	–	(5,291,208)	(5,291,208)	(5,291,208)
Finance lease obligations	14	–	(3,240,351)	(3,240,351)	(3,240,351)
		–	(8,531,559)	(8,531,559)	(8,531,559)

24. Financial risk management (cont'd)

Fair values (cont'd)

Financial instrument by category –Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Company					
2016					
Financial assets					
Cash and cash equivalents	10	2,524,233	–	2,524,233	2,524,233
Loans and receivables	9	775,966	–	775,966	775,966
		3,300,199	–	3,300,199	3,300,199
Financial liabilities					
Trade and other payables	15	–	(6,330,553)	(6,330,553)	(6,330,553)
		–	(6,330,553)	(6,330,553)	(6,330,553)
2015					
Financial assets					
Cash and cash equivalents	10	524,540	–	524,540	524,540
Loans and receivables	9	1,521,779	–	1,521,779	1,521,779
		2,046,319	–	2,046,319	2,046,319
Financial liabilities					
Trade and other payables	15	–	(3,242,280)	(3,242,280)	(3,242,280)
		–	(3,242,280)	(3,242,280)	(3,242,280)

25. Segment reporting (Group)

Operating segments

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

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

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

Operating segments (cont'd)

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 CODM. Segment profit from operating activities is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

	Ready-mixed concrete		Concrete pumping services		Waste management		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
External revenues	10,847,035	7,400,130	20,118,907	19,948,464	1,762,837	1,837,516	32,728,779	29,186,110
Inter-segment revenue - pump rental	–	–	1,266,364	992,928	–	–	1,266,364	992,928
Inter-segment revenue - pump parts	–	–	63,838	119,388	–	–	63,838	119,388
Interest income	1,698	34	–	–	–	–	1,698	34
Finance expense	(53,990)	(58,805)	(38,909)	(79,082)	–	(2,165)	(92,899)	(140,052)
Depreciation	(281,923)	(268,684)	(3,168,209)	(2,783,240)	(129,628)	(169,371)	(3,579,760)	(3,221,295)
Income tax (expense)/credit	(217,865)	(137,055)	(236,831)	(91,249)	14,000	(13,000)	(440,696)	(241,304)
Reportable segment profit before income tax	774,983	658,798	5,672,229	5,507,982	312,355	190,444	6,759,567	6,357,224
Other material non-cash items:								
- Gain/(loss) on disposal of plant and equipment	–	59,723	(11,109)	4,777	–	–	(11,109)	64,500
- Allowance for doubtful receivables	36,214	–	100,000	–	–	750	136,214	750
- Bad debts written off	–	2,227	75,789	–	–	13,100	75,789	15,327
Reportable segment assets	5,220,972	4,907,945	29,644,737	27,352,743	1,159,974	1,053,199	36,025,683	33,313,887
Capital expenditure	114,257	801,331	3,994,688	3,026,322	209,730	52,359	4,318,675	3,880,012
Reportable segment liabilities	3,913,758	3,493,823	6,442,068	6,733,357	158,011	178,523	10,513,837	10,405,703

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

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

	2016 $	2015 $
Revenue		
Total revenue for reportable segments	34,058,981	30,298,426
Elimination of inter-segment revenue	(1,330,202)	(1,112,316)
Consolidated revenue	32,728,779	29,186,110
Profit or loss		
Total profit before tax for reportable segments	6,759,567	6,357,224
Unallocated amounts:		
Other corporate expenses & income	(593,984)	(625,488)
Consolidated profit before tax	6,165,583	5,731,736

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] $
2016		
Singapore	21,223,314	20,464,705
Malaysia	11,505,465	2,053,374
	32,728,779	22,518,079
2015		
Singapore	21,475,585	19,301,522
Malaysia	7,710,525	2,480,192
	29,186,110	21,781,714

[1] Exclude deferred tax assets

Major customer

Revenue from one (2015: one) customer of the Group's concrete pumping services segment contributed $2,108,000 (2015: $1,466,000) of the Group's total revenue.

ANALYSIS OF **SHAREHOLDINGS**

As at 16 May 2016

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

Summary of Shareholdings by Size

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of total issued shares
1 to 99	2	0.19	113	0.00
100 to 1,000	551	51.35	540,938	0.78
1,001 to 10,000	378	35.23	2,053,100	2.95
10,001 to 1,000,000	137	12.77	13,337,439	19.16
1,000,001 and above	5	0.46	53,659,210	77.11
Total	1,073	100	69,590,800	100

Shareholdings Held in Hands of Public

25.11% of the shareholding is held in the hands of the public and Rule 723 of the Listing Manual is complied with.

Top 20 Shareholders

No.	Name of shareholders	No. of shares	% of total issued shares
1	Chua Eng Him	20,154,566	28.96
2	Kheng Leong Company (Pte) Ltd	15,252,104	21.92
3	Yap Boh Lim	14,252,104	20.48
4	SBS Nominees Pte Ltd	3,000,000	4.31
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	Bank of Singapore Nominees Pte Ltd	970,000	1.39
9	A-Power Engineering Pte Ltd	880,000	1.26
10	DBS Nominees Pte Ltd	863,000	1.24
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 Seng Guan	479,359	0.69
17	Chua Hoong Tat Franz	360,000	0.52
18	HSBC (Singapore) Nominees Pte Ltd	219,000	0.31
19	Chua Keng Hoon	199,180	0.28
20	Khoo Lee Ean @ Khoo Yean Yean	170,000	0.24
	Total	62,599,749	89.95

Substantial Shareholders

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

Notes

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

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

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

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

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

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36th annual general meeting of Transit-Mixed Concrete Ltd will be held at Connaught Room, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 22 June 2016 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 29 February 2016 and the auditors' report thereon.

2 To declare a one-tier tax exempt final dividend of 2 cents per ordinary share for the year ended 29 February 2016.

3 To re-appoint Mr Yap Boh Lim, who will retire pursuant to Section 153(6) of the Companies Act, Cap. 50 which was in force immediately before 3 January 2016, as a director of the Company.

Note: Mr Yap Boh Lim, if re-appointed as a director, will remain a member of the audit committee and Dr Yap Eng Ching will continue to act as his alternate. Mr Yap Boh Lim is a non-independent director. Key information on Mr Yap Boh Lim and Dr Yap Eng Ching is set out on pages 8 & 9 of the annual report.

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

Note: Mr Tan Kok Hiang, if re-elected as a director, will remain a member and the chairman of the audit committee, nominating committee and remuneration committee. Mr Tan Kok Hiang is an independent director. Key information on Mr Tan Kok Hiang is set out on page 9 of the annual report.

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

SPECIAL BUSINESS

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

"That directors' fees of S$100,000 for the year ended 29 February 2016 be and are hereby approved." (2015: S$100,000)

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

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

OTHER BUSINESS

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

By Order of the Board

Chen Lee Lee
Company Secretary

Singapore
2 June 2016

Notes

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

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

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

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

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

Statement pursuant to Article 52 of the Company's Constitution

The ordinary resolution proposed in item 6 above is to approve the payment of directors' fees for the year ended 29 February 2016.

The ordinary resolution proposed in item 7 above is to authorise the directors from the date of the above meeting until the date of the next annual general meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares and convertible securities which the directors may allot and issue under this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) 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) in the capital of the Company at the time this resolution is passed.

Personal data privacy

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

NOTICE OF BOOKS CLOSURE AND **DIVIDEND PAYMENT DATES**

NOTICE IS HEREBY GIVEN that the share transfer books and register of members of the Company will be closed on 25 August 2016 for the purpose of determining members' entitlements to a one-tier tax exempt final dividend of 2 cents per ordinary share for the year ended 29 February 2016.

Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 24 August 2016 will be registered before entitlements to the dividend are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 24 August 2016 will be entitled to the dividend.

The dividend, if approved by members at the 36th annual general meeting of the Company to be held on 22 June 2016, will be paid on 9 September 2016.

By Order of the Board

Chen Lee Lee
Company Secretary

Singapore
2 June 2016

TRANSIT-MIXED CONCRETE LTD

(Incorporated In The Republic Of Singapore)
Company Registration No. 197902587H

PROXY FORM

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 2 June 2016.

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 36th annual general meeting of the Company to be held at Connaught Room, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 22 June 2016 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the annual general meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the annual general meeting.

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

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

Dated this ____ day of __________ 2016

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, 20 June 2016.

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