

Half Year Financial Statement and Dividend Announcement for the Period Ended 31 August 2017

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

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

Consolidated Statement of Comprehensive Income for the half year ended 31 August 2017

	Group Half year period ended 31/8/17 S\$'000	Group Half year period ended 31/8/16 S\$'000	+ / (-) %
Revenue	8,607	11,790	(27)
Cost of sales	(7,646)	(9,338)	(18)
Gross profit	961	2,452	(61)
Other income	56	243	(77)
Selling, general and administrative expenses	(898)	(964)	(7)
Net finance (cost)/income	(24)	45	NM
Share of profit of joint venture	87	50	74
Profit before tax	182	1,826	(90)
Tax expense	(89)	(235)	(62)
Profit for the period	93	1,591	(94)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(25)	(16)	56
	(25)	(16)	56
Total comprehensive income for the period	68	1,575	(96)
Profit for the period attributable to:			
Owners of the Company	116	1,610	(93)
Non-controlling interests	(23)	(19)	21
Profit for the period	93	1,591	(94)
Total comprehensive income attributable to:			
Owners of the Company	83	1,594	(95)
Non-controlling interests	(15)	(19)	(21)
Total comprehensive income for the period	68	1,575	(96)

NM denotes not meaningful.

Profit before tax includes the following:

	Group Half year period ended 31/8/17 S\$'000	Group Half year period ended 31/8/16 S\$'000	+ / (-) %
Other income	44	79	(44)
Interest income	3	3	-
Interest on borrowings	(15)	(44)	(66)
Depreciation	(1,751)	(1,825)	(4)
Allowance for doubtful debts	(4)	-	NM
Foreign exchange (loss)/gain	(12)	86	NM
Gain on disposal of plant and equipment	12	164	(93)

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

Statements of Financial Position as at 31 August 2017

	Group 31/8/17 S\$'000	Group 28/2/17 S\$'000	Company 31/8/17 S\$'000	Company 28/2/17 S\$'000
Non-current assets				
Plant and equipment	18,397	19,930	2,942	3,168
Investment in subsidiaries	-	-	12,740	12,740
Investment in joint venture	1,854	630	2,136	943
Deferred tax asset	469	469	469	469
Total non-current assets	20,720	21,029	18,287	17,320
Current assets				
Inventories	950	1,011	-	-
Trade and other receivables	6,795	7,251	1,676	2,194
Cash and cash equivalents	2,380	2,020	1,741	1,559
Total current assets	10,125	10,282	3,417	3,753
Total assets	30,845	31,311	21,704	21,073
Equity attributable to owners of the Company				
Share capital	11,191	11,191	11,191	11,191
Reserves	12,892	12,809	4,767	4,714
Total equity attributable to owners of the Company	24,083	24,000	15,958	15,905
Non-controlling interests	771	786	-	-
Total equity	24,854	24,786	15,958	15,905
Non-current liabilities				
Deferred tax liabilities	2,180	2,149	-	-
Finance lease obligations	96	83	-	-
Total non-current liabilities	2,276	2,232	-	-
Current liabilities				
Trade and other payables	3,455	3,906	5,746	5,168
Current tax liabilities	36	20	-	-
Finance lease obligations	224	367	-	-
Total current liabilities	3,715	4,293	5,746	5,168
Total liabilities	5,991	6,525	5,746	5,168
Total equities and liabilities	30,845	31,311	21,704	21,073

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

Amount repayable in one year or less, or on demand

As at 31/8/17 (S\$'000)		As at 28/2/17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
224	-	367	-

Amount repayable after one year

As at 31/8/17 (S\$'000)		As at 28/2/17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
96	-	83	-

Details of any collateral

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

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

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

Consolidated Statement of Cash Flows for the six months ended 31 August 2017

	Group 31/8/17 S\$'000	Group 31/8/16 S\$'000
Cash flows from operating activities		
Profit before tax	182	1,826
Adjustments for:		
Depreciation of plant and equipment	1,751	1,825
Gain on disposal of plant and equipment	(12)	(164)
Allowance for doubtful debts	4	-
Interest income	(3)	(3)
Interest expense	15	44
Share of profit of joint venture	(87)	(50)
	1,850	3,478
Changes in:		
Inventories	61	51
Trade and other receivables	(121)	557
Trade and other payables	72	(572)
Cash generated from operations	1,862	3,514
Income taxes paid	(42)	(106)
Net cash from operating activities	1,820	3,408
Cash flows from investing activities		
Interest received	3	3
Purchase of plant and equipment	(657)	(2,216)
Proceeds from disposal of plant and equipment	623	-
Investment in joint venture	(1,193)	(629)
Net cash used in investing activities	(1,224)	(2,842)
Cash flows from financing activities		
Interest expense paid	(15)	(44)
Repayment of finance lease obligations	(230)	(853)
Net cash used in financing activities	(245)	(897)
Net increase/(decrease) in cash and cash equivalents	351	(331)
Cash and cash equivalents at beginning of the period	2,020	3,147
Effects of exchange rate fluctuations on cash held	9	-
Cash and cash equivalents at end of the period	2,380	2,816
<i>Comprising:</i>		
Cash at bank and in hand	1,380	1,812
Fixed deposits	1,000	1,004
Cash and cash equivalents at end of the period	2,380	2,816

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

Consolidated Statement of Changes in Equity for the six months ended 31 August 2017

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
2017						
At 1 March 2016	11,191	(462)	13,896	24,625	887	25,512
Total comprehensive income for the period						
Profit for the period	-	-	1,610	1,610	(19)	1,591
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(16)	-	(16)	-	(16)
Total other comprehensive income for the period	-	(16)	-	(16)	-	(16)
Total comprehensive income for the period	-	(16)	1,610	1,594	(19)	1,575
At 31 August 2016	11,191	(478)	15,506	26,219	868	27,087
2018						
At 1 March 2017	11,191	(589)	13,398	24,000	786	24,786
Total comprehensive income for the period						
Profit for the period	-	-	116	116	(23)	93
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(33)	-	(33)	8	(25)
Total other comprehensive income for the period	-	(33)	-	(33)	8	(25)
Total comprehensive income for the period	-	(33)	116	83	(15)	68
At 31 August 2017	11,191	(622)	13,514	24,083	771	24,854

Statement of Changes in Equity for the period ended 31 August 2017

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
2017			
At 1 March 2016	11,191	3,157	14,348
Profit for the period, representing total comprehensive income for the period	-	3,224	3,224
At 31 August 2016	11,191	6,381	17,572
2018			
At 1 March 2017	11,191	4,714	15,905
Profit for the period, representing total comprehensive income for the period	-	53	53
At 31 August 2017	11,191	4,767	15,958

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

Nil.

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

	31/8/17	28/2/17
Total number of issued shares	69,590,800	69,590,800

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

Nil.

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

The figures have not been audited or reviewed.

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

NA

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

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statement for the financial period ended 31 August 2017 as those used in the audited consolidated financial statements of Transit-Mixed Concrete Ltd and its subsidiaries for the financial year ended 28 February 2017.

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

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

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

	Group Latest period	Group Previous corresponding period
(a) Based on the weighted average number of ordinary shares on issue; and	0.17 cents	2.31 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	0.17 cents	2.31 cents
Weighted average number of shares	69,590,800	69,590,800

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

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

	Group 31/8/17	Group 28/2/17	Company 31/8/17	Company 28/2/17
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	34.61	34.49	22.93	22.85

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a) Group turnover fell 27% to \$8.6 million for the half year ended 31 August 2017 compared with \$11.8 million for the previous period. The lacklustre showing was affected by the contraction in demand due mainly to keen competition and slowdown in construction activities in Singapore and Malaysia.

Against the backdrop of a challenging operating environment, group gross profit declined to \$961,000, a fall of 61% from the previous period where gross profit was \$2.45 million. As a result, net profit attributable to owners slipped 93% to \$116,000 from \$1.6 million.

- (b) In tandem with the decrease in revenue, trade and other receivables were down from \$7.3 million to \$6.8 million. Trade and other payables fell from \$3.9 million to \$3.5 million due to payment for the purchase of plant and equipment. Cash and cash equivalents of the Group improved to \$2.4 million compared with \$2.0 million as at the end of the last financial year.

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

The current period's performance is consistent with the earlier prospect statement made in the Full Year Financial Statement Announcement for the year ended 28 February 2017 which stated that the Group will continue to face challenging business condition amidst a highly competitive market.

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

Weak demand and stiff competition amongst the market players are expected to continue to affect the Group performance during the financial year.

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

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
Yes.

- (b)(i) **Current financial period reported on**

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

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

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

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

Please refer to 11 (b).

13. **The date the dividend is payable.**

22 December 2017.

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

5 December 2017.

15. **If no dividend has been declared(recommended), a statement to that effect.**

NA

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

NA.

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

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the Half Year Financial Results for the Period ended 31 August 2017 to be false or misleading.

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

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

NA.

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

NA.

21. A breakdown of sales as follows:-

NA.

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

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

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

NA.

BY ORDER OF THE BOARD
Chen Lee Lee
Company Secretary
13/10/17