

TRANSIT-MIXED CONCRETE LTD

Company Registration No. 197902587H

(Incorporated In The Republic Of Singapore)

THE PROPOSED DISPOSAL OF 45% INTEREST IN PT ATMC PUMP SERVICES

1. INTRODUCTION

Further to the announcement dated 17 May 2021, the Board of Directors of Transit-Mixed Concrete Ltd (the “Company”, together with its subsidiaries, the “Group”) wishes to announce that the Company has on 7 June 2021 entered into a sale and purchase agreement (the “SPA”) in accordance to the provisions of the existing shareholders agreement with PT Acset Indonusa, Tbk (“PT ACSET” or the “Purchaser”). The Company has exercised its put option to dispose the Company’s entire 45% of the issued and paid-up capital (“Sales Shares”) of PT ATMC Pump Services (“PT ATMC”) (the “Proposed Disposal”) to the Purchaser and the Purchaser has agreed to acquire the Sales Shares.

2. INFORMATION ON PT ATMC

PT ATMC is a joint venture entity established on 21 July 2014 under the laws of the Republic of Indonesia and is principally engaged in providing concrete pumping services in Indonesia. As at the date of this announcement, the issued and paid-up capital of PT ATMC is IDR 45 billion and the Company and the Purchaser currently hold 45% and 55% interest in PT ATMC respectively.

Upon the completion of the Proposed Disposal, PT ATMC will cease to be a joint venture entity of the Company.

3. INFORMATION ON PT ACSET

PT ACSET is a limited liability and public listed company duly established and existing under the Laws of the Republic of Indonesia. The Purchaser is engaged in the business of construction.

4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

Following a thorough review of the Group’s business focus and activities, the Board is of the view that the Proposed Disposal will enable the Group to conserve and re-strategise its financial and capital resources for its other businesses.

The Company intends to use the net proceeds of approximating S\$1,875,000 from the Proposed Disposal for working capital purposes, while keeping a look out for business opportunities that can generate higher value to the shareholders of the Company.

5. CONSIDERATION

The consideration for the Proposed Disposal is IDR 20.25 billion (approximating S\$1,875,000, at S\$1:IDR10800) (the “Consideration”). The Consideration was arrived at on a willing-buyer, willing-seller basis. The Purchaser shall pay the Consideration to the Company by wire transfer to the Company’s bank account at the latest 5 business days upon the completion date.

6. DISCLOSEABLE TRANSACTION

The Proposed Disposal constitutes a discloseable transaction for the purposes of Chapter 10 of the listing manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), as the relative figures computed under Rule 1006(a) & (c) of the SGX-ST Listing Manual exceed 5% but do not exceed 20%. Please see below relative figures of the Proposed Disposal using the applicable bases of comparison set out in Rule 1006 of the SGX-ST Listing Manual based on the latest audited consolidated financial statements of the Group for the full year ended 28 February 2021:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of assets to be disposed of, as compared with the Group’s net asset value.	18.8%
(b)	Net loss attributable to the assets disposed of, compared with the Group’s net loss.	0.8%
(c)	Aggregate value of the consideration to be received, compared with the Company’s market capitalization based on the total number of issued shares excluding treasury shares.	19.2%
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as this is a disposal.
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as the Company is not a mineral, oil or gas company.

Notes:

- (1) The net asset value of the Proposed Disposal and the net asset value of the Group as at 28 February 2021 were S\$1,886,704 and S\$10,057,005 respectively.
- (2) The net loss attributable to the Proposed Disposal and the Group’s loss before income tax and non-controlling interests were S\$11,704 and S\$1,428,967 respectively.
- (3) The Company’s market capitalization of S\$9,742,712 is determined by multiplying the number of shares of the Company in issue of 69,590,800 ordinary shares by the weighted average price of such shares on SGX-ST of S\$0.14 (as of 4 June 2021, being the last market day preceding the date of the SPA).

7. FINANCIAL EFFECTS

The financial effects of the Disposal have been prepared based on the latest audited consolidated financial statements of the Group for the full year ended 28 February 2021 (“FY2021”), on the following assumptions:

- (a) the effect on the earnings per share (“EPS”) of the Group is based on the assumption that the Disposal had been effected at the beginning of FY2021; and
- (b) the effect on the net tangible assets (“NTA”) per share of the Group is based on the assumption that the Disposal had been effected at the end of FY2021.

EPS

	Before the Disposal	After the Disposal
Net loss attributable to owners of the Company (S\$’000)	(1,324)	(1,336)
Weighted average number of shares (’000)	69,591	69,591
EPS (cents)	(1.90)	(1.92)

NTA

	Before the Disposal	After the Disposal
NTA (S\$’000)	10,057	10,045
Number of issued shares (’000)	69,591	69,591
NTA per share (cents)	14.45	14.43

Notes:

NTA per share based on issued share capital at the end of the year excludes non-controlling interest’s share of the Group’s net assets.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, save through their shareholdings (if any) in the Company.

9. CAUTION IN TRADING

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

Chen Lee Lee
Company Secretary
7 June 2021