TRANSIT-MIXED CONCRETE LTD

ANNUAL REPORT
2022

QUALITY
VALUE
SERVICE

CONTENT

OUR VISION

To meet the increasing needs of the construction industry through profitable growth and to maintain an increasing core of loyal, satisfied customers by delivering good quality, service and value.

OUR MISSION

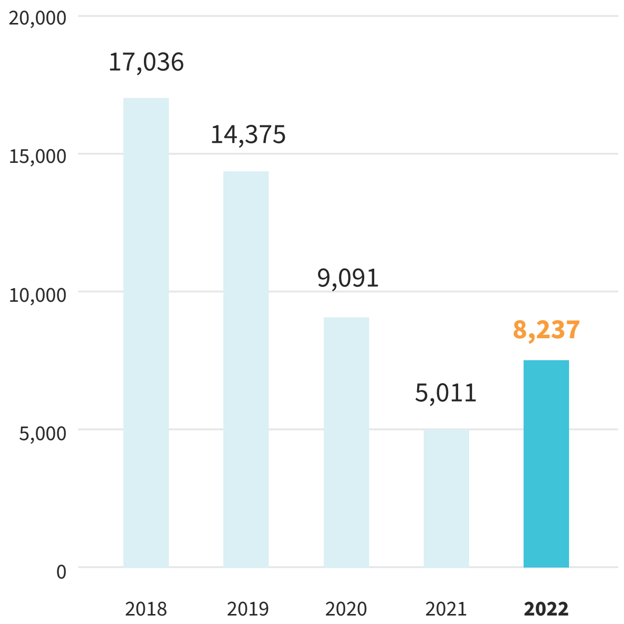
To work closely with our customers to ensure that we continue to meet their expectations.

FINANCIAL HIGHLIGHTS

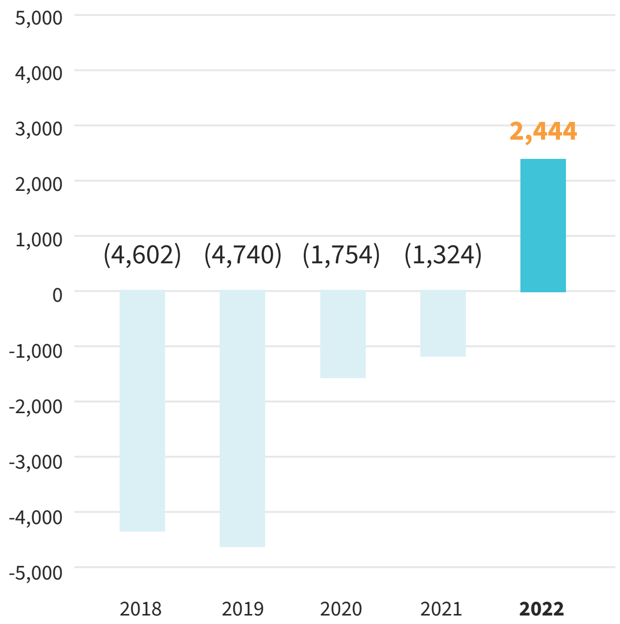
FINANCIAL YEAR ENDED 28 FEBRUARY

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000
Revenue	17,036	14,375	9,091	5,011	**8,237**
Profit/(Loss) before tax	(5,030)	(6,249)	(1,984)	(1,429)	**2,584**
Profit/(Loss) for the year	(4,760)	(5,587)	(1,655)	(1,327)	**2,442**
Profit/(Loss) attributable to owners of the company	(4,602)	(4,740)	(1,754)	(1,324)	**2,444**
Earnings/(Loss) per share (cents)	(6.61)	(6.81)	(2.52)	(1.91)	**2.71**
Shareholders' equity	17,988	13,185	11,496	10,057	**17,612**
Total assets	25,455	16,793	13,759	11,983	**19,569**
Total liabilities	6,458	3,461	1,887	1,557	**1,594**
Net asset value per ordinary share (cents)	25.85	18.95	16.52	14.45	**16.89**
Return on equity (%)	–	–	–	–	**13.88**
Dividends (cents)	1.00	–	–	–	**1.00**

REVENUE ($'000)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY ($'000)



EXECUTIVE DIRECTOR'S STATEMENT

Looking forward, the Group will maintain a prudent and careful approach in focusing on its core business of concrete pumping services and waste management whilst seeking new business opportunities to diversify into new income streams.

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Transit-Mixed Concrete Ltd and its subsidiaries (the "Group"), I am pleased to present to you the Annual Report for the financial year ended 28 February 2022 ("FY2022").

COMPANY'S PERFORMANCE

FY2022 was a watershed year for the Group as it recovered from the economic vagaries and damages brought about by the coronavirus ("COVID-19") pandemic. The construction industry, to which our business is closely linked had previously been mostly paralysed by the safety and movement restriction measures imposed by the authorities. In particular these measures stifled the deployment of the migrant labour workforce and resulted in delays in most construction work. However, during the course of our financial year, the COVID-19 situation stabilized and restriction measures were gradually relaxed, enabling construction activities to resume. This in turn allowed the Group to reap the results of its diligent work, costs control, better management of manpower resources, efficient usage of its equipment fleet to achieve an improved sales revenue of $8.24 million, 64% more than the $5.01 million in the last financial year.

Consequent to the increased sales revenue, the Group achieved a net profit before tax of $2.58 million for FY2022, as compared to a net loss before tax of $1.43 million for FY2021. Significantly, this is the first profit recorded after 4 consecutive years of losses. Part of the net profit arose from a reversal of impairment loss on plant and equipment of $1.38 million. During the course of the year, the Group continued its streamlining exercise by selling off its shareholdings in PT ATMC Pump Services ("PT ATMC"), its joint venture in Indonesia, to its Indonesian partner. The sale of PT ATMC shares resulted in a loss of $36,000.

Cashwise, the Group recorded net cash inflow of $7.94 million for the year, which included proceeds of $4.86 million from a share placement as compared with cash inflow of $0.67 million for FY2021.

EXECUTIVE DIRECTOR'S STATEMENT

OUTLOOK & STRATEGY

Globally and in general, there is much improvement in the containment of the COVID-19 pandemic as a result of various preventive and movement restrictive measures taken. Together with widespread vaccination, the pandemic appears to have stabilized and under control, enabling the substantial re-opening of many economies.

In Singapore, the Government has opened up substantially all the economic and business sectors and commercial activities are gathering steam. On 17 February 2022, the Ministry of Trade and Industry announced and forecasted a GDP growth of 3.0 to 5.0 percent for Singapore for 2022. In an earlier announcement on 26 January 2022, the Building and Construction Authority projected the total value of construction contracts to be awarded in 2022 to be between $27 billion and $32 billion and that the average annual demand from 2023 to 2026 to be between $25 billion and $32 billion. These figures do not include the expansion of the integrated resorts (approximately $5 billion to $7 billion) as well as the development of Changi Airport Terminal 5.

Whilst the improving outlook of the general economy and the construction industry look promising, there are also some headwinds to be negotiated. These would be high inflation, increasing interest rates, supply chain disruptions and rising labour, fuel and material costs. On balance, the Group hopes to be able to maintain its improved performance for FY2023.

As the Group is in a net cash position, it intends to pursue growth opportunities and initiatives to diversify into other businesses so as to establish new sustainable income streams. This would ensure that the Group is not exposed to the risks of being dependent on one business activity during difficult times, such as the past 2 years of COVID-19 pandemic. On the other hand, having more income streams will not only mitigate this but also enable more engines to power growth. In conjunction with this and in order to better reflect the Group's strategy and business plans, the Group will change its name to Abundante Limited. Abundante is Spanish for abundance and the Group will seek to bring abundance to its shareholders through the growth of the Group. We believe this is in the best interest of the Group and its shareholders.

Within the Group, the companies carrying out our core concrete pumping services will continue to use the "TMC" name and logo as there is brand value and is a known name in the industry.

Looking forward, the Group will maintain a prudent and careful approach in focusing on its core business of concrete pumping services and waste management whilst seeking new business opportunities to diversify into new income streams.

DIVIDENDS

As a token of our return to profitability and as a reward to our loyal shareholders who has stood by the Group over the years, we are pleased to declare a first & final cash dividend of $0.01 per share for the financial year ended 28 February 2022.

CONCLUSION

Finally, I would like to express my sincere and heartfelt appreciation to our shareholders, customers, bankers, business partners for their ongoing and continued support. I would also like to thank our Board members, management and staff for their continued dedication, commitment, diligence and invaluable contributions to the Group.

LEE SAI SING
Executive Director

OPERATING
& FINANCIAL REVIEW

Group profit attributable to owners grew

$2.44 million

On a per share basis, earnings climbed to

2.71 Cents

Revenue for the Group's concrete pumping services

86 %

Revenue for the Group's waste management segment

13 %

CONTINUING OPERATIONS

The Group recorded a sales turnover of $8.24 million for the year ended 28 February 2022, an improvement of 64% over $5.01 million of the previous year. This was driven by a pick-up in total construction demand while the previous year's demand was marred by strict COVID-19 pandemic lockdown and containment measures implemented to curtail the COVID-19 pandemic outbreak.

Given a substantial increase in the sales of concrete pumping services, the Group achieved a gross profit of $2.62 million compared to a gross loss of $196,000 in the previous year. Fall in depreciation of plant and equipment from $1.07 million in the previous year to $227,000 as a result of lower asset values after substantial impairment in the previous years also contributed to the increase in gross profit.

Consequently, group profit attributable to owners grew to $2.44 million against a loss attributable to owners of $1.32 million for the previous year. The surge in profit was also caused partly by a reversal of impairment loss on plant and equipment of $1.38 million. Selling, general and administrative expenses were $1.53 million compared to $1.28 million of the previous period. This was due primarily to professional expenses incurred of approximately $150,000 for the purposes of a mandatory general offer and a share placement occurred in FY2022. Share of loss of joint venture was $136,000 compared to $321,000 of the previous year while loss on the sale of investment in joint venture amounted to $36,000.

OPERATING
& FINANCIAL REVIEW

DISCONTINUED OPERATIONS

The Group ceased its ready-mixed concrete operation in early 2019 due to deteriorating market conditions in Malaysia. Loss attributable to owners was $3,000 in FY2022 compared to $10,000 in the previous year.

CONTINUING AND DISCONTINUED OPERATIONS

Although sales revenue rose by 64%, trade and other receivables & trade and other payables were little changed at $2.39 million and $1.38 million as at 28 February 2022 respectively. Cash and cash equivalents of the Group was $13.42 million compared with $5.50 million in FY2021. The additional cash flow came mostly from the sale of investment in joint venture of $1.80 million and the share placement proceeds of $4.86 million.

The Group has no borrowings as at the end of FY2022. On a per share basis, earnings climbed to 2.71 cents as compared to a loss of 1.91 cents while net asset value as of 28 February 2022 inched up to 16.89 cents from 14.45 cents the year before.

Geographically, Singapore continued to contribute substantially to the Group's revenue. Domestic sales amounted to $7.85 million or 95% of the Group's revenue, while the remaining 5% or $390,000 was derived from our Malaysia operations.

BUSINESS SEGMENTS

Concrete Pumping Services

Revenue for the Group's concrete pumping services surged 86% from $3.51 million in FY2021 to $6.53 million in the year under review. As a result, the segment posted a reportable segment profit before tax of $2.65 million as compared to a reportable segment loss before tax of $1.48 million in the prior year. The positive impact on the reportable segment profit was also partly attributable to a reversal of impairment loss on plant and equipment of $1.38 million.

The Group's major projects in this segment included GuocoLand Tower at Beach Road, SP Group's Labrador Underground Station, Facebook SGA Data Centre, Offshore Marine Centre and various condominium projects in Singapore.

Waste Management

Revenue for the Group's waste management segment grew 13% to $1.71 million from $1.51 million in the previous year. With the higher sales, reportable segment profit before tax rose 35% from $218,000 in FY2021 to $294,000 in FY2022.

The Group's major projects in this segment included cleaning contracts at SIA Engineering Company Ltd, Changi Airport (Terminal 1, 2 and 3), Ngee Ann Polytechnic and about 120 schools.

Ready-Mixed Concrete (Discontinued operations)

The Group's discontinued operations recorded a reportable segment loss before tax of $5,000 in FY2022, as compared to $13,000 in the prior year.

PROFILE OF DIRECTORS

TAN KOK HIANG, 72

is the Chairman of the Board. He was appointed an independent non-executive director of the Company since 25 September 1997 and is also the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. He was last elected as a director on 25 August 2020. There is no relationship (including immediate family relationship) between Mr Tan and the other directors of the Company, the Company or its substantial shareholders. As on 28 February 2022, he has served as a director for 24 years 5 months. Pursuant to Rules 210(5)(d)(iii)(A) & (B) of the Listing Manual of the SGX-ST, the continued appointment of Mr Tan as an independent director was approved on 24 June 2021. Mr Tan is presently also an independent director of 3 other public listed companies namely EnviroHub Holdings Ltd, ICP Ltd and LHT Holding Ltd. Other than this, he does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. Mr Tan has more than 30 years of experience in accounting, finance, strategic planning and risks management. He holds a Bachelor of Accountancy (Honours) degree from the University of Singapore, is a fellow member of the Institute of Singapore Chartered Accountants and is a member of the Singapore Institute of Directors.

LEE SAI SING, 50

was appointed an executive director of the Company on 9 April 2021 and is a member of the Audit, Remuneration and Nominating Committees. He was last elected as a director on 24 June 2021. There is no relationship (including immediate family relationship) between Mr Lee and the other directors of the Company. As on 28 February 2022, he has served as a director for 10 months. Mr Lee is presently an independent director of Maxi-Cash Financial Services Corporation Ltd, a public listed company. Other than this, he does not hold any directorships in other listed companies currently or over the preceding 3 years. Mr Lee is also a director of Maxi-Harvest Group Pte. Ltd. which focuses on investments in South East Asia. Mr Lee has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructurings, pre-initial public offerings and initial public offerings. He had worked in the fund management industry for many years in major financial institutions like Government of Singapore Investment Corporation, BNParibas Private Bank and Maybank-Kim Eng. Mr Lee graduated with a Bachelor degree in Applied Science (Computer Engineering) from Nanyang Technological University in 1995.

PROFILE OF DIRECTORS

KHOO HO TONG, 81

was appointed an independent non-executive director of the Company on 17 January 2019 and is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He was last elected as a director on 26 June 2019 and is standing for re-election at the coming annual general meeting. There is no relationship (including immediate family relationship) between Mr Khoo and the other directors of the Company, the Company or its substantial shareholders. As on 28 February 2022, he has served as a director for 3 years 2 months. He does not hold any other principal commitments and his directorship in listed companies in the preceding 3 years included Nam Lee Pressed Metal Industries Limited. Mr Khoo is a lifetime member of the Institute of Singapore Chartered Accountants and a life fellow member of CPA Australia. Mr Khoo was a practicing public accountant for over 35 years and last a Partner of PKF Singapore, an international accounting and business advisory firm.

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 and is responsible for the development and management of the Group's waste management business.

CHEN LEE LEE

Ms Chen is the Finance Manager and Company Secretary of the Company. She oversees all the financial and accounting functions as well as the corporate secretarial functions of the Group. Ms Chen has more than 30 years of working experience in the auditing, accounting and administration field. Ms Chen joined the Company in May 1998 and is a member of the Institute of Singapore Chartered Accountants.

LEE 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 40 years. Mr Lee and his team are also involved in the production and operation activities and perform scheduled equipment maintenance such as servicing, repairing and parts replacements to ensure that equipment is kept in good working condition.

SUSTAINABILITY REPORT

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

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

SAFE WORKING ENVIRONMENT

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

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

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

1. bizSAFE Level Star

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

We have renewed our bizSAFE Level Star certification which is valid till 3 September 2023. The certification confirms that we have established, implemented, communicated and maintained risk assessment for the identified hazardous activities in accordance to the WSH (Risk Management) Regulations.

2. Occupational Health and Safety Management System

We have undergone a triennial sustainability audit in accordance with the requirements of ISO 45001:2018 and have successfully obtained our ISO 45001:2018 certification which is valid till 3 September 2023. This is an internationally applied British Standard for occupational health and safety management systems.

SUSTAINABILITY REPORT

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

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

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

	FY2022 Performance	FY2022 Target	FY2023 Target
Number of fatalities	Zero	Zero	Zero
Number of workplace injuries	5	Less than 10	Less than 10
Occupational diseases	Zero	Zero	Zero

STAFF TRAINING

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

- Advanced Workplace Safety and Health Course;
- Plumbing and Pipe Fitting Core Trade (Tradesmen);
- Confined Space Course/ Manhole Safety Course; and
- Work-At-Heights Course.

	FY2022 Performance	FY2022 Target	FY2023 Target
Average hours of training per employee	10 hours	5 hours	8 hours

SUSTAINABILITY REPORT

ENVIRONMENTAL REGULATIONS

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

The following processes are in place to prevent unnecessary pollution:

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

	FY2022 Performance	FY2022 Target	FY2023 Target
Offences and fines	Zero	Zero	Zero

ENVIRONMENTAL FACTORS

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

We undertake to promote environment responsibility in the following areas:

- Cease printing of our annual reports. Digital copies of our annual report are available on the Company's website and the SGX-ST website;
- Reduce electricity consumption such as in lighting and air-conditioning. Lights and air-conditioning in meeting rooms and managers' rooms are turned off when there is no activity;
- Better integration of recycling and reuse of materials such as recycle toners, use of recycled papers, double-sided printing and waste separation;
- Reduce overall usage of paper; and
- Encourage employees to adopt environmentally responsible behaviour.

SUSTAINABILITY REPORT

ANTI-CORRUPTION PRACTICES

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

	FY2022 Performance	FY2022 Target	FY2023 Target
Number of incidents	Zero	Zero	Zero

STAKEHOLDER ENGAGEMENT

The Group takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Its key stakeholders include shareholders, investors, suppliers, customers, employees, government and regulators and the community. To understand stakeholders' expectations, the Group engages and fosters trusted relationships through listening to their views and responding to their concerns.

KEY STAKEHOLDER ENGAGEMENT APPROACH

Stakeholders	Approach
Shareholders & Investors	Annual reports and circulars, financial results & other relevant disclosures via SGXNET and dialogue with shareholders is mainly conducted during annual general meeting
Customers	Regular formal or informal meetings to exchange views and discuss important matters and data security for customer information
Employees	Code of conduct, performance appraisal and training & career development
Suppliers	Communication process with suppliers, supplier performance review and products updates by suppliers via exhibition, office presentation and site visits
Government and Regulators	SGXNET announcements, annual reports, sustainability reports and prevailing laws & regulations on environment and waste management

SUSTAINABILITY REPORT

SUSTAINABILITY REPORTING FRAMEWORK

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

BOARD DIVERSITY POLICY

The Board as a group provides an appropriate balance and diversity of skills, experience and knowledge of the Company. At present, the Board does not have any female director. The directors contribute core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. The Board takes into account the need for progressive refreshing of the Board.

INTERNAL REVIEW/ EXTERNAL ASSURANCE

The Company has not undertaken external or internal assurance on its sustainability reporting for FY2022 and going forward, plans to minimally subject the sustainability reporting process to internal review by internal audit.

BOARD STATEMENT

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Tan Kok Hiang
(Chairman and independent non-executive director)
Mr Lee Sai Sing
(Executive director)
Mr Khoo Ho Tong
(Independent non-executive director)

AUDIT COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Khoo Ho Tong
Mr Lee Sai Sing

NOMINATING COMMITTEE

Mr Khoo Ho Tong (Chairman)
Mr Tan Kok Hiang
Mr Lee Sai Sing

REMUNERATION COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Khoo Ho Tong
Mr Lee Sai Sing

COMPANY SECRETARY

Ms Chen Lee Lee

COMPANY REGISTRATION NO.

197902587H

REGISTERED OFFICE

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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 Ronald Tay Ser Teck
(wef financial year ended 28 February 2021)

PRINCIPAL BANKER OF THE GROUP

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

CORPORATE GOVERNANCE STATEMENT

The Company is committed to adhering to the principles and provisions of the Code of Corporate Governance 2018 ("Code") so as to ensure greater transparency and protection of shareholders' interests. The Group has complied substantially with the principles and provisions of the Code. This statement describes the Company's corporate governance practices with specific reference to the principles of the Code and describes any deviation from any provisions of the Code together with an appropriate explanation.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board's role is to:

- provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
- constructively challenge management and review its performance;
- instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;
- ensure transparency and accountability to key stakeholder groups;
- approve key operational initiatives, annual budgets, major investments, divestment proposals and funding decisions; and
- consider sustainability issues, e.g. environmental and social factors, for the Company as part of its strategic formulation.

All directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board delegates the authority to make decisions to its Board Committees, namely the Audit Committee (the "AC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC") to assist the Board in the discharge of specific responsibilities. The roles of each committee are set out in their respective written terms of reference.

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

Directors' Attendance For FY2022

	Board		AC		NC		RC		AGM
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	Held & attended on 24 June 2021
Tan Kok Hiang	6	6	5	5	2	2	1	1	1
Lee Sai Sing	6	5	5	4	2	1	1	0	1
Khoo Ho Tong	6	6	5	5	2	2	1	1	1
Low Wing Hong (retired on 24/6/2021)	6	2	5	1	2	2	–	–	1

Matters which require Board's specific approval include:

- half-yearly and full-year financial results announcements of the Group;
- corporate strategy and business plans;
- annual budgets, major investments, divestment proposals and any investments or expenditures exceeding $250,000;
- annual report and financial statements;
- remuneration packages of the directors and the key management personnel; and
- interim dividends and other returns to shareholders.

The Company will provide a formal letter of appointment to each new director, setting out the director's duties and obligations. Every new director will receive comprehensive and tailored induction on joining the Board which includes his duties as a director and how to discharge those duties, and briefings to familiarise himself with the Group's business and governance practices. For one who does not have prior experience as a director of a public listed company, he must undergo training in the roles and responsibilities of a director of a listed issuer as specified by the Exchange within one year from the date of his appointment to the Board.

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.

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.

CORPORATE GOVERNANCE STATEMENT

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

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

Should directors, either individually or as a group, in the furtherance of their duties, need independent professional advice, the professional advisor selected must be approved by the Board. The cost of such professional advice shall be borne by the Company.

Principle 2: Board Composition and Guidance

Currently, the Board comprises 3 directors, 2 of whom are independent directors. The NC reviews the independence of each director annually in accordance with the listing rule and the Code's definition of what constitutes an independent director. For FY2022, independent directors made up at least half of the Board and 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 3 directors is appropriate, taking into account the nature and scope of the Company's operations.

<u>Independent Directors</u>

1 of our independent directors namely Mr Tan Kok Hiang has served on the Board for more than 9 years as an independent director. His independence has been thoroughly and rigorously reviewed by the NC and the Board. The Board is satisfied that Mr Tan Kok Hiang (notwithstanding that he has served on the Board beyond 9 years) and Mr Khoo Ho Tong are considered independent as they have met all the conditions and criteria of independence under the listing rules and the Code. Mr Tan Kok Hiang and Mr Khoo Ho Tong have no relationship with the Company, its related corporations, its substantial shareholders or its officers and do not receive any compensation from the Group or any of its related corporations for the provision of services other than the directors' fees which are approved by shareholders at the Annual General Meeting ("AGM"). The Board is assured that Mr Tan Kok Hiang and Mr Khoo Ho Tong are independent in conduct, character and judgement, and there are no relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. Mr Tan Kok Hiang, being an independent director for an aggregate period of more than 9 years will be subject to a 2-tier voting during AGM, to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the CEO of the Company, and associates of such directors and CEO, in order to continue serving as an independent director under Listing Manual Rules 210(5)(d)(iii) (A) & (B). Mr Tan Kok Hiang's continued appointment as an independent director under Rules 201(5)(d)(iii)(A) & (B) was sought and approved for a three-year term at the last AGM held on 24 June 2021.

CORPORATE GOVERNANCE STATEMENT

The Board as a group provides an appropriate balance and diversity of skills, experience and knowledge of the Company. At present, the Board does not have any female director. The directors contribute core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. The Board takes into account the need for progressive refreshing of the Board.

Taking into account the Board size of 3 directors in the Company, the directors 2 of whom are non-executive do constructively challenge and help develop proposals on strategy and perform effective check on the performance of management at Board meetings.

Principle 3: Chairman and Executive Director

There is a clear division of responsibilities between the Chairman of the Board and the Executive Director ("ED"). The Group keeps the posts of Chairman and ED separate so as to ensure a balance of power and authority at the top of the Group. Under certain circumstances set out in Provision 3.3 of the Code, every company should appoint an independent director to be the lead independent director. However, the Company is not required to comply with this guideline as the circumstances outlined in the provision do not exist in the Company.

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

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

Principle 4: Board Membership

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

The NC carries out its duties in accordance with the terms of reference which include the following key terms:

- reviews the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the ED and key management personnel;
- reviews the process and criteria for evaluation of the performance of the Board, Board Committees and directors;
- reviews the training and professional development programmes for the Board and directors;

- recommends the appointment and re-appointment of directors (including alternate directors, if any);

- ascertain annually, whether independent directors meet the independence criteria set out in the listing rules and the Code; and

- reviews the composition of the Board and make recommendations to the Board on the appropriate skill mix, personal qualities and experience required for the effective performance of the Board.

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. All directors must submit themselves for re-nomination and re-appointment at least once every 3 years.

In the process for selection of new directors, the NC will seek out suitable qualified persons, usually from various avenues and ascertain the relevant expertise required. The NC will conduct interviews with the candidates and recommend to the Board, the most suitable candidate for appointment to the Board. Candidates are selected for their character, judgement, business experience and acumen. Scientific expertise, prior government service and familiarity with national and international issues affecting business are also among the relevant criteria. Final approval of a candidate is determined by the full Board.

The Board noted that none of the directors has directorship in more than 3 other public listed companies and hence does not prescribe the maximum number of listed company board representations which directors may hold. Where a director has multiple listed company board representations, the NC will evaluate whether or not a director is able to and has been adequately carrying out his duties as director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

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

Current members	Date of appointment	Nature of appointment	Prime/Other functions	Last re-election	Academic and professional qualifications
Tan Kok Hiang	25/9/97	Independent, non-executive	Chairman of Board, AC and RC, member of NC	25/8/20	Bachelor of Accountancy (Hons), University of Singapore
Lee Sai Sing	9/4/21	Executive	Member of AC, NC and RC	24/6/21	Bachelor of Applied Science (Computer Engineering), Nanyang Technological University
Khoo Ho Tong	17/1/19	Independent, non-executive	Chairman of NC, member of AC and RC	26/6/19	Lifetime member of the Institute of Singapore Chartered Accountants, Life fellow member of CPA Australia

Principle 5: Board Performance

The NC has established a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board. On an annual basis, each director completes a peer assessment questionnaire on the other directors individually and submits to the NC for comments, feedback and compilation, following which the NC will recommend to the Board for discussion and endorsement at the Board meeting. The assessment parameter includes attendance at meetings of the Board and Board Committees, intensity of participation at meetings, quality of interventions and special contributions. The performance of each director will be taken into account for re-election. The Chairman of the Board will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors. For FY2022, the NC and the Board are satisfied that each director continues to contribute effectively and demonstrate commitment to the role.

Each director will also evaluate the performance of the Board and its Board Committees as a whole taking into consideration a set of performance criteria including board composition and size, director's qualification, development of governance framework, reviewing independence of independent directors and maintaining a sound system of risk management and internal controls. For FY2022, as evaluated against the performance criteria, the NC is satisfied with the effectiveness of the Board as a whole.

The evaluation process of the overall performance of the Board, its Board Committees and each director was conducted without an external facilitator for FY2022.

REMUNERATION MATTERS

Principle 6: Procedures for developing Remuneration Policies

The RC was established in March 2002. The RC comprises 3 members, 2 of whom, including the Chairman are independent directors. On 24 June 2021, Mr Lee Sai Sing, an executive director was appointed a member of the RC. Under Provision 6.2 of the Code, it is stated that all members of the RC should be non-executive directors. Taking into account the nature and scope of the Company's operations, the NC is of the view that the current board size of 3 directors is appropriate. The Board is of the view that the appointment of Mr Lee Sai Sing as a member of the RC is not prejudicial to the interests of the Company as the independent directors still comprise a majority in the RC and the Chairman of the RC is independent.

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel.

The RC carries out its duties in accordance with the terms of reference which include the following key terms:

- reviews and approves recommendations on remuneration policies and packages for the Board and key management personnel which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;

- reviews the Company's obligations arising in the event of termination of executive director's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;

- carries out annual reviews of the compensation of directors to ensure that executive director and key management personnel are appropriately rewarded, giving due regard to the financial and commercial health and business needs of the Group; and

- seeks expert advice inside and/or outside the Company on remuneration matters, if necessary.

Principle 7: Level and Mix of Remuneration

The remuneration package of the ED includes a basic salary and a performance related bonus which is linked to the financial performance of the Group. The ED has a service agreement with the Company and the service agreement and the remuneration package have been reviewed by the RC and approved by the Board. The Company does not have any long-term incentive schemes. The Company does not use any contractual provisions to allow the Company to reclaim incentive components of remuneration from any executive director and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

The Chairman and the non-executive directors do not have service agreements with the Company. Non-executive directors receive directors' fees which are set in accordance with a remuneration framework comprising basic fee and/or attendance fee. The remuneration of non-executive directors is determined by the Board, taking into account factors such as effort, time spent and responsibilities of the directors, and is subject to approval of shareholders at each AGM. Non-executive directors are not over-compensated to the extent that their independence may be compromised. Executive directors do not receive directors' fees.

Principle 8: 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 FY2022, subject to shareholders' approval, it is proposed that directors' fees of $88,263 be paid. A breakdown of the directors' remuneration is also disclosed on page 96.

The remuneration of the directors and past Acting CEO of the Company for FY2022 is as follows:

	Total Remuneration $'000	Fee %	Salary %	Bonus %	Total %
Lee Sai Sing	241	–	49	51	100
Tan Kok Hiang	50	100	–	–	100
Khoo Ho Tong	30	100	–	–	100
Low Wing Hong (retired on 24/6/2021)	8	100	–	–	100
Liu Kien Fang (resigned on 30/6/2021)	48	–	100	–	100

The Company has only 3 key management personnel. The remuneration of the 3 key management personnel (who are not directors or CEO) for FY2022 is as follows:

Below $250,000	Salary %	Bonus %	Total %
Loke Kai Hoong	96	4	100
Chen Lee Lee	96	4	100
Lee Kim Keow	97	3	100

The Company does not disclose in aggregate the total remuneration paid to the 3 key management personnel (who are not directors or CEO) for the purpose of maintaining confidentiality of staff remuneration matters.

For FY2022, the Company and its subsidiaries do not have any employee who is a substantial shareholder or an immediate family member of a director, the CEO or a substantial shareholder whose remuneration exceeds $100,000.

The ED's remuneration package is linked to the Group's performance. It includes a variable bonus element which is performance-related to ensure that he is fairly remunerated. The detailed breakdown of remuneration in percentage terms earned through fixed salary and bonus also display a link between remuneration paid to ED and key management personnel, and performance.

The Company does not have any employee share scheme.

Principle 9: Risk Management and Internal Controls

The Board is responsible for ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. The management regularly reviews the Group's business and operational activities to identify the area of risks as well as documenting the mitigating actions in place and the proposals in respect of each significant risk. The Board determines the Company's levels of risk tolerance and oversees management in the design, implementation and monitoring of the risk management and internal control systems.

CORPORATE GOVERNANCE STATEMENT

The Board and the AC regularly review the adequacy and effectiveness of the Group's risk management and internal control framework including financial, operational, compliance and information technology controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Board is satisfied with the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The AC concurs with the Board.

For FY2022, the Board has received assurance from the ED and the CFO or equivalent position that overall, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the risk management and internal control systems within the Group are adequate and effective.

For FY2022, the Board has considered sustainability issues as part of its strategic formulation, determined the material ESG (environmental, social and governance) factors and overseen the management and monitoring of the material ESG factors.

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

Whistleblowing Policy

The Company has put in place a whistleblowing 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 by submitting a whistleblowing report directly to the AC Chairman via the following email: kheagled@gmail.com.

The Company will treat all information received confidentially and the identity of the person disclosing the information will be protected from reprisal or unfair treatment as a result of reporting their genuine concerns made in good faith, even if they turn out to be mistaken. 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 reviews all whistleblowing complaints, if any, and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. The AC submits to the Board a report on that complaint, findings of investigation and a follow-up report on actions taken at the ensuing Board meeting. There were no whistleblowing reports received during FY2022 and up to the date of this Report.

Accountability And Audit

In presenting the annual financial statements and interim announcements to shareholders, it is the aim of the Board to provide shareholders with a balanced and comprehensible assessment of the Group's position and prospects. The Board releases the Group's half and full-year results via the SGXNET and annual reports are issued within the mandatory period. Management currently provides the Board with appropriate detailed management accounts of the Group's performance, position and prospects on a monthly basis. The Board ensures that legislative and relevant regulatory requirements, including requirements under the listing rules of the securities exchange are complied with.

Principle 10: Audit Committee

The AC comprises 3 directors, 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 member, Mr Khoo Ho Tong is a lifetime member of the Institute of Singapore Chartered Accountants while Mr Lee Sai Sing is the ED of the Company. Under Provision 10.2 of the Code, it is stated that all members of the AC should be non-executive directors. Taking into account the nature and scope of the Company's operations, the NC is of the view that the current board size of 3 directors is appropriate. The Board is of the view that the appointment of Mr Lee Sai Sing as a member of the AC is not prejudicial to the interests of the Company as the independent directors still comprise a majority in the AC and the Chairman of the AC is independent.

The NC is of the view that the members of the AC have relevant accounting or related financial management expertise or experience to discharge their responsibilities.

The AC carries out its duties in accordance with the terms of reference which include the following key terms:

- reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

- reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

- reviews the assurance from the ED and the CFO or equivalent position on the financial records and financial statements;

- makes recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

- reviews the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

- meets with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually;

- reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

- 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.

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 $100,000 for audit services. There is no non-audit service provided by the external auditors.

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

The external auditors help to keep the AC members abreast of changes to accounting standards and issues which have a direct impact on financial statements by providing them with regular updates and briefings on key changes to regulatory requirements and reporting, accounting and auditing standards.

The AC had discussed the key audit matters for FY2022 with management and the external auditors. The AC concurs with the basis and conclusions included in the Independent Auditors' Report with respect to the key audit matters.

No former partner of the Company's existing auditing firm or auditing corporation is a member of the AC.

Internal Audit

The Group outsourced its internal audit function to RSM Risk Advisory Pte Ltd, a reputable company which is a member of the Institute of Internal Auditors Singapore. Their methodology for internal audit is aligned with the requirements of the IPPF (International Professional Practices Framework). The internal auditors report directly to the Chairman of the AC on audit matters and to the ED on administrative matters. The AC approves the hiring, removal, evaluation and compensation of the Company to which the internal audit is outsourced. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC, on an annual basis, assesses the effectiveness of the internal auditors by examining the scope of the internal auditors' work, quality of their reports, their relationship with the external auditors and their independence of the areas reviewed. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE STATEMENT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders
Principle 13: Engagement with Stakeholders

Information on changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares is publicly released to shareholders via the SGXNET. The Board releases the Group's half and full-year results via the SGXNET and annual reports are issued within the mandatory period. The Company does not have an investor relations team taking into account the size of the Company. However, the Board is open to the views of shareholders on matters relating to the Group during shareholders' meetings or on an ad-hoc basis. Dialogue with shareholders is mainly conducted during shareholders' meetings.

Shareholders of the Company are informed of shareholders' meeting through annual report and notice of AGM and/or circulars provided to shareholders. In light of the COVID-19 pandemic, the notice for the 42nd AGM will not be published in newspapers but will be announced via the SGXNET. The Company's Constitution allows a member of the Company to appoint proxies to attend and vote instead of the member.

At shareholders' meeting, shareholders are given the opportunity to communicate their views on various matters affecting the Company. The Chairman of the Board and the respective Chairman of the AC, NC and RC will be present and available to address relevant queries by shareholders. The external auditors will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. However, in light of COVID-19 pandemic, the 42nd AGM will be held via electronic means.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. These minutes are available to shareholders on the Company's website.

Separate resolutions are proposed at general meetings on each substantially separate issue. "Bundling" of resolutions are avoided unless the resolutions are interdependent and linked so as to form one significant proposal. The Company employs electronic polling and put all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The Company is not implementing voting in absentia by mail or electronic means as the authentication of shareholder identity and other related security and integrity of the information still remain a concern.

In light of the COVID-19 pandemic, the Company's 42nd AGM will be held via electronic means. Shareholders will not be able to attend the AGM in person, but they may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the notice of the 42nd AGM and announcement dated 6 June 2022 for further information.

CORPORATE GOVERNANCE STATEMENT

The Company does not have a fixed dividend policy. The directors have proposed a first and final one-tier tax exempt dividend of 1 cent per share in respect of the financial year ended 28 February 2022 which will be submitted for shareholders' approval at the forthcoming AGM of the Company. Any declaration and payment of dividends in future will depend on underlying net profit for each financial year.

The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Its key stakeholders include shareholders, investors, suppliers, customers, employees, government and regulators and the community. To understand stakeholders' expectations, the Company engages and fosters trusted relationships through listening to their views and responding to their concerns. Further details on its key engagement approach can be found in the Sustainability Report.

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. There is no interested person transaction for FY2022.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 28 February 2022.

In our opinion:

(a) the financial statements set out on pages 40 to 105 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 28 February 2022 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 Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

Tan Kok Hiang
Lee Sai Sing (Appointed on 9 April 2021)
Khoo Ho Tong

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares or debentures of the Company, or of related corporations, 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 / date of appointment	At end of the year	At beginning of the year / date of appointment	At end of the year
Company				
Lee Sai Sing				
– ordinary shares	57,363,820	57,436,620	–	–

DIRECTORS' STATEMENT

	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 / date of appointment	At end of the year	At beginning of the year / date of appointment	At end of the year
<u>Subsidiaries</u>				
Crescent Concrete Sdn. Bhd.				
Lee Sai Sing				
– ordinary shares of RM1.00 each fully paid	–	–	1,330,000	1,330,000

By virtue of Section 7 of the Act, Lee Sai Sing is deemed to have interests in all wholly–owned subsidiaries of Transit–Mixed Concrete Ltd at the date of his appointment 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 of the financial year or at the end of the financial year.

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

SHARE OPTIONS

During the financial year, there were:

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

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

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

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The members of the Audit Committee at the date of this statement comprise two independent directors and an executive director as follows:

Tan Kok Hiang	(Chairman, independent and non–executive director)
Khoo Ho Tong	(Independent and non–executive director)
Lee Sai Sing	(Executive Director)

On 24 June 2021, Low Wing Hong retired as director of the Company. He ceased to be a member of the Audit Committee with effect from 24 June 2021.

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

The Audit Committee also reviewed the following:

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

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

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

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

DIRECTORS' STATEMENT

The retiring auditors, KPMG LLP, will not be seeking re-appointment.

On behalf of the Board of Directors

Tan Kok Hiang
Director

Lee Sai Sing
Director

30 May 2022

INDEPENDENT AUDITORS’ REPORT

Members of the Company
Transit–Mixed Concrete Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Transit–Mixed Concrete Ltd (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 28 February 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 105.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 28 February 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

<table>
<tr><td colspan="2">Valuation of plant and equipment and investment in subsidiaries</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Risk

The Group has identified the existence of impairment indicators in the concrete pumping services segment in Singapore operation ("CPS Segment"). This is primarily attributable to uncertainties in the market surrounding labour shortage and supply chain disruptions. Consequently, management has conducted impairment assessments on these assets.

As at 28 February 2022, the carrying amounts of the Group's plant and equipment and Company's cost of investment in subsidiaries are $3,133,799 (representing approximately 16% of the Group's total assets) and $10,143,894 (representing approximately 47% of the Company's total assets), respectively.

In addition to significance of the amount, management's assessment process is complex as it involves the use of significant judgement and estimates, particularly in relation to the estimates on revenue, gross profit margin, earnings before interest, taxes, depreciation and amortisation ("EBITDA"), asset realisable values and discount rate.</td><td>Our response

We assessed the CPS Segment and investment in subsidiaries' value in use ("VIU") estimate as follow:

• We challenged the Group's projected future cash forecasts by reference to its historical performance and the existing market conditions of the construction sector.

• We compared management's estimate of the realisable values of the plant and equipment to market quotes obtained by management and corroborate with the recent historical disposal and scrap experience and depreciable replacement cost estimates.

• We assessed the appropriateness of the key assumptions used by the Group and the Company.

Findings

We found the methodology used to be in line with market valuation practices. Taking into consideration the Group's future plan, market data and other supporting evidence, we found the key assumptions used by the Group to be balanced.</td></tr>
</table>

Members of the Company
Transit–Mixed Concrete Ltd

Valuation of trade receivables	
The key audit matter	*How the matter was addressed in our audit*
Risk The Group's credit exposure is concentrated with customers in the construction sector in Singapore and Malaysia. The recovery of trade receivables is dependent on the progress and performance of the construction projects subject to operational and other risks faced by customers. Judgement is required in determining when a trade receivable is credit–impaired which includes consideration of customers' past payment trends, relevant industry conditions and observable data such as significant financial difficulty of the customer and breach of contract by the customer. In estimating expected credit losses for trade receivables, judgement is made to determine if past credit loss information reflect the appropriate levels of credit risk of the trade receivables and if additional adjustments are required to be made to the ECL estimate.	Our response We tested the trade receivables ageing profile prepared by management for the purpose of placing reliance on the trade receivables ageing profile for our analysis. We reviewed management's identification of credit–impaired trade receivables including the basis adopted by management in the identification. We reviewed management's assessment of the recoverability of individually significant credit–impaired trade receivables by challenging management's estimates taking into account historical payment records and subsequent receipts after year end. We tested the Group's measurement of the expected credit losses ("ECL") arising from trade receivables by obtaining an understanding of the data used and of the underlying assumptions of the ECL model adopted by management. Findings We found management's estimate of impairment loss on trade receivables, which has incorporated the relevant factors in forming the estimate to be balanced.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit–Mixed Concrete Ltd

Other information

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit–Mixed Concrete Ltd

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Transit–Mixed Concrete Ltd

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ronald Tay Ser Teck.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 May 2022

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Non–current assets					
Plant and equipment	4	3,133,799	1,837,548	508,070	268,350
Right–of–use assets	5	–	12,372	–	–
Investment in subsidiaries	6	–	–	10,143,894	5,178,060
Equity accounted investee	8	–	1,702,789	–	1,886,704
Trade and other receivables	10	27,942	–	1,379	–
Total non–current assets		3,161,741	3,552,709	10,653,343	7,333,114
Current assets					
Inventories	9	632,362	635,366	–	–
Trade and other receivables	10	2,357,389	2,299,968	175,602	209,442
Cash and cash equivalents	11	13,417,164	5,495,445	10,820,069	3,380,174
Total current assets		16,406,915	8,430,779	10,995,671	3,589,616
Total assets		19,568,656	11,983,488	21,649,014	10,922,730
Equity attributable to owners of the Company					
Share capital	13	16,048,764	11,190,764	16,048,764	11,190,764
Reserves	14	1,562,894	(1,133,759)	767,359	(4,987,401)
Total equity attributable to owners of the Company		17,611,658	10,057,005	16,816,123	6,203,363
Non–controlling interests	7	363,081	369,761	–	–
Total equity		17,974,739	10,426,766	16,816,123	6,203,363
Non–current liabilities					
Deferred tax liabilities	15	166,887	82,000	–	–
Lease liabilities	16	–	3,203	–	–
Total non–current liabilities		166,887	85,203	–	–
Current liabilities					
Trade and other payables	17	1,383,355	1,430,057	4,832,891	4,719,367
Current tax liabilities		43,675	31,994	–	–
Lease liabilities	16	–	9,468	–	–
Total current liabilities		1,427,030	1,471,519	4,832,891	4,719,367
Total liabilities		1,593,917	1,556,722	4,832,891	4,719,367
Total equity and liabilities		19,568,656	11,983,488	21,649,014	10,922,730

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2022

	Note	Group 2022 $	Group 2021 $
Continuing operations			
Revenue	18	8,236,977	5,010,968
Cost of sales		(5,613,611)	(5,206,515)
Gross profit/(loss)		2,623,366	(195,547)
Other income	20	232,796	340,252
Selling, general and administrative expenses		(1,525,036)	(1,278,978)
Reversal of impairment loss on trade receivables		40,966	15,334
Reversal of impairment loss on plant and equipment		1,379,278	–
Finance income	21	10,289	24,892
Finance costs	21	(56)	(1,163)
Loss on sale of joint venture	8	(36,247)	–
Share of loss of joint venture, net of tax	8	(136,093)	(320,774)
Profit/(loss) before tax from continuing operations		2,589,263	(1,415,984)
Tax (expense)/credit	22	(141,670)	102,044
Profit/(loss) from continuing operations		2,447,593	(1,313,940)
Discontinued operations			
Loss from discontinued operations (net of tax)	12	(5,151)	(12,983)
Profit/(loss) for the year		2,442,442	(1,326,923)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations			
- Continuing operations		262,402	(107,695)
- Discontinued operations		(14,871)	(11,265)
		247,531	(118,960)
Total comprehensive income for the year		2,689,973	(1,445,883)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2022

	Note	Group 2022 $	Group 2021 $
Profit/(loss) for the year attributable to:			
Continuing operations			
– Owners of the Company		2,447,593	(1,313,940)
Discontinued operations			
– Owners of the Company		(3,425)	(9,883)
– Non–controlling interests	7	(1,726)	(3,100)
		(5,151)	(12,983)
Profit/(loss) for the year		2,442,442	(1,326,923)
Total comprehensive income attributable to:			
Continuing operations			
– Owners of the Company		2,709,995	(1,421,635)
Discontinued operations			
– Owners of the Company		(13,342)	(17,618)
– Non–controlling interests	7	(6,680)	(6,630)
		(20,022)	(24,248)
Total comprehensive income for the year		2,689,973	(1,445,883)
Profit/(loss) per share (cents)			
Continuing operations			
– basic and fully diluted	23	2.71	(1.89)
Discontinued operations			
– basic and fully diluted	23	–	(0.02)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2022

	Note	Share capital $	Capital reserve $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non–controlling interests $	Total $
Group								
2021								
At 1 March 2020		11,190,764	162,252	(638,275)	781,517	11,496,258	376,391	11,872,649
Total comprehensive income for the year								
Loss for the year		–	–	–	(1,323,823)	(1,323,823)	(3,100)	(1,326,923)
Other comprehensive income, net of tax								
Foreign currency translation differences for foreign operations		–	–	(115,430)	–	(115,430)	(3,530)	(118,960)
Total other comprehensive income for the year		–	–	(115,430)	–	(115,430)	(3,530)	(118,960)
Total comprehensive income for the year		–	–	(115,430)	(1,323,823)	(1,439,253)	(6,630)	(1,445,883)
Transactions with owners, record directly in equity								
Changes in ownership interests in subsidiary								
Interest in subsidiary written off	14	–	(162,252)	–	162,252	–	–	–
Total transactions with owners		–	(162,252)	–	162,252	–	–	–
At 28 February 2021		11,190,764	–	(753,705)	(380,054)	10,057,005	369,761	10,426,766

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 28 February 2022

	Note	Share capital $	Foreign currency translation reserve $	Retained earnings $	Total attributable to owners of the Company $	Non–controlling interests $	Total $
Group							
2022							
At 1 March 2021		11,190,764	(753,705)	(380,054)	10,057,005	369,761	10,426,766
Total comprehensive income for the year							
Profit for the year		–	–	2,444,168	2,444,168	(1,726)	2,442,442
Other comprehensive income, net of tax							
Foreign currency translation differences for foreign operations		–	252,485	–	252,485	(4,954)	247,531
Total other comprehensive income for the year		–	252,485	–	252,485	(4,954)	247,531
Total comprehensive income for the year		–	252,485	2,444,168	2,696,653	(6,680)	2,689,973
Transactions with owners, record directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	13	4,858,000	–	–	4,858,000	–	4,858,000
Total transactions with owners		4,858,000	–	–	4,858,000	–	4,858,000
At 28 February 2022		16,048,764	(501,220)	2,064,114	17,611,658	363,081	17,974,739

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 28 February 2022

	Note	Group 2022 $	Group 2021 $
Cash flows from operating activities			
Profit/(loss) before tax		2,584,112	(1,428,967)
Adjustments for:			
Depreciation of plant and equipment	4	226,685	1,069,150
Depreciation of right–of–use assets	5	5,222	30,105
Reversal of impairment loss on plant and equipment	19	(1,379,278)	–
Gain on disposal of plant and equipment	19	(32,772)	(33,846)
Interest income	21	(4,879)	(23,926)
Interest expense	21	56	1,163
Reversal of impairment loss on trade receivables	19	(40,966)	(15,334)
Bad debts written off	19	11,976	–
Bad debts recovered	19	(79)	(1,746)
Loss on sale of joint venture	8	36,247	–
Share of loss of joint venture	8	136,093	320,774
		1,542,417	(82,627)
Changes in:			
Inventories		3,004	(2,729)
Trade and other receivables		(116,942)	1,054,035
Trade and other payables		(46,702)	(151,042)
Cash generated from operations		1,381,777	817,637
Income taxes paid		(45,102)	(97,901)
Net cash from operating activities		1,336,675	719,736
Cash flows from investing activities			
Interest received		4,879	23,926
Purchase of plant and equipment		(183,608)	(191,380)
Proceeds from disposal of plant and equipment		71,946	57,188
Proceeds from disposal of assets held for sale		60,648	98,361
Proceeds from sale of joint venture (net of tax)		1,799,916	–
Net cash from/(used in) investing activities		1,753,781	(11,905)
Cash flows from financing activities			
Interest expense paid		(56)	(1,163)
Payment of lease		(5,344)	(32,109)
Proceeds from issue of share capital		4,858,000	–
Net cash from/(used in) financing activities		4,852,600	(33,272)
Net increase in cash and cash equivalents		7,943,056	674,559
Cash and cash equivalents at beginning of the year		5,495,445	4,835,843
Effects of exchange rate fluctuations on cash held		(21,337)	(14,957)
Cash and cash equivalents at end of the year	11	13,417,164	5,495,445

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2022

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 2022.

1. DOMICILE AND ACTIVITIES

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

The principal activities of the Company are those of an investment holding company, supply of ready–mixed concrete and the manufacture and sale of ready–mixed concrete. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The financial statements of the Group as at and for the year ended 28 February 2022 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in Note 2.5 to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the notes below.

2.3 Functional and presentation currency

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

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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 non–financial assets

The Group evaluates whether there are any indicators of impairment for its non–financial assets at each reporting date. If there are indicators of impairment, the Group evaluates the impairment loss to be recognised. An impairment loss is recognised when the recoverable amount of non–financial assets is less than its carrying amount as at the reporting date. The recoverable amount is determined based on the higher of fair value less costs of disposal and value in use calculations prepared on the basis of management's assumptions and estimates.

The Group applied judgement in determining the methodology to be applied to estimate the value in use and fair value less costs of disposal. Forecasts of future cash flows are used as input into the relevant methodologies and such forecasts contains the use of judgement and estimates. In the Group's computation of value in use and fair value less costs of disposal, these forecasts of future cash flows are used.

Adverse developments in market conditions increases the risk of impairment losses on the carrying amount of non–financial assets.

Valuation of investment in subsidiaries and joint venture

The Group determines whether there is impairment on the investments in subsidiaries and joint venture where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Group on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities. Actual events that result in deviations from management's estimation may result in impairment losses on the investments.

Measurement of impairment loss for investment in subsidiaries and joint venture and key assumptions in determining the recoverable amounts are disclosed in Note 6 and Note 8, respectively.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Valuation of trade receivables

Trade receivable balances are subjected to the expected credit losses ("ECL") impairment model. Measurement of ECL allowance for trade receivables and key assumptions in determining the weighted–average loss rates is disclosed in Note 26.

Management measures loss allowances on trade receivables at amounts equal to lifetime ECL using a provision matrix which involved significant management judgement in estimating loss rates. Judgement is exercised to determine the appropriate forward–looking factors to be used as an input into the ECL model.

Management's assessment of individually significant credit–impaired balances are based on currently available information and the actual recovery of these balances may defer from the estimates and judgements exercised.

Useful lives and residual values of plant and equipment

The cost of plant and equipment less residual value is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 10 years. The estimated useful lives applied by management are within the industry range. Management has used market quotes to estimate the residual value of plant and equipment. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; and therefore future depreciation charges could be revised.

Measurement of fair values

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2022

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 March 2021:

- *COVID–19–Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1–39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 28 February 2021, there is no impact on opening equity balances as a result of retrospective application.

Specific policies applicable from 1 March 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in SFRS(I) Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non–controlling interest (“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 date of acquisition 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, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non–controlling interests and the other components of equity. Any resulting gain or loss arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Investment in equity–accounted investees

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

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

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

Transactions eliminated on consolidation

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

Subsidiaries and joint venture in the separate financial statements

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

Foreign currency transactions

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

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

Foreign operations

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and liabilities

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

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

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

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

Financial assets at amortised costs

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

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

Financial assets at FVTPL

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the respective financial assets is evaluated and reported to the Group's Management;

- the risks that affect the performance of the business model and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of disposals of investments in prior periods, the reasons for such disposals and its expectations about future activity.

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

Financial assets that are held–for–trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non–derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Non–derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non–recourse features).

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

Non–derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised costs

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

Financial assets at FVTPL

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Non–derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held–for–trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Cash and cash equivalents

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1–12.

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.

If significant 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.

Any gain or loss on disposal of an item of plant and equipment 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Plant and equipment (cont'd)

Depreciation (cont'd)

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.

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 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand–alone prices.

The Group recognises a right–of–use asset and a lease liability at the lease commencement date. The right–of–use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right–of–use asset is subsequently depreciated using the straight–line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right–of–use asset reflects that the Group will exercise a purchase option. In that case the right–of–use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of plant and equipment. In addition, the right–of–use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

As a lessee (cont'd)

The right–of–use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right–of–use assets that meet the definition of investment property are carried at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in–substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in–substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right–of–use asset, or is recorded in profit or loss if the carrying amount of the right–of–use asset has been reduced to zero.

From 1 March 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform (see note 2.5), the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

As a lessee (cont'd)

Short–term leases and leases of low–value assets

Where applicable, the Group elects not to recognise right–of–use assets and lease liabilities for leases of low–value assets and short–term leases. The Group recognises the lease payments associated with these leases as an expense on a straight–line basis over the lease term. The election for short–term leases shall be made by classes of assets to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in an entity's operations. The election for leases for which the underlying asset is of low value is made on a lease–by–lease basis.

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 allocation method 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

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

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

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

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

General approach

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

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

Measurement of ECLs

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Credit–impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write–off

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non–financial assets

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

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

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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

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

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post–employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short–term employee 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Revenue recognition

Sale of goods and rendering of services

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Dividend income

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

3.11 Finance income and finance costs

The Group's finance income and finance costs include:

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

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

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

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

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

3.12 Deferred income

Deferred income comprises government grants related to assets and expenses incurred.

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax (cont'd)

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

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

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 and the Board of Directors (collectively, the Chief Operating Decision Maker "CODM") 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 CODM 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Assets held for sale and discontinued operations

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

Plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of joint venture ceases once classified as held for sale.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 March 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- *Covid–19–Related Rent Concessions beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, plant and equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1–16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 37)
- *Classification of Liabilities as Current or Non–current* (Amendments to SFRS(I) 1–1)
- *Annual Improvements to SFRS(I)s 2018–2020*
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1–1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1–8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1–12)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2022

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 2020	1,776,277	54,149	1,459,181	177,862	212,316	30,843,402	59,563	34,582,750
Additions	94,700	4,800	82,441	9,439	–	–	–	191,380
Disposals	(131,391)	(4,200)	(56,120)	(9,305)	–	(235,449)	–	(436,465)
Foreign exchange translation adjustments	–	–	(453)	(7)	–	(4,281)	–	(4,741)
At 28 February 2021	1,739,586	54,749	1,485,049	177,989	212,316	30,603,672	59,563	34,332,924
At 1 March 2021	1,739,586	54,749	1,485,049	177,989	212,316	30,603,672	59,563	34,332,924
Additions	2,270	–	177,498	3,840	–	–	–	183,608
Disposals	(2,250)	–	–	(7,959)	–	(327,510)	–	(337,719)
Foreign exchange translation adjustments	–	–	–	–	–	(1,161)	–	(1,161)
At 28 February 2022	1,739,606	54,749	1,662,547	173,870	212,316	30,275,001	59,563	34,177,652
Accumulated depreciation and impairment losses								
At 1 March 2020	1,438,728	26,744	1,215,355	177,702	188,038	28,737,513	59,563	31,843,643
Depreciation charge for the year	101,385	790	56,638	3,328	14,331	892,678	–	1,069,150
Disposals	(118,502)	(2,520)	(47,235)	(9,305)	–	(235,561)	–	(413,123)
Foreign exchange translation adjustments	–	–	(270)	(7)	–	(4,017)	–	(4,294)
At 28 February 2021	1,421,611	25,014	1,224,488	171,718	202,369	29,390,613	59,563	32,495,376
At 1 March 2021	1,421,611	25,014	1,224,488	171,718	202,369	29,390,613	59,563	32,495,376
Depreciation charge for the year	99,229	1,302	78,841	10,494	4,776	32,043	–	226,685
Disposals	(2,250)	–	–	(8,342)	–	(287,953)	–	(298,545)
Reversal of impairment loss	–	(777)	(24,536)	–	(5,330)	(1,348,635)	–	(1,379,278)
Foreign exchange translation adjustments	–	–	–	–	–	(385)	–	(385)
At 28 February 2022	1,518,590	25,539	1,278,793	173,870	201,815	27,785,683	59,563	31,043,853
Carrying amounts								
At 1 March 2020	337,549	27,405	243,826	160	24,278	2,105,889	–	2,739,107
At 28 February 2021	317,975	29,735	260,561	6,271	9,947	1,213,059	–	1,837,548
At 28 February 2022	221,016	29,210	383,754	–	10,501	2,489,318	–	3,133,799

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 2020	16,100	45,918	95,970	144,582	–	5,439,401	59,563	5,801,534
Addition	–	–	–	8,140	–	–	–	8,140
Disposals	–	–	–	(8,184)	–	(193,670)	–	(201,854)
At 28 February 2021	16,100	45,918	95,970	144,538	–	5,245,731	59,563	5,607,820
At 1 March 2021	16,100	45,918	95,970	144,538	–	5,245,731	59,563	5,607,820
Disposals	–	–	–	–	–	(52,000)	–	(52,000)
At 28 February 2022	16,100	45,918	95,970	144,538	–	5,193,731	59,563	5,555,820
Accumulated depreciation and impairment losses								
At 1 March 2020	16,100	45,918	85,991	144,582	–	4,974,024	59,563	5,326,178
Depreciation charge for the year	–	–	4,522	2,034	–	208,590	–	215,146
Disposals	–	–	–	(8,184)	–	(193,670)	–	(201,854)
At 28 February 2021	16,100	45,918	90,513	138,432	–	4,988,944	59,563	5,339,470
At 1 March 2021	16,100	45,918	90,513	138,432	–	4,988,944	59,563	5,339,470
Depreciation charge for the year	–	–	5,457	6,106	–	424	–	11,987
Disposals	–	–	–	–	–	(45,913)	–	(45,913)
Reversal of impairment loss	–	–	–	–	–	(257,794)	–	(257,794)
At 28 February 2022	16,100	45,918	95,970	144,538	–	4,685,661	59,563	5,047,750
Carrying amounts								
At 1 March 2020	–	–	9,979	–	–	465,377	–	475,356
At 28 February 2021	–	–	5,457	6,106	–	256,787	–	268,350
At 28 February 2022	–	–	–	–	–	508,070	–	508,070

4. PLANT AND EQUIPMENT (CONT'D)

Impairment assessment

Continuing operation

Concrete pumping services segment ("CPS Segment")

2022

The Group has assessed the recoverable amount of the concrete pump equipment based on the present value of the future cash flows expected to be derived from the concrete pumping services segment over the average remaining useful life (i.e. value in use). The cash flow projections are based on the forecasts prepared by management which considered current operating results and latest available industry information.

The key assumptions applied in the computation of VIU include:

Key assumptions	2022	2021
Revenue*	$6.5m – $6.7m	$6.2m – $6.6m
Gross profit margin (without depreciation)*	28%	25%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)*	$1.1m – $1.3m	$0.3m – $0.4m
Realisable value	8.5% of the cost of the concrete pump equipment	10% of the cost of the concrete pump equipment
Discount rate	8.7%	9.0%

* Based on the average remaining useful life of the concrete pump equipment.

Based on the impairment assessment performed, the recoverable amount was determined to be in excess of the carrying amount of the segment's plant and equipment, and reversal of impairment loss of $1,379,278 and $257,794 are recognised by the Group and the Company respectively for the financial year ended 28 February 2022.

2021

In 2021, for the assessment of future cash flows, the Group factored into their estimates lower revenue growth rates due to the uncertain market conditions and intense competition experienced in construction industry resulting from the COVID-19 pandemic.

Based on the impairment assessment performed, the recoverable amount was determined to be in excess of the carrying amount of the non-financial assets, and no impairment loss was recognised for the financial year ended 28 February 2021. However, any adverse fluctuations on key assumptions may lead to additional impairment losses in future periods.

Given the heightened uncertainty over the length and severity of the COVID-19 pandemic in Singapore in which the Group operates and the measures being adopted by the governments to address any outbreak, estimates may be subjected to downside risks which may be more significant than under normal market conditions. As such, the recoverable amount of the non-financial assets may be significantly lower if the evolving conditions relating to COVID-19 adversely affects the Group's financial performance.

5. RIGHT–OF–USE ASSETS

The Group leases staff accommodations and workshop. The leases typically run for a period of 1 to 2 years, with an option to renew the lease after that date. Lease payments are renegotiated to reflect market rentals.

Group	Staff accommodations	Workshop	Total
	$	$	$
Cost			
At 1 March 2020	33,258	10,901	44,159
Additions	20,887	–	20,887
Foreign exchange translation adjustments	(122)	(107)	(229)
Balance at 28 February 2021	54,023	10,794	64,817
Remeasurement of lease liabilities (Note 16)	(54,023)	–	(54,023)
Foreign exchange translation adjustments	–	(117)	(117)
Balance at 28 February 2022	–	10,677	10,677
Accumulated depreciation and impairment losses			
At 1 March 2020	18,769	3,617	22,386
Depreciation charge for the year	22,892	7,213	30,105
Foreign exchange translation adjustments	(10)	(36)	(46)
Balance at 28 February 2021	41,651	10,794	52,445
Depreciation charge for the year	5,222	–	5,222
Remeasurement of lease liabilities (Note 16)	(46,873)	–	(46,873)
Foreign exchange translation adjustments	–	(117)	(117)
Balance at 28 February 2022	–	10,677	10,677
Carrying amounts			
At 1 March 2020	14,489	7,284	21,773
At 28 February 2021	12,372	–	12,372
At 28 February 2022	–	–	–

6. INVESTMENT IN SUBSIDIARIES

	Company 2022 $	Company 2021 $
Investment in subsidiaries, at cost	13,395,880	13,395,880
Impairment losses	(3,251,986)	(8,217,820)
	10,143,894	5,178,060

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/Principal place of business	Effective equity interest held by the Group 2022 %	Effective equity interest held by the Group 2021 %
TMC Pumping System Pte. Ltd.	Supply of concrete pumping services	Singapore	100	100
TMC (Beijing) Materials Co Ltd.	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 & CCTV sewer inspection services	Singapore	100	100
Transit–Mixed Concrete (M) Sdn. Bhd. and its subsidiaries [2]	Supply of concrete pumping services	Malaysia	100	100
Held under Transit–Mixed Concrete (M) Sdn. Bhd.				
Crescent Concrete Sdn. Bhd. [2]	Dormant	Malaysia	66.5	66.5
Pinespeed Sdn. Bhd. and its subsidiaries	Dormant	Malaysia	100	100
Pesiaran Makmur Sdn. Bhd.	Dormant	Malaysia	100	100
Prestige Portfolio Sdn. Bhd.	Dormant	Malaysia	100	100

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

1 Audited by KPMG LLP Singapore.
2 Audited by a member firm of KPMG International.

KPMG LLP is the auditor of all significant Singapore–incorporated subsidiaries. Another member firm of KPMG International is the auditor of a significant foreign–incorporated subsidiary. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre–tax profits account for 20% or more of the Group's consolidated pre–tax profits.

Impairment assessment

2022

The Company assessed the recoverable amount of its cost of investment in subsidiaries operating in the concrete pumping services segment. This is primarily attributable to the profits made by the concrete pumping services segment during the year.

The Company estimated recoverable amount of its subsidiaries based on present value of future cash flows expected to be derived from the subsidiaries operating in the concrete pumping services segment (i.e. value in use). The cash flow projections are based on the forecasts prepared by management which considered current operating results and latest available industry information.

The key assumptions applied in the computation of value in use ("VIU") include:

Key assumptions	
Revenue	$6.5m – $6.7m
Gross profit margin (without depreciation)	28%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	$1.1m – $1.3m
Terminal growth rate	0%
Discount rate	8.7%

Based on the impairment assessment performed, the recoverable amount was determined to be in excess of the carrying amount of the investment in subsidiaries, and impairment loss recognised in prior years amounting $4,965,834 has been reversed for the financial year ended 28 February 2022.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment assessment (cont'd)

2021

In 2021, the Company reviewed its cost of investment in subsidiaries operating in the concrete pumping services segment to have indicators of impairment. The indicators of impairment are primarily attributable to the continued losses incurred by the concrete pumping services segment.

FVLCD of the investment in subsidiaries were determined based on management estimate of the recoverable values of the subsidiaries' underlying assets and liabilities, which comprise mainly plant and equipment, inventories, monetary assets and monetary liabilities. The recoverable values of the subsidiaries' plant and equipment, monetary receivables and monetary liabilities were based on the assessment disclosed in Note 4 (plant and equipment), Note 9 (inventories), and Note 26 (market risk), respectively.

Based on the impairment assessment performed, no impairment loss was recognised for the financial year ended 28 February 2021.

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

7. NON–CONTROLLING INTERESTS

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non–controlling interests	
			2022	2021
			%	%
Crescent Concrete Sdn. Bhd.	Dormant	Malaysia	33.5	33.5

7. NON–CONTROLLING INTERESTS (CONT'D)

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

	Crescent Concrete Sdn. Bhd $ 33.5%
2022	
Revenue	–
Loss for the year	(5,151)
Other comprehensive income	–
Total comprehensive income	(5,151)
Attributable to non–controlling interests:	
– Loss for the year	(1,726)
– Other comprehensive income	(4,954)
Total comprehensive income	(6,680)
Current assets	1,087,094
Current liabilities	(3,270)
Net assets	1,083,824
Net assets attributable to non–controlling interests	363,081
Cash flows used in operating activities	(6,757)
Cash flows from investing activities	60,648
Cash flows used in financing activities	–
Net increase in cash and cash equivalents	53,891

7. NON–CONTROLLING INTERESTS (CONT'D)

	Crescent Concrete Sdn. Bhd $ 33.5%
2021	
Revenue	–
Loss for the year	(9,252)
Other comprehensive income	–
Total comprehensive income	(9,252)
Attributable to non–controlling interests:	
– Loss for the year	(3,100)
– Other comprehensive income	(3,530)
Total comprehensive income	(6,630)
Current assets	1,107,081
Current liabilities	(3,317)
Net assets	1,103,764
Net assets attributable to non–controlling interests	369,761
Cash flows used in operating activities	(7,365)
Cash flows from investing activities	98,361
Cash flows used in financing activities	–
Net increase in cash and cash equivalents	90,996

8. EQUITY ACCOUNTED INVESTEE

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Investment in joint venture	–	1,702,789	–	1,886,704

8. EQUITY ACCOUNTED INVESTEE (CONT'D)

Name	Principal activities	Country of incorporation/Principal place of business	Ownership interest	
			2022	2021
			%	%
PT ATMC Pump Services ("PT ATMC")	Provision of concrete pumping services	Indonesia	–	45

The following table summarises the financial information of PT ATMC:

	2022*	2021
	$	$
Revenue	836,449	2,276,169
Loss for the year [a]	(302,430)	(712,831)
Other comprehensive income	–	(230,129)
Total comprehensive income	(302,430)	(942,960)
[a] Includes income tax income/(expense)	130,654	(75,553)
Non–current assets	4,199,813	4,229,974
Current assets [b]	2,937,757	2,994,455
Non–current liabilities [c]	(109,533)	(399,715)
Current liabilities [d]	(2,801,589)	(2,295,817)
Net assets	4,226,448	4,528,897
[b] Includes cash and cash equivalents	285,421	352,821
[c] Includes non–current financial liabilities (excluding trade and other payables and provisions)	(109,533)	(243,237)
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(2,481,121)	(293,440)
Group's interest in net assets of investee at beginning of the year	1,702,789	2,127,121
Share of loss for the year	(136,093)	(320,774)
Share of other comprehensive income	–	(103,558)
Carrying amount of joint venture	(1,566,696)	–
Carrying amount of interest in investee at end of the year	–	1,702,789

* Financial information is based on PT ATMC's unaudited financial statements for the period ended 31 July 2021.

8. EQUITY ACCOUNTED INVESTEE (CONT'D)

The Company had on 7 June 2021 entered into a sale and purchase agreement in accordance to the provisions of the existing shareholders agreement with PT Acset Indonusa, Tbk ("PT ACSET") to sell the Company's entire interest in the issued and paid–up capital of PT ATMC to PT ACSET for a cash consideration of $1,894,648.

The disposal was completed on 16 August 2021. The actual cash consideration received by the Company was $1,799,916 after excluding the withholding tax payable by PT ACSET to the Indonesian tax authority.

In 2021, the joint venture was audited by another certified public accountant and was 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.

Impairment assessment

In 2021, the Group has assessed the recoverable amount of the investment in joint venture based on the present value of the future cash flows expected to be derived from the joint venture (i.e. value in use). The cash flow projections are based on the forecasts prepared by management which considered current operating results and latest available industry information.

The key assumptions applied in the computation of VIU include:

Key assumptions	2021
Revenue	$2.0m – $3.1m
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	$0.4m – $1.0m
EBITDA margin	20% – 35%
Terminal growth rate	3%
Discount rate	13%

In the assessment of future cash flows, the Group factored into their estimates the lower revenue growth rates due to the uncertain market conditions and intense competition experienced in construction industry resulting from COVID–19 pandemic.

Based on the assessment performed, the Group assessed that the value in use is lower than the carrying amount of the investment. On that basis, the Group performed additional analysis to estimate the FVLCD of the investment.

8. EQUITY ACCOUNTED INVESTEE (CONT'D)

The FVLCD was categorised as Level 3 fair values based on the inputs to the valuation technique used. The table below shows the valuation techniques and assumptions used in measuring Level 3 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter–relationship between key unobservable inputs
FVLCD of the investment in joint venture	*Market approach* The fair value is estimated using the market enterprise value/revenue multiple applied to joint venture's estimated revenue.	• Estimated revenue • Enterprise value/ revenue market multiple	• The estimated fair value would increase/(decrease) by approximately 6% if estimated revenue increased/(decreased) by 5%. • The estimated fair value would increase/(decrease) by approximately 11% if the enterprise value/revenue market multiple is higher/(lower) by a factor of 0.1 time.

Given that VIU was higher than the FVLCD, the recoverable amount was determined using VIU. The carrying amount of the investment in joint venture was higher than VIU and accordingly, impairment loss was recognised as follow:

	Group 2021 $	Company 2021 $
Impairment loss recognised	–	248,803

9. INVENTORIES

	2022 $	2021 $
Spare parts and accessories	632,362	635,366

During the year, inventories recognised as cost of sales amounted to $839,748 (2021: $544,137).

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Trade receivables	2,123,033	2,060,744	13,813	17,309
Deposits	78,780	87,539	23,981	31,728
Other receivables	74,360	238,815	10,600	24,279
Amounts due from joint venture				
– trade	81,807	81,807	–	–
Amounts due from subsidiaries				
– non–trade	–	–	126,337	117,076
Impairment loss for trade receivables	(115,111)	(344,054)	–	–
Loans and receivables	2,242,869	2,124,851	174,731	190,392
Prepayments	142,462	175,117	2,250	19,050
	2,385,331	2,299,968	176,981	209,442
Non–current	27,942	–	1,379	–
Current	2,357,389	2,299,968	175,602	209,442
	2,385,331	2,299,968	176,981	209,442

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

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For the financial year ended 28 February 2022

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Cash at bank, trust account and in hand	9,975,014	2,058,174	7,734,056	298,550
Fixed deposits	3,442,150	3,437,271	3,086,013	3,081,624
Cash and cash equivalents in the statement of cash flows	13,417,164	5,495,445	10,820,069	3,380,174

The weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company is 0.15% (2021: 0.5%). The maturity term of the fixed deposits is less than 3 months (2021: 3 months) at the reporting date.

The Company maintains bank overdraft facilities amounting to $1,500,000 (2021: $1,500,000). The bank overdraft is secured by a debenture incorporating fixed and floating charges over all present and future assets of the Company. The Company did not utilise the bank overdrafts facilities as at 28 February 2022 and 28 February 2021.

12. ASSETS HELD FOR SALE

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

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

The Group measured these plant and equipment based on the lower of their carrying amount and fair value less costs of disposal. The Group estimates the fair value less costs of disposal for these plant and equipment based on secured binding offers for these plant and equipment at the disposal value approximating the carrying amount of the plant and equipment.

At 28 February 2021, the Group had fully disposed off the assets held for sale.

12. ASSETS HELD FOR SALE (CONT'D)

Results of discontinued operations

	Group	
	2022	2021
	$	$
Revenue	–	–
Other income	1,071	–
Expenses	(6,222)	(12,983)
Loss from operating activities	(5,151)	(12,983)
Tax credit	–	–
Loss from discontinued operations, net of tax	(5,151)	(12,983)
Cash flows from discontinued operations		
Net cash used in operating activities	(6,757)	(7,365)
Net cash from investing activities	60,648	98,361
Net cash inflow for the year	53,891	90,996

13. SHARE CAPITAL

	2022		2021	
	No. of shares	$	No. of shares	$
Company				
At beginning of the financial year	69,590,800	11,190,764	69,590,800	11,190,764
Issue of ordinary shares by share placement	34,700,000	4,858,000	–	–
At end of the financial year	104,290,800	16,048,764	69,590,800	11,190,764

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

13. SHARE CAPITAL (CONT'D)

Capital management

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

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

	Group	
	2022 $	2021 $
Lease liabilities	–	12,671
Net debt	–	12,671
Total equity attributable to owners of the Company	17,611,658	10,057,005
Net debt to equity ratio at the end of financial year	Nil	0.13%

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.

14. RESERVES

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Foreign currency translation reserve	(501,220)	(753,705)	–	–
Retained earnings	2,064,114	(380,054)	767,359	(4,987,401)
	1,562,894	(1,133,759)	767,359	(4,987,401)

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

15. DEFERRED TAX LIABILITIES (NET)

Deferred tax assets and liabilities are attributable to the following:

	2022 $	2021 $
Group		
Plant and equipment	(275,900)	(82,000)
Unabsorbed capital allowances and unutilised tax losses	109,013	–
Net deferred tax liabilities	(166,887)	(82,000)

Movements in deferred tax balances during the year:

	Balance as at 1 March 2020 $	Recognised in profit or loss (Note 22) $	Balance as at 28 February 2021 $	Recognised in profit or loss (Note 22) $	Balance as at 28 February 2022 $
Group					
Plant and equipment	(281,027)	199,027	(82,000)	(193,900)	(275,900)
Unabsorbed capital allowances and unutilised tax losses	82,698	(82,698)	–	109,013	109,013
	(198,329)	116,329	(82,000)	(84,887)	(166,887)

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

15. DEFERRED TAX LIABILITIES (NET) (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the temporary differences can be utilised.

	2022 $	2021 $
Group		
Deductible temporary differences	39,159	88,525
Unutilised capital allowances	7,630,075	7,605,904
Unutilised tax losses	169,256	1,191,540
	7,838,490	8,885,969
Company		
Unutilised capital allowances	3,737,329	4,262,198

Tax losses carried forward

Tax losses of $169,256 (2021: $171,475) pertaining to the Group's Malaysia subsidiary, Crescent Concrete Sdn. Bhd., will expire in year 2029. Pursuant to the Malaysia Finance Act 2021, unutilised tax losses for the year of assessment 2019 onwards can be carried forward up to 10 consecutive years of assessment immediately following that year of assessment. In prior year, unutilised tax losses could only be carried forward up to 7 consecutive years of assessment. The remaining tax losses, deductible temporary differences and unabsorbed capital allowances do not expire under current tax legislation.

On 19 February 2021, there was a substantial change in the Company's shareholders and their shareholdings. Pursuant to the Singapore Income Tax Act, unutilised tax losses and capital allowances can be carried forward indefinitely, subject to satisfaction of a shareholding test. If shareholding test is not satisfied, additional tax expense may be incurred. This has not been recognised in the financial statements because the Company believes that substantial change in shareholders is not for the purpose of deriving any tax benefit or obtaining any tax advantage and that the Company believes that it is probable that a waiver of the shareholding test will be granted by the tax authority.

16. LEASE LIABILITIES

The Group leases staff accommodations and workshop. The leases typically run for a period of 1 to 2 years with an option to renew the lease after that date. Lease payments are renegotiated at the end of initial lease term to reflect market rentals.

The Group leases office, equipment and office space with contract terms of 1 year or less. These leases are short–term leases. The Group has elected not to recognise right of use assets and lease liabilities for these leases. The Group's lease arrangements do not contain renewal options.

Lease liabilities of the Group are payable as follows:

	Group	
	2022	2021
	$	$
Lease liabilities		
Current	–	9,468
Non–current	–	3,203
	–	12,671

Terms and debt repayment schedule

			2022		2021	
	Currency	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
			$	$	$	$
Lease liabilities	SGD	2021 – 2022	–	–	5,400	5,344
Lease liabilities	Malaysia Ringgit	2020 – 2022	–	–	7,574	7,327
			–	–	12,974	12,671

The total cash outflow for leases recognised in the statement of cash flows is $5,400 (2021: $33,272), including interest expense of $56 (2021: $1,163).

Amounts recognised in profit or loss

	Group	
	2022	2021
	$	$
Interest on lease liabilities	56	1,163
Expenses relating to short–term leases	67,312	62,005

16. LEASE LIABILITIES (CONT'D)

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

	Lease liabilities $
Balance as at 1 March 2020	24,078
Changes from financing cash flows	
Payment of lease liabilities	(32,109)
Interest paid	(1,163)
Total changes from financing cash flows	(33,272)
Other changes	
Liability–related	
New lease liabilities in the year	20,887
Interest expense	1,163
Foreign exchange translation adjustments	(185)
Total liability–related changes	21,865
Balance as at 28 February 2021	12,671
Balance as at 1 March 2021	12,671
Changes from financing cash flows	
Payment of lease liabilities	(5,344)
Interest paid	(56)
Total changes from financing cash flows	(5,400)
Other changes	
Liability–related	
Interest expense	56
Remeasurement of lease liabilities*	(7,150)
Foreign exchange translation adjustments	(177)
Total liability–related changes	(7,271)
Balance as at 28 February 2022	–

* Staff accommodation lease includes two years of contractual lease period ending in November 2021 with one year extension option available at the end of two years lease period. Upon lease expiry in November 2021, the Group did not exercise option to renew the lease. As a result, lease liability was re–measured based on the revised lease period and change in carrying amount of lease liability was adjusted against right–of–use asset.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Trade payables	493,248	548,634	21,444	24,320
Accruals	890,107	755,907	742,563	647,930
Deferred grant income	–	125,516	–	68,302
Amounts due to subsidiaries				
– non–trade	–	–	4,068,884	3,978,815
	1,383,355	1,430,057	4,832,891	4,719,367

The non–trade amounts due to subsidiaries are unsecured, interest–free and repayable on demand.

The deferred grant income related to the Job Support Scheme ("JSS") grants received and were recognised on a systematic basis over the periods to match the related costs.

18. REVENUE

	Group	
	2022 $	2021 $
Continuing operations		
Sale of goods	138,744	111,042
Rendering of services	8,098,233	4,899,926
	8,236,977	5,010,968

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

Concrete pumping services segment

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

18. REVENUE (CONT'D)

Waste management services segment

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

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, products and service lines and timings of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (See Note 27).

	Reportable Segment					
	Concrete pumping segment		Waste management segment		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Primary geographical markets						
Singapore	6,144,308	3,135,549	1,705,575	1,505,139	7,849,883	4,640,688
Malaysia	387,094	370,280	–	–	387,094	370,280
Total	6,531,402	3,505,829	1,705,575	1,505,139	8,236,977	5,010,968
Major product/service lines						
Sale of parts	138,744	111,042	–	–	138,744	111,042
Concrete pumping services	6,392,658	3,394,787	–	–	6,392,658	3,394,787
Waste management services	–	–	1,705,575	1,505,139	1,705,575	1,505,139
Total	6,531,402	3,505,829	1,705,575	1,505,139	8,236,977	5,010,968
Timing of revenue recognition						
At a point in time	6,531,402	3,505,829	1,705,575	1,505,139	8,236,977	5,010,968

18. REVENUE (CONT'D)

Contract balances

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

	2022 $	2021 $
Trade receivables (net of allowance for impairment loss of trade receivables)	2,089,729	1,798,497

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

19. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2022 $	2021 $
Audit fee paid to		
– auditor of the Company	100,000	92,000
– other auditors	15,116	14,300
Non–audit fee paid to		
– other auditors	13,854	13,903
Wages and salaries expenses	2,538,690	2,433,869
Contributions to defined contribution plans	137,404	136,177
Bad debts written off	11,976	–
Bad debts recovered		
– continuing operations	(79)	(1,746)
Reversal of impairment loss on trade receivables		
– continuing operations	(40,966)	(15,334)
Depreciation expense of plant and equipment	226,685	1,069,150
Depreciation expense of right–of–use assets	5,222	30,105
Reversal of impairment loss on plant and equipment	(1,379,278)	–
Gain on disposal of plant and equipment (net)	(32,772)	(33,846)

20. OTHER INCOME

	Group	
	2022	2021
	$	$
Government grants	181,503	292,213
Other miscellaneous income	51,293	48,039
	232,796	340,252

21. NET FINANCE INCOME

		Group	
	Note	2022	2021
		$	$
Interest income under the effective method on:			
– Fixed deposits		4,879	23,926
– Net foreign exchange gain		5,410	966
Finance income		10,289	24,892
Finance cost:			
– Interest on lease liabilities	16	(56)	(1,163)
Net finance income recognised in profit or loss		10,233	23,729

22. TAX EXPENSE/(CREDIT)

	Group	
	2022	2021
	$	$
Current tax expense		
– Current year	86,097	26,285
– Changes in estimates related in prior years	(29,314)	(12,000)
	56,783	14,285
Deferred tax		
– Movements in temporary differences	84,887	(116,329)
Total tax expense/(credit)	141,670	(102,044)

22. TAX EXPENSE/(CREDIT) (CONT'D)

Reconciliation of effective tax rate

	Group	
	2022	**2021**
	$	**$**
Profit/(Loss) before tax from continuing and discontinued operations	2,584,112	(1,428,967)
Tax using the Singapore tax rate of 17% (2021: 17%)	439,299	(242,924)
Effect of different tax rates in foreign jurisdictions	(1,327)	(9,691)
Tax effects of:		
– Expenses not deductible for tax purposes	41,522	61,847
– Income not subject to tax	(113,014)	(44,121)
– Tax incentive	(17,425)	(22,184)
– Deferred tax assets not recognised	–	194,561
– Utilisation of previously unrecognised deferred tax assets	(178,071)	(27,532)
– Changes in estimates related in prior years	(29,314)	(12,000)
	141,670	(102,044)

23. PROFIT/(LOSS) PER SHARE

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

	Group	
	2022	**2021**
Continuing operations		
Profit/(Loss) for the year attributable to owners of the Company ($)	2,447,593	(1,313,940)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 March	69,590,800	69,590,800
Effect of share issued in July 2021	20,629,863	–
Weighted average number of ordinary shares during the year	90,220,663	69,590,800
Discontinued operations		
Loss for the year attributable to owners of the Company ($)	(3,425)	(9,883)
Weighted average number of ordinary shares	90,220,663	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.

24. COMMITMENTS

Future minimum lease payments under short–term and low–value asset leases are as follows:

	Group $	Company $
2022		
Less than one year	279,750	166,500
2021		
Less than one year	182,050	66,010

25. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	Group	
	2022 $	2021 $
Key management compensation		
– Salaries, other short–term benefits	614,681	492,992
– Contributions to defined contribution plan	44,755	36,900
– Directors' fees	88,263	102,000
	747,699	631,892

Other related party transactions

Other than those transactions disclosed elsewhere in the financial statements, the following were transactions with related parties, based on terms agreed between the parties:

	Company	
	2022 $	2021 $
Subsidiaries		
– Management fee income	744,000	744,000
– Equipment rental income	588,000	198,000
– Office rental income	66,010	61,880

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

Credit risk

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

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

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

	Group	
	2022	2021
	$	$
Reversal of impairment loss on trade receivables	(40,966)	(15,334)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2022

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

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.

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

A summary of the Group's exposures to credit risk are as follows:

	2022		2021	
	Not credit-impaired $	Credit-impaired $	Not credit-impaired $	Credit-impaired $
Group				
Customers within:				
• two or more years' trading history with the Group	1,975,470	88,807	1,756,268	269,785
• Less than two years' trading history with the Group	140,563	–	116,498	–
Total gross carrying amount	2,116,033	88,807	1,872,766	269,785
Loss allowance	(26,304)	(88,807)	(74,269)	(269,785)
	2,089,729	–	1,798,497	–
Company				
Customers within:				
• two or more years' trading history with the Company	13,813	–	17,309	–
Total gross carrying amount	13,813	–	17,309	–
Loss allowance	–	–	–	–
	13,813	–	17,309	–

Expected credit loss assessment for trade receivables

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

The Group uses an allowance matrix to measure the ECLs for the remaining of trade receivables which comprises a large customer base with small balances and which are not credit impaired. The loss rates applied to the allowance matrix are calculated based on historical credit loss experience in the past 3 years. In the current year, the Group assessed and estimated forward–looking overlay adjustments reflecting expected default rates which take into consideration current market conditions. The forward looking overlay aims to reflect the differences in economic conditions during the period over which the historical credit loss data has been compiled, current conditions and the Group's expectations of the economic conditions that might affect recoverability of the Group's trade receivables.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

Expected credit loss assessment for trade receivables (cont'd)

The following table provides information about the exposure to Group's credit risk and ECLs for trade receivables:

Group	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $
2022			
Credit impaired receivables	100	88,807	(88,807)
Remaining receivables:			
Not past due	0.99	1,369,700	(13,537)
Past due 1 – 30 days	1.01	421,993	(4,268)
Past due 31 – 120 days	0.99	159,600	(1,580)
More than 120 days	4.20	164,740	(6,919)
		2,204,840	(115,111)
2021			
Credit impaired receivables	100	269,785	(269,785)
Remaining receivables:			
Not past due	1.55	1,006,302	(15,557)
Past due 1 – 30 days	1.65	537,675	(8,855)
Past due 31 – 120 days	7.84	263,440	(20,659)
More than 120 days	44.68	65,349	(29,198)
		2,142,551	(344,054)
Company			
2022			
Not past due	0.00	4,986	–
Past due 1 – 30 days	0.00	4,890	–
Past due 31 – 120 days	0.00	664	–
More than 120 days	0.00	3,273	–
		13,813	–
2021			
Not past due	0.00	7,467	–
Past due 1 – 30 days	0.00	4,933	–
Past due 31 – 120 days	0.00	2,867	–
More than 120 days	0.00	2,042	–
		17,309	–

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables

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

	Group Lifetime ECL	
	2022	2021
	$	$
At 1 March	344,054	359,388
Impairment loss recognised	7,000	–
Reversal of impairment loss due to debt recovery	(47,966)	(15,334)
Utilisation of impairment loss	(187,977)	–
At 28 February	115,111	344,054

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $13,417,164 and $10,820,069, respectively, at 28 February 2022 (2021: $$5,495,445 and $3,380,174, respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AAA to Baa1 (2021: AAA to A3) based on Moody's ratings.

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

Non–trade amounts due from subsidiaries

The Company held receivables from its subsidiaries of $126,337 (2021: $117,076). These balances are amounts extended to subsidiaries to satisfy short term funding requirements. Impairment on these balances has been measured on the 12–month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Deposits and other receivables

Impairment on these balances have been measured on the 12–month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Liquidity risk

The Group and Company monitor liquidity risk and maintain a level of cash and cash equivalents as deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows under both normal and stressed conditions. As at 28 February 2022, the Group's current assets exceeds its current liabilities by $14,979,885 (2021: $6,959,260).

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The Group is significantly exposed to the construction sector in Singapore and Malaysia. Its operation and financial performance are driven by the sufficiency of construction activities and projects. As such, liquidity requirements and cash flow positions are subject to fluctuations and market exposures.

As at the date of issuance of these financial statements, the directors believe that the Group continues to have access to adequate financial resources to meet its obligations in the next 12 months from the date of these financial statements.

The Group also has available undrawn credit facilities of $1,500,000 which they can utilise in the event of unforeseen circumstances.

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						
2022						
Trade and other payables	17	1,383,355	1,383,355	1,383,355	–	–
2021						
Trade and other payables#	17	1,304,541	1,304,541	1,304,541	–	–
Lease liabilities	16	12,671	12,974	7,564	2,164	3,246
		1,317,212	1,317,515	1,312,105	2,164	3,246
Company						
2022						
Trade and other payables	17	4,832,891	4,832,891	4,832,891	–	–
2021						
Trade and other payables#	17	4,651,065	4,651,065	4,651,065	–	–

Exclude deferred grant income

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.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

Determination of fair values

Financial assets and liabilities

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

On the same basis, no fair value hierarchy information is disclosed for the Group's and Company's financial assets and financial liabilities.

Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are included in the table below. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount		
	Note	Amortised cost $	Other financial liabilities $	Total $
Group				
2022				
Financial assets not measured at fair value				
Cash and cash equivalents	11	13,417,164	–	13,417,164
Trade and other receivables*	10	2,242,869	–	2,242,869
		15,660,033	–	15,660,033
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(1,383,355)	(1,383,355)
2021				
Financial assets not measured at fair value				
Cash and cash equivalents	11	5,495,445	–	5,495,445
Trade and other receivables*	10	2,124,851	–	2,124,851
		7,620,296	–	7,620,296
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	(1,304,541)	(1,304,541)

26. FINANCIAL RISK MANAGEMENT (CONT'D)

		Carrying amount		
	Note	Amortised cost $	Other financial liabilities $	Total $
Company				
2022				
Financial assets not measured at fair value				
Cash and cash equivalents	11	10,820,069	–	10,820,069
Trade and other receivables*	10	174,731	–	174,731
		10,994,800	–	10,994,800
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(4,832,891)	(4,832,891)
2021				
Financial assets not measured at fair value				
Cash and cash equivalents	11	3,380,174	–	3,380,174
Trade and other receivables*	10	190,392	–	190,392
		3,570,566	–	3,570,566
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	(4,651,065)	(4,651,065)

* Exclude prepayments

\# Exclude deferred grant income

27. SEGMENT REPORTING

Operating segments

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

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

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

27. SEGMENT REPORTING

Information about reportable segments

	Ready–mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
External revenues	–	–	6,531,402	3,505,829	1,705,575	1,505,139	8,236,977	5,010,968
Inter–segment revenue – pump rental	–	–	676,000	198,000	–	–	676,000	198,000
Inter–segment revenue – pump parts	–	–	80,101	56,825	–	–	80,101	56,825
Interest income	–	–	4,879	23,926	–	–	4,879	23,926
Finance expense	–	–	(56)	(1,163)	–	–	(56)	(1,163)
Depreciation of plant and equipment	–	–	(92,445)	(925,217)	(134,240)	(143,933)	(226,685)	(1,069,150)
Depreciation of right–of–use assets	–	–	(5,222)	(30,105)	–	–	(5,222)	(30,105)
Loss on sale of joint venture	–	–	(36,247)	–	–	–	(36,247)	–
Share of loss of joint venture	–	–	(136,093)	(320,774)	–	–	(136,093)	(320,774)
Tax (expense)/credit	–	–	(131,711)	105,113	(9,959)	(3,069)	(141,670)	102,044
Reportable segment profit/(loss) before tax	(5,151)	(12,983)	2,649,649	(1,479,428)	294,184	218,493	2,938,682	(1,273,918)
Other material non–cash items:								
– Reversal of impairment loss on plant and equipment	–	–	1,379,278	–	–	–	1,379,278	–
– Gain on disposal of plant and equipment	–	–	32,772	27,620	–	6,226	32,772	33,846
– Reversal of/(impairment loss) on trade receivables	–	–	47,966	15,334	(7,000)	–	40,966	15,334
– Bad debts written off	–	–	(9,776)	–	(2,200)	–	(11,976)	–
– Bad debts recovered	–	–	79	1,746	–	–	79	1,746
Reportable segment assets	509,525	521,937	17,645,289	9,949,418	1,413,842	1,512,133	19,568,656	11,983,488
Additions of plant and equipment	–	–	181,688	80,482	1,920	110,898	183,608	191,380
Additions of right–of–use assets	–	–	–	20,887	–	–	–	20,887
Reportable segment liabilities	3,270	3,824	1,394,964	1,304,564	195,683	248,334	1,593,917	1,556,722

27. SEGMENT REPORTING (CONT'D)

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

	2022 $	2021 $
Revenue		
Total revenue for reportable segments	8,993,078	5,265,793
Elimination of inter–segment revenue	(756,101)	(254,825)
Revenue from continuing and discontinued operations	8,236,977	5,010,968
Profit or loss		
Total profit/(loss) before tax for reportable segments	2,938,682	(1,273,918)
Unallocated amounts:		
Other corporate expenses	(354,570)	(155,049)
Profit/(Loss) before tax from continuing and discontinued operations	2,584,112	(1,428,967)

Geographical segments

The Ready–Mixed Concrete, Concrete Pumping 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		
	(Continuing) $	(Discontinued) $	Total $	(Continuing) $	(Discontinued) $	Total $
2022						
Singapore	7,849,883		7,849,883	3,122,956	–	3,122,956
Malaysia	387,094	–	387,094	38,785	–	38,785
	8,236,977	–	8,236,977	3,161,741	–	3,161,741
2021						
Singapore	4,640,688	–	4,640,688	1,782,903	–	1,782,903
Malaysia	370,280	–	370,280	67,017	–	67,017
Indonesia	–	–	–	1,702,789	–	1,702,789
	5,010,968	–	5,010,968	3,552,709	–	3,552,709

Major customer

Revenue from one (2021: one) customer of the Group's concrete pumping services segment contributed $347,613 (2021: $320,069) representing 4% (2021: 6%) of the Group's total revenue.

28. SUBSEQUENT EVENTS

The directors have proposed a final dividend of 1 cent (2021: Nil) per share, tax exempt (one tier), totalling $1,042,908 (2021: Nil) in respect of the financial year ended 28 February 2022. This proposed final tax exempt dividend has not been recognised as at year end and will be submitted for shareholders' approval at the forthcoming Annual General Meeting of the Company in June 2022.

ANALYSIS OF SHAREHOLDINGS

As at 17 May 2022

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

SUMMARY OF SHAREHOLDINGS BY SIZE

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of total issued shares
1 to 99	1	0.20	80	0.00
100 to 1,000	268	54.03	257,300	0.25
1,001 to 10,000	152	30.65	822,500	0.79
10,001 to 1,000,000	67	13.51	7,470,600	7.16
1,000,001 and above	8	1.61	95,740,320	91.80
Total	496	100	104,290,800	100

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

22.78% of the shareholdings is held in the hands of the public and Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

As at 17 May 2022

TOP 20 SHAREHOLDERS

No.	Name of shareholders	No. of shares	% of total issued shares
1	CGS-CIMB Securities (Singapore) Pte Ltd	50,555,574	48.48
2	Raffles Nominees (Pte) Limited	11,414,000	10.94
3	Lim Chye Huat @ Bobby Lim Chye Huat	11,000,000	10.55
4	Lee Sai Sing	7,714,446	7.40
5	DBS Nominees Pte Ltd	6,036,200	5.79
6	Lim Ching Tiew	3,520,100	3.37
7	Lim Siang Hwa	3,500,000	3.36
8	Yee Chia Hsing	2,000,000	1.92
9	Kok Shaw Terk (Guo Shaode)	1,000,000	0.96
10	Woodlands Transport Service Pte Ltd	1,000,000	0.96
11	WTS Logistics & Trading Pte Ltd	1,000,000	0.96
12	Cheong Wai Ngan Gillian	724,000	0.69
13	Sim Mong Chuan Mervyn (Shen MaoQuan)	600,000	0.57
14	Hee Geok Lin	577,000	0.55
15	HSBC (Singapore) Nominees Pte Ltd	302,500	0.29
16	Phillip Securities Pte Ltd	176,600	0.17
17	Tan Eng Chua Edwin	176,000	0.17
18	Ong Cho Thye	119,000	0.11
19	Liu Kien Fang	115,000	0.11
20	United Overseas Bank Nominees Pte Ltd	105,200	0.10
	Total	101,635,620	97.45

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	Direct interest		Deemed interest	
	No. of shares	% of total issued shares	No. of shares	% of total issued shares
Lee Sai Sing	58,270,020	55.87	–	–
Chua Keng Woon	11,263,000	10.80	–	–
Lim Chye Huat @ Bobby Lim Chye Huat	11,000,000	10.55	–	–

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

The following information relating to Mr Khoo Ho Tong who is standing for re-election as a director at the 42nd Annual General Meeting of the Company on 29 June 2022, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	**Khoo Ho Tong**
Date of first appointment as a director	17 January 2019
Date of last re-election as a director	26 June 2019
Age	81
Country of principal residence	Singapore
The Board's comments on the re-election	Mr Khoo has wide and deep business experience and with his valuable knowledge, skill and experience, will contribute positively to the Company
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job title	Independent Non-executive Director, Chairman of Nominating Committee and Member of Audit Committee and Remuneration Committee
Professional qualifications	Lifetime member of the Institute of Singapore Chartered Accountants, Life fellow member of CPA Australia
Working experience and occupation(s) during the past 10 years	Practicing public accountant, Partner of PKF Singapore (1980 to 2016)
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments including directorships Past (for the last 5 years) Present	Past Nam Lee Pressed Metal Industries Limited (Independent non-executive director) Present Singapore Institute of Accredited Tax Professionals Ltd (Board member)

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

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

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Company will be convened and held by way of electronic means on Wednesday, 29 June 2022 at 10.00 a.m. to transact the business as set out below.

This Notice has been made available on SGXNET and the Company's website at https://www.tmcltd.com.sg/. A printed copy of this Notice will not be despatched to members.

ORDINARY BUSINESS

1. To receive and adopt the directors' statement and audited financial statements for the year ended 28 February 2022 and the auditors' report thereon. (Resolution 1)

2. To declare a first and final one-tier tax exempt dividend of 1 Singapore cent per share for the year ended 28 February 2022. (Resolution 2)

3. To re-elect Mr Khoo Ho Tong, 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. (Resolution 3)

   Note: Mr Khoo Ho Tong, if re-elected as a director, will remain an independent non-executive director of the Company, the chairman of the nominating committee and a member of the audit committee and remuneration committee. Detailed information on Mr Khoo is set out on pages 108 to 111 of the Annual Report 2022.

SPECIAL BUSINESS

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

4. <u>Appointment of auditors</u>

   "That Moore Stephens LLP be and are hereby appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company, at such remuneration and on such terms to be agreed between the directors of the Company and Moore Stephens LLP."
   (See the Circular for details) (Resolution 4)

5. <u>Approval of directors' fees</u>

   (a) "That directors' fees of S$88,263 for the year ended 28 February 2022 be and are hereby approved." (2021:S$102,000) (Resolution 5(a))

   (b) "That directors' fees of S$87,000 for the year ending 28 February 2023, to be paid quarterly in arrears, be approved." (Resolution 5(b))

6. Authority to allot and issue shares and convertible securities

   "That pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided always that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (Resolution 6)

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

7. Approval for the change of name of the Company from Transit-Mixed Concrete Ltd to Abundante Limited

   "That the name of the Company be changed from "Transit-Mixed Concrete Ltd" to "Abundante Limited" and that the name "Abundante Limited" be substituted for "Transit-Mixed Concrete Ltd" wherever the latter name appears in the Constitution of the Company."
   (See the Circular for details) (Resolution 7)

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
6 June 2022

Statement pursuant to Article 52 of the Company's Constitution

The ordinary resolutions 5(a) and 5(b) proposed in item 5 above are to approve the payments of directors' fees for the year ended 28 February 2022 and the year ending 28 February 2023.

The ordinary resolution 6 proposed in item 6 above is to authorise the directors from the date of the above meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares and convertible securities which the directors may allot and issue under this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed. For issues of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed.

Record date and payment date for dividend

NOTICE IS HEREBY GIVEN that subject to members of the Company approving the proposed payment of a first and final one-tier tax exempt dividend of 1 Singapore cent per share for the year ended 28 February 2022 at the 42nd Annual General Meeting to be held on 29 June 2022, the Register of Members and the Share Transfer Books of the Company will be closed on 23 July 2022 for the purpose of determining members' entitlements to the dividend.

Duly completed registrable 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 22 July 2022 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 22 July 2022 will be entitled to the dividend.

The dividend, if approved by members of the Company, will be paid on 5 August 2022.

Notes

1. This Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement dated 6 June 2022 which has been uploaded together with this Notice of AGM on SGXNET on the same day. This announcement may also be accessed at the Company's website at https://www.tmcltd.com.sg/.

NOTICE OF
ANNUAL GENERAL MEETING

3. To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 June 2022.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   - if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited at gpa@mncsingapore.com; or

   - if submitted by post, be deposited at the registered office of the Company at 150 Changi Road #03-05, Guthrie Building, Singapore 419973,

   in either case, by 10.00 a.m. on 27 June 2022.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.

6. By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with the Company's announcement dated 6 June 2022 , or (c) submitting any question prior to the AGM in accordance with the Company's announcement dated 6 June 2022, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof); (ii) processing of the pre-registration for purposes of granting access to members to the live audio-visual webcast or live audio-only stream of the AGM proceedings; (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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TRANSIT-MIXED CONCRETE LTD
(Incorporated In The Republic Of Singapore)
(Company Registration No. 197902587H)

PROXY FORM

This proxy form has been made available on SGXNET and the Company's website at https://www.tmcltd.com.sg/. A printed copy of this proxy form will not be despatched to members.

IMPORTANT:
1. The Annual General Meeting ("AGM") is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement dated 6 June 2022 which has been uploaded together with the Notice of AGM on SGXNET on the same day. This announcement may also be accessed at the Company's website at https://www.tmcltd.com.sg/.
3. To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please read the notes overleaf which contain instructions on, among others, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.
4. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Transit-Mixed Concrete Ltd, 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 who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/ SRS Operators to submit their votes by 5.00 p.m. on 17 June 2022.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 June 2022.

I/We, ______________________________ (Name) ________________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a member/members of Transit-Mixed Concrete Ltd hereby appoint:

the Chairman of the Meeting

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held by way of electronic means on Wednesday, 29 June 2022 at 10.00 a.m. and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

No.	Resolutions relating to:	No. of Votes For	No. of Votes Against	No. of Votes Abstain
ORDINARY BUSINESS				
1	To receive and adopt the directors' statement and audited financial statements			
2	To declare a first and final one-tier tax exempt dividend			
3	To re-elect Mr Khoo Ho Tong as director			
SPECIAL BUSINESS				
Ordinary Resolutions				
4	To appoint Moore Stephens LLP as auditors and to authorise the directors to fix their remuneration			
5	(a) To approve directors' fees for the year ended 28 February 2022			
	(b) To approve directors' fees for the year ending 28 February 2023			
6	To authorise the directors to allot and issue shares and convertible securities			
Special Resolution				
7	To approve the change of name of the Company from Transit-Mixed Concrete Ltd to Abundante Limited			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please indicate with an "X" in the relevant box provided above. Alternatively, if you wish the Chairman of the Meeting as your proxy to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided above. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _________ day of____________, 2022

Total Number of Ordinary Shares Held

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your 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 you.

2. To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 June 2022.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   - if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited at gpa@mncsingapore.com; or

   - if submitted by post, be deposited at the registered office of the Company at 150 Changi Road #03-05, Guthrie Building, Singapore 419973,

   in either case, by 10.00 a.m. on 27 June 2022.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised.

6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy 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

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