

Full Year Financial Statement And Dividend Announcement for the Year Ended 28 February 2017

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

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

Statement of Comprehensive Income for the year ended 28 February 2017

	Group 2017 S\$'000	Group 2016 S\$'000	+ / (-) %
Revenue	22,106	32,729	(32)
Cost of sales	(19,004)	(24,146)	(21)
Gross profit	3,102	8,583	(64)
Other income	644	94	585
Selling, general and administrative expenses	(1,863)	(2,492)	(25)
Net finance costs	36	(37)	NM
Share of profit of joint venture	97	18	439
Profit before tax	2,016	6,166	(67)
Tax expense	(133)	(441)	(70)
Profit for the year	1,883	5,725	(67)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(173)	(338)	(49)
	(173)	(338)	(49)
Total comprehensive income for the year	1,710	5,387	(68)
Profit attributable to:			
Owners of the Company	1,938	5,547	(65)
Non-controlling interests	(55)	178	NM
Profit for the year	1,883	5,725	(67)
Total comprehensive income attributable to:			
Owners of the Company	1,810	5,305	(66)
Non-controlling interests	(100)	82	NM
Total comprehensive income for the year	1,710	5,387	(68)

NM denotes not meaningful.

Profit before tax includes the following:

	Group 2017 S\$'000	Group 2016 S\$'000	+ / (-) %
Other income	119	94	27
Interest income	6	2	200
Interest on borrowings	(73)	(93)	(22)
Depreciation	(3,598)	(3,580)	0.5
Allowance for doubtful debts (net)	(51)	(212)	(76)
Foreign exchange gain	103	54	91
Gain/(loss) on disposal of plant and equipment	525	(11)	NM
Write-off of plant and equipment	-	(22)	NM

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

Statements of Financial Position as at 28 February 2017

	Group 2017 S\$'000	Group 2016 S\$'000	Company 2017 S\$'000	Company 2016 S\$'000
Non-current assets				
Plant and equipment	19,930	22,185	3,168	3,677
Investment in subsidiaries	-	-	12,740	12,740
Investment in joint venture	630	333	943	315
Deferred tax asset	469	646	469	646
Total non-current assets	21,029	23,164	17,320	17,378
Current assets				
Inventories	1,010	1,103	-	-
Trade and other receivables	7,251	8,612	2,194	776
Cash and cash equivalents	2,020	3,147	1,559	2,524
Total current assets	10,281	12,862	3,753	3,300
Total assets	31,310	36,026	21,073	20,678
Equity attributable to owners of the Company				
Share capital	11,191	11,191	11,191	11,191
Reserves	12,808	13,434	4,714	3,157
Total equity attributable to owners of the Company	23,999	24,625	15,905	14,348
Non-controlling interests	786	886	-	-
Total equity	24,785	25,511	15,905	14,348
Non-current liabilities				
Deferred tax liabilities	2,149	2,242	-	-
Finance lease obligations	83	73	-	-
Total non-current liabilities	2,232	2,315	-	-
Current liabilities				
Trade and other payables	3,906	7,043	5,168	6,330
Current tax liabilities	20	91	-	-
Finance lease obligations	367	1,066	-	-
Total current liabilities	4,293	8,200	5,168	6,330
Total liabilities	6,525	10,515	5,168	6,330
Total equities and liabilities	31,310	36,026	21,073	20,678

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

Amount repayable in one year or less, or on demand

As at 28/2/17 (S\$'000)		As at 29/2/16 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
367	-	1,066	-

Amount repayable after one year

As at 28/2/17 (S\$'000)		As at 29/2/16 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
83	-	73	-

Details of any collateral

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

- A fixed and floating charge of up to S\$1,500,000 (29/2/2016: S\$1,500,000) on the Company's assets.
- Corporate guarantees issued by the Company.
- Plant and equipment of subsidiaries used as collateral for the finance lease obtained.

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

Consolidated Statement of Cash Flows for the year ended 28 February 2017

	Group 2017 S\$'000	Group 2016 S\$'000
Cash flows from operating activities		
Profit before tax	2,016	6,166
Adjustments for:		
Depreciation of plant and equipment	3,598	3,580
Write-off of plant and equipment	-	22
(Gain)/loss on disposal of plant and equipment	(525)	11
Interest income	(6)	(2)
Interest expense	73	93
Allowance for doubtful debts	17	136
Bad debts written off	34	76
Share of profit of joint venture	(97)	(18)
	5,110	10,064
Changes in:		
Inventories	93	(40)
Trade and other receivables	2,494	(624)
Trade and other payables	(1,152)	993
Cash generated from operations	6,545	10,393
Income taxes paid	(120)	(258)
Net cash from operating activities	6,425	10,135
Cash flows from investing activities		
Interest received	6	2
Purchase of plant and equipment	(3,001)	(3,583)
Proceeds from disposal of plant and equipment	-	43
Investment in joint venture	(633)	(315)
Net cash used in investing activities	(3,628)	(3,853)
Cash flows from financing activities		
Interest expense paid	(73)	(93)
Repayment of finance lease obligations	(1,366)	(2,102)
Dividends paid	(2,436)	(2,784)
Net cash used in financing activities	(3,875)	(4,979)
Net increase in cash and cash equivalents	(1,078)	1,303
Cash and cash equivalents at beginning of year	3,147	1,899
Effects of exchange rate fluctuations on cash held	(49)	(55)
Cash and cash equivalents at end of the year	2,020	3,147
Comprising:		
Cash at bank and in hand	1,012	2,145
Fixed deposits	1,008	1,002
Cash and cash equivalents at end of the year	2,020	3,147

Significant non-cash transactions:

During the year, the Group purchased plant and equipment amounting to S\$521,860 (2016: S\$2,506,170) which remains unpaid as at the balance sheet date. The Group also acquired plant and equipment of S\$677,079 (2016: S\$55,333) under finance lease arrangements.

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

Statement of Changes in Equity for the year ended 28 February 2017

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
2016						
At 1 March 2015	11,191	(220)	11,133	22,104	804	22,908
Total comprehensive income for the year						
Profit for the year	-	-	5,547	5,547	178	5,725
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(242)	-	(242)	(96)	(338)
Total other comprehensive income for the year	-	(242)	-	(242)	(96)	(338)
Total comprehensive income for the year	-	(242)	5,547	5,305	82	5,387
Transactions with owners, recorded directly in equity						
<i>Contributions by and distribution to owners</i>						
Final tax-exempt dividend to owners of 2 cents per share in respect of 2015	-	-	(1,392)	(1,392)	-	(1,392)
Interim tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	-	(1,392)	(1,392)	-	(1,392)
Total contributions by and distributions to owners	-	-	(2,784)	(2,784)	-	(2,784)
At 29 February 2016	11,191	(462)	13,896	24,625	886	25,511

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
2017						
At 1 March 2016	11,191	(462)	13,896	24,625	886	25,511
Total comprehensive income for the year						
Profit for the year	-	-	1,938	1,938	(55)	1,883
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(128)	-	(128)	(45)	(173)
Total other comprehensive income for the year	-	(128)	-	(128)	(45)	(173)
Total comprehensive income for the year	-	(128)	1,938	1,810	(100)	1,710
Transactions with owners, recorded directly in equity						
<i>Contributions by and distribution to owners</i>						
Final tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	-	(1,392)	(1,392)	-	(1,392)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2017	-	-	(1,044)	(1,044)	-	(1,044)
Total contributions by and distributions to owners	-	-	(2,436)	(2,436)	-	(2,436)
At 28 February 2017	11,191	(590)	13,398	23,999	786	24,785

Statement of Changes in Equity for the year ended 28 February 2017

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
2016			
At 1 March 2015	11,191	3,564	14,755
Profit for the year representing total comprehensive income for the year	-	2,377	2,377
Contributions by and distributions to owners			
Final tax-exempt dividend to owners of 2 cents per share in respect of 2015	-	(1,392)	(1,392)
Interim tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	(1,392)	(1,392)
At 29 February 2016	11,191	3,157	14,348
2017			
At 1 March 2016	11,191	3,157	14,348
Profit for the year representing total comprehensive income for the year	-	3,993	3,993
Contributions by and distributions to owners			
Final tax-exempt dividend to owners of 2 cents per share in respect of 2016	-	(1,392)	(1,392)
Interim tax-exempt dividend to owners of 1.5 cents per share in respect of 2017	-	(1,044)	(1,044)
At 28 February 2017	11,191	4,714	15,905

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

Nil.

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

	28/2/17	29/2/16
Total number of issued shares	69,590,800	69,590,800

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

Nil.

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

The figures have not been audited or reviewed.

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

NA

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

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statement for the financial year ended 28 February 2017 as those used in the audited consolidated financial statements of Transit-Mixed Concrete Ltd and its subsidiaries for the financial year ended 29 February 2016.

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

The Group has adopted all new and revised Financial Reporting Standards ("FRS") and interpretation to FRS ("INT FRS") that are relevant to its operations and effective for the financial year beginning on 1 March 2016. The adoption of these new and revised FRS, and INT FRS did not result in substantial changes in the Group's accounting policies, and there is no material impact on the consolidated financial statements of the Group and the financial statements of the Company.

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

	Group 2017	Group 2016
(a) Based on the weighted average number of ordinary shares on issue; and	2.78 cents	7.97 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	2.78 cents	7.97 cents
Weighted average number of shares	69,590,800	69,590,800

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

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

	Group 2017	Group 2016	Company 2017	Company 2016
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	34.49	35.39	22.85	20.62

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a) Group turnover fell 32% to \$22.1 million for the year ended 28 February 2017 compared with \$32.7 million for the previous year. The lacklustre showing was directly attributable to depressed economic conditions and contraction in demand due mainly to keen competition and slowdown in construction activities in Singapore and Malaysia.

On the back of weaker sales, Group gross profit slipped to \$3.1 million, a decline of 64% from previous year where gross profit was \$8.6 million. As a result, Group profit attributable to owners dipped 65% to \$1.9 million from \$5.5 million. Selling, general and administrative expenses decreased 25% from \$2.5 million to \$1.9 million, mainly due to reduced provision for incentive payment and doubtful debts in the current financial year. The increase in other income from \$94,000 in FY2016 to \$644,000 in FY2017 was attributable mainly to a gain on disposal of plant and equipment of \$525,000.

- (b) Despite lower sales, trade and other receivables were slightly down from \$8.6 million to \$7.3 million, due to the inclusion of a receivable of \$1.2 million for the disposal of plant and equipment as at 28/2/2017. Trade and other payables fell from \$7.0 million to \$3.9 million, mainly due to the fall in activities and payment for the purchase of plant and equipment. Cash and cash equivalents of the Group moved down to \$2.0 million compared with \$3.1 million of the previous year end.

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

The current year's performance is consistent with the earlier prospect statement made in the Half Year Financial Statement Announcement for the period ended 31 August 2016 which mentioned that weak demand and stiff competition amongst the market players are expected to affect Group performance during the financial year.

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

Moving forward, the market remains highly competitive, the Group will continue to face challenging business condition.

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

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

(b)(i) Current financial year reported on

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

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

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

Name of dividend	Final (Proposed)
Dividend type	Cash
Amount per share	2 cents (one tier tax exempt)

Name of dividend	Interim (Paid)
Dividend type	Cash
Amount per share	2 cents (one tier tax exempt)

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

Please refer to 11 (b).

(d) The date the dividend is payable.

8 September 2017.

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

23 August 2017.

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

NA

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

NA.

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

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

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

a) Information about reportable segments

	Ready-mixed concrete		Concrete pumping services		Waste management		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenues	7,060	10,847	12,951	20,119	2,095	1,763	22,106	32,729
Inter-segment revenue – pump rental	-	-	1,165	1,266	-	-	1,165	1,266
Inter-segment revenue – pump parts	-	-	92	64	-	-	92	64
Interest income	6	2	-	-	-	-	6	2
Finance expense	(51)	(54)	(22)	(39)	-	-	(73)	(93)
Depreciation	(290)	(282)	(3,164)	(3,168)	(144)	(130)	(3,598)	(3,580)
Income tax (expense)/credit	20	(218)	(112)	(237)	(41)	14	(133)	(441)
Reportable segment profit before income tax	(164)	775	1,841	5,673	500	312	2,177	6,760
Other material non-cash items:								
- Gain/(loss) on disposal of plant and equipment	-	-	528	(11)	(3)	-	525	(11)
-Allowance for doubtful debts	(73)	(36)	56	(100)	-	-	(17)	(136)
-Bad debts written off	-	-	(27)	(76)	(7)	-	(34)	(76)
Reportable segment assets	3,828	5,220	26,168	29,646	1,314	1,160	31,310	36,026
Capital expenditure	258	114	1,294	3,995	142	210	1,694	4,319
Reportable segment liabilities	2,828	3,913	3,484	6,444	213	158	6,525	10,515

One customer (2016: one customer) contributed S\$1,066,000 to the revenue of the concrete pumping services segment in 2017 (2016: S\$2,108,000).

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

	2017 S\$'000	2016 S\$'000
Revenue		
Total revenue for reportable segments	23,363	34,059
Elimination of inter-segment revenue	(1,257)	(1,330)
Consolidated revenue	<u>22,106</u>	<u>32,729</u>
Profit or loss		
Total profit before tax for reportable segments	2,177	6,760
Unallocated amounts:		
- Other corporate expenses & income	(161)	(594)
Consolidated profit before tax	<u>2,016</u>	<u>6,166</u>

b) Geographical Segment

	Group 2017 S\$'000	Group 2016 S\$'000
External revenues		
Singapore	14,130	21,224
Malaysia	7,976	11,505
Total	22,106	32,729
Non-current assets		
Singapore	18,343	20,465
Malaysia	2,217	2,053
Total	20,560	22,518

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

Please refer to paragraph 8.

18. A breakdown of sales as follows:-

	Group 2017 S\$'000	Group 2016 S\$'000	+ / (-) %
(a) Sales reported for the first half year	11,790	17,113	(31)
(b) Operating profit after tax before deducting minority interests reported for the first half year	1,610	3,411	(53)
(c) Sales reported for second half year	10,316	15,616	(34)
(d) Operating profit after tax before deducting minority interests reported for second half year	273	2,314	(88)

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

	Latest Full Year (S\$) 28/2/17	Previous Full Year (S\$) 29/2/16
(a) Ordinary	2,435,678	2,783,632
(b) Preference	0	0
(c) Total	2,435,678	2,783,632

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

None of the persons occupying managerial positions in the issuer or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

Chen Lee Lee

Company Secretary

26/4/17