

Abundante Limited

ANNUAL
REPORT **2023**

QUALITY

VALUE

SERVICE

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OUR VISION

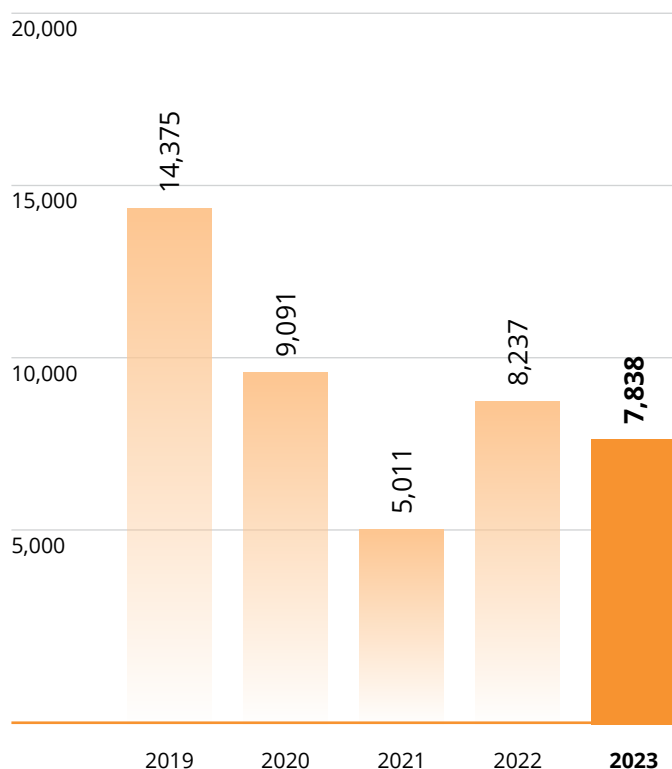
To meet the increasing needs of the construction industry through profitable growth and to maintain an increasing core of loyal, satisfied customers by delivering good quality, service and value.

OUR MISSION

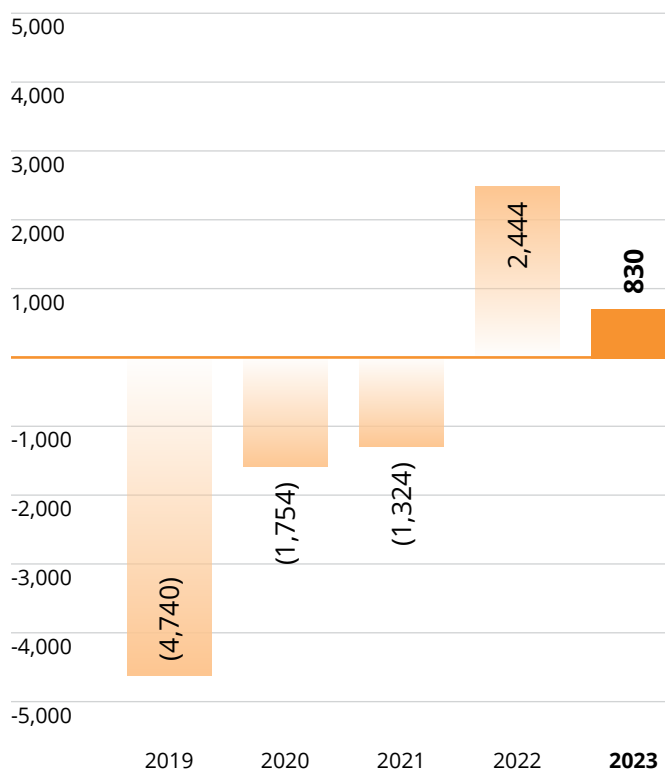
To work closely with our customers to ensure that we continue to meet their expectations.

FINANCIAL HIGHLIGHTS

REVENUE (\$'000)



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



FINANCIAL YEAR ENDED 28 FEBRUARY

	2019	2020	2021	2022	2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	14,375	9,091	5,011	8,237	7,838
Profit/(Loss) before tax	(6,249)	(1,984)	(1,429)	2,584	784
Profit/(Loss) for the year	(5,587)	(1,655)	(1,327)	2,442	827
Profit/(Loss) attributable to owners of the company	(4,740)	(1,754)	(1,324)	2,444	830
Earnings/(Loss) per share (cents)	(6.81)	(2.52)	(1.91)	2.71	0.80
Shareholders' equity	13,185	11,496	10,057	17,612	17,297
Total assets	16,793	13,759	11,983	19,569	18,868
Total liabilities	3,461	1,887	1,557	1,594	1,235
Net asset value per ordinary share (cents)	18.95	16.52	14.45	16.89	16.59
Return on equity (%)	-	-	-	13.88	4.79
Dividends (cents)	-	-	-	1.00	-

EXECUTIVE DIRECTOR'S STATEMENT

We will remain focused on disciplined execution of our operations with an emphasis on improving operational efficiency and productivity. We will strive to maintain a healthy balance sheet and will be selective and strategic in looking for any new business acquisitions and investments with the aim to deliver sustainable returns to its shareholders.

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Abundante Limited and its subsidiaries (the "Group"), I am pleased to present to you the Annual Report for the financial year ended 28 February 2023 ("FY2023").

COMPANY'S PERFORMANCE

The Singapore economy posted slower growth of 3.6% in 2022 as global economies were grappling with stubbornly high inflation and recession concerns. FY2023 was a tough and challenging year for the Group due to rising manpower, fuel and materials cost impacted by global shipping, supply chain issues and higher dormitory cost. The Group recorded revenue of \$7.84 million in the financial year ended 28 February 2023 compared to \$8.24 million in the previous year. Gross profit decreased by \$1.12 million from \$2.62 million in the previous year to \$1.50 million in FY2023 mainly due to low gross margin and rising operational costs. The Group recorded lower net profit before tax of \$784,000 compared to \$2.58 million in FY2022. As of 28 February 2023, the Group's net asset value stood at 16.59 cents per share. Overall, our financial position remained strong with a total net cash and other financial assets (SGS treasury bills) of about \$13.85 million.

EXECUTIVE DIRECTOR'S STATEMENT

STAY LEAN AND GROW STRONGER

The Building and Construction Authority expects the overall construction demand in 2023 to be between \$27 billion and \$32 billion. The public sector is expected to contribute about 60% of the total projected demand with civil engineering construction demand anticipated to remain firm, underpinned by MRT line construction and other infrastructure works.

The Group expects to continue to face tough operating environment this year due to slower progress of local construction projects as the sector continues to grapple with more site accidents. The entry of new competitors and surging manpower and energy costs will also lead to a compression of profit margins.

After exiting the Indonesia market last year, the Group has decided to continue to consolidate its resources by focusing on its core business in concrete pumping services in Singapore. The Group is looking to upgrade its equipment to meet the customers' requirements and is determined to seek to remain as one of the major player in providing concrete pumping services in Singapore.

Recently, the Group has completed the acquisition of Hong Kong NHB Group Limited ("NHB") on 1 May 2023. The Group intends to use NHB to engage in the provision of integrated clean energy solution services, mainly providing consultation and services such as project resource development, market research, project management and operation and maintenance to customers who wish to invest in, develop and use photovoltaic power generation systems and green electricity, focusing on delivering sustainable and

cost-effective solutions to achieve energy goals while minimising environmental impact ("Solar Energy Business"). NHB intends to carry out the Solar Energy Business primarily in Singapore and the People's Republic of China ("PRC") for commercial and industrial rooftop distributed photovoltaic power plants.

We will remain focused on disciplined execution of our operations with an emphasis on improving operational efficiency and productivity. We will strive to maintain a healthy balance sheet and will be selective and strategic in looking for any new business acquisitions and investments with the aim to deliver sustainable returns to its shareholders.

WORDS OF APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere and heartfelt appreciation to all our staff, shareholders, customers, business associates and partners for your continued support. I am also grateful to my fellow directors for their invaluable contributions, counsel and stewardship to the Group. Finally, to the Management and staff, thank you for your unwavering dedication, hard work and commitment to the Group. We are determined to pursue with nimbleness and conviction to steer the Group towards sustained growth.

LEE SAI SING
Executive Director

OPERATING & FINANCIAL REVIEW



Gross Profit

\$1.50 MILLION



Sales Turnover

\$7.84 MILLION



Earnings per share

0.80 CENTS



Net asset value per share

16.59 CENTS

CONTINUING OPERATIONS

The Group recorded lower sales turnover of \$7.84 million for the year ended 28 February 2023, a decline of 5% from \$8.24 million of the previous year. The dip in sales came mainly from the waste management business which saw a 33% reduction in sales revenue to \$1.15 million from \$1.71 million of the previous year as a result of stiff competition.

Given the decrease in sales revenue, gross profit dropped to \$1.50 million compared with \$2.62 million of the previous year. The fall in gross profit was also caused by an increase in depreciation of plant and equipment from \$227,000 to \$709,000, over higher asset values after substantial reversal of impairment loss on plant and equipment in the previous financial year. Other contributing factors included a surge in diesel cost and high accommodation cost for our workers in a recovering post-pandemic economy.

Consequently, profit attributable to owner slipped to \$830,000 compared with \$2.44 million for the previous year. Part of the last year's profit arose from a reversal of impairment loss on plant and equipment of \$1.38 million. Selling, general and administrative expenses were \$1.05 million compared to \$1.53 million of the previous year. The fall was primarily due to a provision for executive director's bonus of \$128,000 and professional expenses incurred of approximately \$150,000 for the purposes of a mandatory general offer and a share placement in the previous year. Costs control and better management of manpower resources have also contributed to the reduction in selling, general and administrative expenses.

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 \$4,000 in FY2023 compared to \$3,000 in the previous year.

CONTINUING AND DISCONTINUED OPERATIONS

In tandem with the fall in sales, trade and other receivables were down from \$2.36 million to \$2.19 million while trade and other payables decreased from \$1.38 million to \$1.10 million. Cash and cash equivalents of the Group were lower at \$3.87 million compared with \$13.42 million for the previous year. This was due to an investment in short-term SGS treasury bills which is generally risk-free of \$9.98 million during the financial year.

The Group's return on equity was 5% this year compared with 14% for the previous year while its debts to equity ratio came in zero with no borrowings. On a per share basis, earnings declined to 0.80 cents as compared to 2.71 cents while net asset value as of 28 February 2023 inched down to 16.59 cents from 16.89 cents a year before.

Geographically, Singapore continued to contribute substantially to the Group's revenue. Domestic sales amounted to \$7.62 million or 97% of the Group's revenue, while the remaining 3% or \$220,000 was derived from our Malaysia operations.

BUSINESS SEGMENTS

Concrete Pumping Services

Sales in the concrete pumping services segment registered as \$6.69 million in the year under review as compared to \$6.53 million in FY2022. Although there is a slight improvement in sales of 2%, the segment posted a lower reportable segment profit before tax of \$707,000 as compared to \$2.65 million in the prior year. This was attributable to an increase in depreciation of plant and equipment, higher diesel cost and a prior year's reversal of impairment loss on plant and equipment of \$1.38 million.

The Group's major projects in this segment included SP Group's Labrador Underground Station, MRT Circle Line C883, MRT East Coast Line T301, Rapid Transit System T232 and various condominium projects in Singapore.

Waste Management

Revenue for the Group's waste management segment stood at \$1.15 million, slipping 33% from \$1.71 million in the previous year. Consequently, reportable segment profit slid 62% from \$294,000 in FY2022 to \$111,000 in FY2023.

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

Ready-Mixed Concrete (Discontinued operations)

The Group's discontinued operations recorded a reportable segment loss before tax of \$7,000 in FY2023, as compared to \$5,000 in the prior year.

PROFILE OF DIRECTORS

TAN KOK HIANG 73

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 and is standing for re-election at the coming annual general meeting and will remain as an independent director, if he is re-elected, until the AGM of the Company for the financial year ending 29 February 2024. 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 2023, he has served as a director for 25 years 5 months. Mr Tan is presently also an independent director of 3 other public 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 51

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 2023, he has served as a director for 1 year 10 months. He does not hold any directorships in other listed companies currently and his directorships over the preceding 3 years included Aspial Lifestyle Limited. 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, BNP Paribas 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 82

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 29 June 2022. 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 2023, he has served as a director for 4 years 2 months. He does not hold any other principal commitments or any directorships in other listed companies over the preceding 3 years. 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.

Our bizSAFE Level Star certification 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

Our ISO 45001:2018 certification is valid till 3 September 2023. This is an internationally applied British Standard for occupational health and safety management systems.

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.

SUSTAINABILITY REPORT

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.

	FY2023 Performance	FY2023 Target	FY2024 Target
Number of fatalities	Zero	Zero	Zero
Number of workplace injuries	4	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:

- Workplace Safety & Health Management in Construction Industry;
- Plumbing and Pipe Fitting Core Trade (Tradesmen);
- Perform Work in Confined Space Operation; and
- Concrete Pump Operator Training.

	FY2023 Performance	FY2023 Target	FY2024 Target
Average hours of training per employee	7 hours	8 hours	8 hours

During the financial year, the directors have met the SGX mandatory training requirements and undergone a one-time training on sustainability.

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.

	FY2023 Performance	FY2023 Target	FY2024 Target
Offences and fines	Zero	Zero	Zero

SUSTAINABILITY REPORT

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.

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. The Group upholds all applicable laws relevant to countering bribery and corruption. It is the Company's policy to conduct all its business in an honest and ethical manner.

	FY2023 Performance	FY2023 Target	FY2024 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

DATA COLLECTION POLICY

1) Planning	<ul style="list-style-type: none">• Define the data collection metrics• Assign the responsible staff to handle and monitor the process• Prepare data collection document
2) Data Collection	<ul style="list-style-type: none">• Distribute data collection form• Regular check-up on progress of data inputting
3) Data Validation	<ul style="list-style-type: none">• Review and follow up e.g. Identify if any supporting material is needed

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

Although the Company has yet to adopt a board diversity policy, the Board's existing composition provides a good level of independence and diversity of skills, experience and knowledge to enable it to make decisions in the best interest of the Group. All appointments and employment are based strictly on merits and not driven by any gender bias. 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 undertaken assurance on its sustainability reporting for FY2023 and 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.

SUSTAINABILITY REPORT

CLIMATE RISKS

Climate risks are of growing concern to businesses and their stakeholders and based on the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD recommendations”), companies are encouraged to provide climate-related disclosures. We have preliminarily assessed the climate risks relevant to the Group and their possible impacts and measured our greenhouse gas (“GHG”) emissions and will set targets for monitoring. The Group will continue to strengthen its disclosure by progressively adopting the TCFD recommendations going forward.

The Board of Directors considers climate-related issues when reviewing business strategies, risk management policies, annual budgets, major capital expenditures as well as setting the Group’s performance objectives and monitors and oversees progress against goals and targets for addressing climate-related issues.

Climate-Related Risks and Opportunities

Risk Category	Climate-Related Risks	
Financial	<ul style="list-style-type: none"> Credit Risk Liquidity Risk Tax Strategy 	<ul style="list-style-type: none"> Erosion of creditworthiness of customers affected by escalating business risk related to climate change Costs increase from taxes or fees on carbon emissions
Operational	<ul style="list-style-type: none"> Supply Chain Business Continuity 	<ul style="list-style-type: none"> Supply chain disruptions occur because of extreme weather impacts in supplier regions Changing weather patterns disrupt operations
Strategic	<ul style="list-style-type: none"> Competition Changing Customers Preferences 	<ul style="list-style-type: none"> Shift in customer preferences toward services that are provided with lower emissions

The Group’s operations are geographically carried out in the region of Singapore and Kuala Lumpur whereby its assets and businesses are not exposed to weather-related catastrophe events caused by climate changes. The Group believes that its strategies will not be affected by the potential risks and opportunities and the impact of climate-related issues on the Group’s financial performance and financial position is insignificant.

Energy Consumption and Carbon Emissions

Major Sources	Description	Quantity	Carbon Emissions (Tonnes)
SCOPE 1 – Own operations	Diesel consumed by concrete pumps and motor vehicles	566,376 litre	1,495
SCOPE 2 – Purchased electricity	Electricity consumed in office, workshop and staff accommodation	82,386 kWh	19

The Group recognises that reduction of its carbon emissions is essential and will set a target to reduce GHG emissions. The Group will continue to monitor and review developments to relevant standards and fine-tune our management framework.

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

160 Paya Lebar Road

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Singapore 409022

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REGISTRAR & SHARE TRANSFER OFFICE

M & C Services Private Limited

112 Robinson Road #05-01

Singapore 068902

AUDITORS

Moore Stephens LLP

Public Accountants and Chartered Accountants

10 Anson Road

#29-15 International Plaza

Singapore 079903

Partner-in-charge: Mr Neo Keng Jin

(wef financial year ended 28 February 2023)

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.

The Board objectively discharges its duties and responsibilities at all times as fiduciary in the best interests of the Company. The management plays a pivotal role in providing complete, adequate and timely information to assist the Board to fulfil its responsibilities. The Board sets the appropriate tone-from-the-top and a desired organisational culture, monitoring management’s performance and ensuring proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussion and decisions involving the issues of conflict, unless the Board believes that his presence and participation is necessary.

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.

CORPORATE GOVERNANCE STATEMENT

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 FY2023

Name	Board		AC		NC		RC		AGM
	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 29 June 2022
Tan Kok Hiang	4	4	4	4	1	1	2	2	1
Lee Sai Sing	4	4	4	4	1	1	2	2	1
Khoo Ho Tong	4	4	4	4	1	1	2	2	1

The Board decides on matters that requires its approval and clearly communicates this to the management in writing. 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 directors and 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 SGX within one year from the date of his appointment to the Board.

CORPORATE GOVERNANCE STATEMENT

All the directors understand the Company's business as well as their directorship duties and are appropriately qualified and experienced to discharge their responsibilities. The Company will provide the directors the opportunities to develop and maintain their skills and knowledge and initiate relevant training for directors, particularly on relevant new laws, regulations and changing commercial risks, from time to time. During the financial year, the directors have met the SGX training requirements and undergone a one-time training on sustainability.

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

All directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from 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 FY2023, 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.

CORPORATE GOVERNANCE STATEMENT

Independent Directors

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, an independent director for an aggregate period of more than 9 years, will be standing for re-election at the coming AGM and will remain as an independent director, if he is re-elected, until the AGM of the Company for the financial year ending 29/2/2024.

The Board understands the need to promote diversity on the Board and that the Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business to avoid groupthink and foster constructive debate. The NC will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors in reviewing Board composition and succession planning. The Board's existing composition provides a good level of independence and diversity of skills, experience and knowledge to enable it to make decisions in the best interest of the Group. 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 Directors' profiles are set out on page 8 to 9 of this annual report.

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

Annually, the independent directors will meet 4 times, without the management's presence, and also as and when the need arises. Feedback is provided to the Board and/or management, as appropriate.

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 is primarily responsible for the effective working of the Board.

CORPORATE GOVERNANCE STATEMENT

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 NC 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 and 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. The maximum number of listed company board representations which any director of the Company may hold at any point in time is 6 for directors who do not hold full-time position, and 4 for those directors who have full-time positions in other corporations.

CORPORATE GOVERNANCE STATEMENT

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	29/6/22	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 FY2023, 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 FY2023, 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 FY2023.

CORPORATE GOVERNANCE STATEMENT

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 RC Chairman, are independent directors. On 24 June 2021, Mr Lee Sai Sing, an ED 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 has access to the professional advice of external experts in the area of remuneration. During the financial year, the RC has not engaged any remuneration consultant to review the Group's remuneration schemes and practices. As the Company has a small board size of 3 directors and 3 other key management personnel, it adopts a standard scheme to remuneration packages which generally comprise a basic salary and a variable bonus which is performance-related while non-executive directors receive only basic directors' fees. The RC has considered that the remuneration packages offered to the directors and key management personnel are comparable to those of other companies of similar size and nature and decided that it is not necessary to engage any remuneration consultant.

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.

CORPORATE GOVERNANCE STATEMENT

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 FY2023, directors' fees of \$87,000 which was approved by shareholders during the last AGM was paid. A breakdown of the directors' remuneration is also disclosed on page 87 of this annual report.

The remuneration of the directors of the Company for FY2023 is as follows:

	Total Remuneration \$'000	Fee %	Salary %	Bonus %	Total %
Lee Sai Sing	144	-	100	-	100
Tan Kok Hiang	55	100	-	-	100
Khoo Ho Tong	32	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 FY2023 is as follows:

Below \$250,000	Salary %	Bonus %	Total %
Loke Kai Hoong	93	7	100
Chen Lee Lee	92	8	100
Lee Kim Keow	95	5	100

CORPORATE GOVERNANCE STATEMENT

For FY2023, the total remuneration paid to the 3 key management personnel (who are not directors or CEO) is \$274,497 which is also set out on page 87 of this annual report.

For FY2023, 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. 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.

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 FY2023, 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. This is in turn supported by back-to-back assurance from other key management personnel who are responsible that they have evaluated the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational and information technology controls.

For FY2023, 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.

CORPORATE GOVERNANCE STATEMENT

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 email at 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 whistle-blowing 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 the complaint, findings of investigation and a follow-up report on actions taken at the ensuing Board meeting. There were no whistleblowing reports received during FY2023 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 AC 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 be 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.

CORPORATE GOVERNANCE STATEMENT

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 \$68,000 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 external auditors and will opine whether or not such services, if any, 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.

CORPORATE GOVERNANCE STATEMENT

The AC had discussed the key audit matters for FY2023 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. The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of 2 years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

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 audit standards applied by the internal auditors comply with the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The partner in charge of the internal audit is Mr Dennis Lee. Mr Lee is a partner in the firm's business consulting division with extensive external and internal audit as well as risk management experience. He is actively involved in providing corporate governance, internal audit and enterprise risk management services to Singapore listed companies, fund management companies, family-managed businesses and statutory boards across a wide array of sectors, including financial services, real estate and construction, healthcare, manufacturing, transportation and logistics, retail and social services. Mr Lee is a Chartered Accountant in Singapore, as well as a Certified Public Accountant in Australia. He also holds a Certification in Risk Management Assurance issued by the Institute of Internal Auditors of Singapore.

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.

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 any investor relations policy but has a team looking after investor relations. The team consists of the ED and the Finance Manager and Company Secretary who focus on facilitating communications with all stakeholders, shareholders, regulators, analyst and press, etc. Besides telephone calls

CORPORATE GOVERNANCE STATEMENT

from the shareholders, they can also send email to the Company at llchen@tmcltd.com.sg for any investor relation matters. The Board and the AC are of the view that there are adequate communication channels for the shareholders to contact the Company for queries or to contribute their views. The Board is also 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' meetings through annual report and notice of meeting and/or circulars provided to shareholders. The notice for the forthcoming 43rd AGM of the Company 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' meetings, 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.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, 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.

The 43rd AGM of the Company will be held via electronic means. Shareholders will not be able to attend the AGM in person. Instead, alternative arrangements have been put in place to allow shareholders to participate in the AGM by observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; submitting questions to the Chairman of the AGM in advance of, or live at, the AGM; and/or voting at the AGM live by shareholders or their duly appointed proxies via electronic means or by appointing the Chairman of the AGM as proxy. Please refer to the notice of the 43rd AGM and announcement dated 8 June 2023 for further information.

The Company does not have a fixed dividend policy in place. Nevertheless, the Board takes into consideration the Group's profitability, profit growth, cash position, projected capital requirements for business growth and other factors deem appropriate when making a dividend proposal. No dividend has been declared for the year in review.

The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. The Company's 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 the Company's key engagement approach can be found in the Sustainability Report. The Company maintains a current corporate website www.tmcltd.com.sg to communicate and engage with stakeholders.

CORPORATE GOVERNANCE STATEMENT

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.

During the financial year, the Company has entered into several tenancy agreements for the lease of premises for purposes of providing accommodation to the Group's workers with Mr Lee Sai Sing (ED and controlling shareholder of the Company) and his mother and sibling. Rental paid under the tenancy agreements amounted to \$166,500 for FY2023. The interested person transactions were reviewed by the AC and the AC is of the view that the transactions were on normal commercial terms, and were not prejudicial to the interests of the Company and its minority shareholders.

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of interested person	Nature of relationship	Aggregate value of interested person transactions during FY2023
Lee Sai Sing	Controlling shareholder and director	\$67,500
Lee Bik Luen	Mother of Lee Sai Sing	\$33,000
Lee Sai Yue	Brother of Lee Sai Sing	\$66,000
Total		<u>\$166,500</u>

As the aggregate amount of the above interested person transactions is below the stipulated thresholds, no announcement has been made and no shareholders' mandate has been obtained.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Abundante Limited (formerly known as Transit-Mixed Concrete Ltd) (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 28 February 2023 and the statement of financial position of the Company as at 28 February 2023.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company 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 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; 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.

1 DIRECTORS

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

Tan Kok Hiang
Lee Sai Sing
Khoo Ho Tong

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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.

3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director	
	At 1.3.2022	At 28.2.2023
<i>The Company</i> <i>(No. of ordinary shares)</i>		
Lee Sai Sing	57,436,620	58,576,620

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 March 2023.

By virtue of Section 7 of the Singapore Companies Act 1967 (the "Act"), Lee Sai Sing is deemed to have interests in all of the shares of the subsidiaries at the beginning and at the end of the financial year.

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

4 SHARE OPTIONS

During the financial year, there were no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries.

During the financial year, there were no shares issued by virtue of any exercise of option to take up unissued shares of the Company its subsidiaries.

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.

5 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)

The Audit Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' 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.

DIRECTORS' STATEMENT

5 AUDIT COMMITTEE (CONT'D)

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 re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

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

6 INDEPENDENT AUDITORS

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Tan Kok Hiang
Director

Singapore
5 June 2023

Lee Sai Sing
Director

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Abundante Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Abundante Limited (formerly known as Transit-Mixed Concrete Ltd) (the "Company") and its subsidiaries (collectively, 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 2023, and 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.

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 Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2023 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 *Auditor's 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.

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Abundante Limited

Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of plant and equipment and investment in subsidiaries (Refer to Note 4.1, Note 4.2, Note 12 and Note 13 to the financial statements)</p> <p>As at 28 February 2023, the Group has plant and equipment of \$2,416,402 and the Company has investment in subsidiaries of \$9,509,894, representing approximately 13% and 45% of the Group's and the Company's total assets respectively.</p> <p>Management reviews for any indicators of impairment and where such an indicator exists, the carrying amounts of the Group's plant and equipment and the Company's investment in subsidiaries are compared against their recoverable amounts.</p> <p>Management prepared value in use ("VIU") calculations to determine the recoverable amounts of the Group's plant and equipment and the Company's investment in subsidiaries. Based on the impairment testing, no impairment loss on the Group's plant and equipment and additional impairment loss of \$634,000 on the Company's investment in subsidiaries were recognised in the financial statements at the reporting date.</p> <p>The VIU was based on cash flow forecasts attributable to the Group's plant and equipment and the Company's investment in subsidiaries, the preparation of which involves significant judgements and estimates by management, to determine the recoverable amounts of these assets. Accordingly, we determined this as a key audit matter.</p>	<p>Our response</p> <p>We performed the following key procedures, amongst others:</p> <ul style="list-style-type: none"> evaluated management's assumptions and estimates applied in the cash flow forecast taking into consideration our knowledge of the operations and historical performance of the relevant cash-generating unit ("CGU") and industry benchmarks; reviewed the reasonableness of key assumptions and inputs used in the discounted cash flow forecast; and checked the mathematical accuracy of the underlying calculation. <p>Our findings</p> <p>We found the underlying key assumptions and inputs used by management in the discounted cash flow forecast of the relevant CGU to be within a reasonable range.</p>

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Abundante Limited

Other Matter

The consolidated financial statements of the Group and the statement of financial position of the Company for the previous financial year ended 28 February 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2022.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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.

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Abundante Limited

Auditor's 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 auditor's 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.

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 control.
- Obtain an understanding of internal control 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 control.
- 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 auditor's 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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Abundante Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 auditor's report unless law or regulation precludes 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 auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 28 February 2023

	Note	Group	
		2023	2022
		\$	\$
Continuing operations			
Revenue	5	7,838,095	8,236,977
Cost of sales		(6,342,073)	(5,613,611)
Gross profit		1,496,022	2,623,366
Other income	7	128,958	232,796
Selling, general and administrative expenses		(1,051,395)	(1,525,036)
Reversal of impairment loss on trade receivables		7,000	40,966
Reversal of impairment loss on plant and equipment		-	1,379,278
Finance income	8	210,460	10,289
Finance costs	8	-	(56)
Loss on sale of joint venture		-	(36,247)
Share of loss of joint venture, net of tax		-	(136,093)
Profit before tax from continuing operations	6	791,045	2,589,263
Income tax	9	42,944	(141,670)
Profit from continuing operations		833,989	2,447,593
Discontinued operation			
Loss from discontinued operation (net of tax)	10	(6,550)	(5,151)
Profit for the year		827,439	2,442,442
Other comprehensive (loss)/income:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations			
- Continuing operations		(42,623)	262,402
- Discontinued operation		(83,659)	(14,871)
		(126,282)	247,531
Total comprehensive income for the year		701,157	2,689,973

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 28 February 2023

	Note	Group	
		2023	2022
		\$	\$
Profit for the year attributable to:			
Continuing operations			
- Owners of the Company		833,989	2,447,593
Discontinued operation			
- Owners of the Company		(4,356)	(3,425)
- Non-controlling interests	23	(2,194)	(1,726)
		(6,550)	(5,151)
Profit for the year		827,439	2,442,442
Total comprehensive income attributable to:			
Continuing operations			
- Owners of the Company		791,366	2,709,995
Discontinued operation			
- Owners of the Company		(63,283)	(13,342)
- Non-controlling interests	23	(26,926)	(6,680)
		(90,209)	(20,022)
Total comprehensive income for the year		701,157	2,689,973
Earnings per share (cents)			
Continuing operations			
- Basic and diluted	11	0.80	2.71
Discontinued operation			
- Basic and diluted	11	-	-

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
ASSETS					
Non-Current Assets					
Plant and equipment	12	2,416,402	3,133,799	449,225	508,070
Investment in subsidiaries	13	-	-	9,509,894	10,143,894
Trade and other receivables	15	-	27,942	-	1,379
Total Non-Current Assets		2,416,402	3,161,741	9,959,119	10,653,343
Current Assets					
Inventories	14	418,445	632,362	-	-
Trade and other receivables	15	2,185,345	2,357,389	73,243	175,602
Other financial assets	16	9,981,314	-	9,981,314	-
Cash and cash equivalents	17	3,866,524	13,417,164	1,157,375	10,820,069
Total Current Assets		16,451,628	16,406,915	11,211,932	10,995,671
Total Assets		18,868,030	19,568,656	21,171,051	21,649,014
LIABILITIES AND EQUITY					
Non-Current Liabilities					
Deferred tax liabilities	18	83,500	166,887	-	-
Total Non-Current Liabilities		83,500	166,887	-	-
Current Liabilities					
Trade and other payables	19	1,104,617	1,383,355	4,885,312	4,832,891
Current tax liabilities		46,925	43,675	-	-
Total Current Liabilities		1,151,542	1,427,030	4,885,312	4,832,891
Total Liabilities		1,235,042	1,593,917	4,885,312	4,832,891

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Capital and Reserves					
Share capital	20	16,048,764	16,048,764	16,048,764	16,048,764
Reserves	21	1,248,069	1,562,894	236,975	767,359
		17,296,833	17,611,658	16,285,739	16,816,123
Non-controlling interests	23	336,155	363,081	-	-
Total Equity		17,632,988	17,974,739	16,285,739	16,816,123
Total Equity and Liabilities		18,868,030	19,568,656	21,171,051	21,649,014

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 28 February 2023

	← Attributable to owners of the Company →						
	Note	Share capital \$	Foreign currency translation reserve \$	Retained earnings \$	Total \$	Non-controlling interests \$	Total equity \$
Group							
At 1 March 2022		16,048,764	(501,220)	2,064,114	17,611,658	363,081	17,974,739
Profit for the year		-	-	829,633	829,633	(2,194)	827,439
Other comprehensive loss, net of tax		-	(101,550)	-	(101,550)	(24,732)	(126,282)
Total comprehensive income for the year		-	(101,550)	829,633	728,083	(26,926)	701,157
Dividend paid	22	-	-	(1,042,908)	(1,042,908)	-	(1,042,908)
At 28 February 2023		16,048,764	(602,770)	1,850,839	17,296,833	336,155	17,632,988

	← Attributable to owners of the Company →						
	Note	Share capital \$	Foreign currency translation reserve \$	Retained earnings \$	Total \$	Non-controlling interests \$	Total equity \$
Group							
At 1 March 2021		11,190,764	(753,705)	(380,054)	10,057,005	369,761	10,426,766
Profit for the year		-	-	2,444,168	2,444,168	(1,726)	2,442,442
Other comprehensive income, net of tax		-	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
Issue of ordinary shares	20	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 the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 28 February 2023

	Group	
	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Profit before tax	784,495	2,584,112
Adjustments for:		
Depreciation of plant and equipment	708,895	226,685
Depreciation of right-of-use assets	-	5,222
Reversal of impairment loss on plant and equipment	-	(1,379,278)
Unrealised foreign exchange differences	(54,884)	-
Gain on disposal of plant and equipment	(32,788)	(32,772)
Interest income	(171,327)	(4,879)
Interest expense	-	56
Reversal of impairment loss on trade receivables	(7,000)	(40,966)
Bad debts written off	22,787	11,976
Inventories written down	120,644	-
Bad debts recovered	(5,157)	(79)
Loss on sale of joint venture	-	36,247
Share of loss of joint venture	-	136,093
	1,365,665	1,542,417
Change in working capital:		
Inventories	93,273	3,004
Trade and other receivables	189,356	(116,942)
Trade and other payables	(278,738)	(46,702)
Cash generated from operations	1,369,556	1,381,777
Income taxes paid	(37,193)	(45,102)
Net cash generated from operating activities	1,332,363	1,336,675
Cash Flows from Investing Activities		
Interest received	40,253	4,879
Purchase of plant and equipment	(33,286)	(183,608)
Proceeds from disposal of plant and equipment	72,249	71,946
Proceeds from disposal of assets held for sale	-	60,648
Proceeds from sale of joint venture (net of tax)	-	1,799,916
Purchase of other financial assets	(9,850,240)	-
Net cash (used in)/generated from investing activities	(9,771,024)	1,753,781

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 28 February 2023

	Note	Group	
		2023	2022
		\$	\$
Cash Flows from Financing Activities			
Payment of lease liabilities		-	(5,344)
Interest paid		-	(56)
Proceeds from issue of share capital		-	4,858,000
Dividend paid		(1,042,908)	-
Net cash (used in)/generated from financing activities		(1,042,908)	4,852,600
Net (decrease)/increase in cash and cash equivalents		(9,481,569)	7,943,056
Cash and cash equivalents at beginning of the year		13,417,164	5,495,445
Effects of exchange rate fluctuations on cash held		(69,071)	(21,337)
Cash and cash equivalents at end of the year	17	3,866,524	13,417,164

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

	Lease liabilities
	\$
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:	
- Interest expense	56
- Remeasurement of lease liabilities	(7,150)
- Foreign exchange translation adjustments	(177)
Total other changes	(7,271)
Balance as at 28 February 2022	-

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

Abundante Limited (formerly known as Transit-Mixed Concrete Ltd) (the “Company”) is a company incorporated in Singapore. With effect from 9 May 2023, the address of the Company’s registered office is 160 Paya Lebar Road, #07-09 Orion @ Paya Lebar, Singapore 409022.

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 13 to the financial statements.

The Company’s ultimate controlling party is Lee Sai Sing.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors’ Statement.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) (“SFRS(I)”)

Application of New and Revised SFRS(I)s and SFRS(I) Interpretations (“SFRS(I) INTs”)

On 1 March 2022, the Group has adopted the following new or amended SFRS(I) and SFRS(I) Interpretations (“SFRS(I) INTs”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

SFRS(I)s and SFRS(I) INTs Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and the Company but not yet effective:

Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) (“SFRS(I)”) (CONT’D)

SFRS(I)s and SFRS(I) INTs Issued but Not Yet Effective (cont’d)

Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of these standards above will have no material impact on the financial statements in the period of initial application.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollars (“\$” or “SGD”), which is the Company’s functional currency.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of Consolidation

(i) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of Consolidation (cont'd)

(i) Business Combinations (cont'd)

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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) Subsidiaries in the Separate Financial Statements

Investment in subsidiaries is stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign Currency

(i) 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.

(ii) 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 and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments

(i) 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.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

(ii) 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 asset 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

(ii) 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

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

(iv) 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.

(v) 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.

(vi) 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.

3.5 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Plant and Equipment (cont'd)

Subsequent Costs

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

Depreciation

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

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

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

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.

3.6 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

As a Lessee (cont'd)

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, 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.

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.

3.7 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment

(i) Non-Derivative Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-Derivative Financial Assets (cont'd)

General Approach (cont'd)

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.

(ii) 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.

(iii) Credit-Impaired Financial Assets

At each reporting date, the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(iv) 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.

(v) 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.

(vi) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(vi) Non-Financial Assets (cont'd)

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.

3.9 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.

3.10 Revenue Recognition

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Revenue Recognition (cont'd)

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.

Concrete Pumping Services Segment

The Group's concrete pumping services segment is engaged to provide concrete pumping services and ad-hoc sales of equipment parts.

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 is typically short-term (i.e. for period of less than 12 months).

Waste Management Services Segment

The Group provides waste management and CCTV sewer inspection services to customers in the construction sector in Singapore.

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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Dividend Income

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

3.12 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.

3.13 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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.

3.15 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.

3.16 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 chief executive officer ("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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Discontinued Operations

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.

3.18 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

4.1 Valuation of plant and equipment

Management evaluates whether there are any indicators of impairment for its plant and equipment 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 the plant and equipment 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.

Management 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 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 the plant and equipment.

Measurement of impairment loss for plant and equipment and key assumptions in determining the recoverable amount are disclosed in Note 12.

The carrying amount of the Group's and the Company's plant and equipment is disclosed in Note 12 to the financial statements.

4.2 Valuation of investment in subsidiaries

Management determines whether there is impairment on the investment in subsidiaries where events or changes in circumstances indicate that the carrying amount of the investment may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by management on the basis of factors that affect the recoverability of the investment. 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 investment.

Measurement of impairment loss for investment in subsidiaries and key assumptions in determining the recoverable amount are disclosed in Note 13.

The carrying amount of the Company's investment in subsidiaries is disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

4.3 Valuation of trade receivables

Trade receivable balances are subjected to the ECL impairment model. Measurement of ECL allowance for trade receivables and key assumptions in determining the weighted-average loss rates is disclosed in Note 27.

Management measures loss allowances on trade receivables at amounts equal to lifetime ECL using a provision matrix which involved 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 is based on currently available information and the actual recovery of these balances may defer from the estimates and judgements exercised.

The carrying amount of the Group's and the Company's trade receivables is disclosed in Note 15 to the financial statements.

4.4 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.

The carrying amount of the Group's and the Company's plant and equipment is disclosed in Note 12 to the financial statements.

5 REVENUE

	Group	
	2023	2022
	\$	\$
<u>Continuing operations</u>		
Sale of goods	37,928	138,744
Rendering of services	7,800,167	8,098,233
	<u>7,838,095</u>	<u>8,236,977</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

5 REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

In the following table, the Group's revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (See Note 26).

	← Reportable Segments →					
	Concrete pumping segment		Waste management segment		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<u>Primary geographical markets</u>						
Singapore	6,467,666	6,144,308	1,151,125	1,705,575	7,618,791	7,849,883
Malaysia	219,304	387,094	-	-	219,304	387,094
Total	6,686,970	6,531,402	1,151,125	1,705,575	7,838,095	8,236,977
<u>Major product/service lines</u>						
Sale of equipment parts	37,928	138,744	-	-	37,928	138,744
Concrete pumping services	6,649,042	6,392,658	-	-	6,649,042	6,392,658
Waste management services	-	-	1,151,125	1,705,575	1,151,125	1,705,575
Total	6,686,970	6,531,402	1,151,125	1,705,575	7,838,095	8,236,977
<u>Timing of revenue recognition</u>						
At a point in time	6,686,970	6,531,402	1,151,125	1,705,575	7,838,095	8,236,977

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

5 REVENUE (CONT'D)

Contract balances

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

	Group	
	2023	2022
	\$	\$
Trade receivables (net of allowance for impairment loss of trade receivables)	1,803,538	2,089,729

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.

6 PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit before tax from continuing operations:

	Group	
	2023	2022
	\$	\$
Audit fee paid/payable to:		
- auditors of the Company	68,000	100,000
- other auditors	6,822	15,116
Non-audit fee paid/payable to:		
- auditors of the Company	-	-
- other auditors	-	13,854
Wages and salaries expenses	2,271,404	2,538,690
Contributions to defined contribution plans	111,453	137,404
Bad debts written off	22,787	11,976
Bad debts recovered	(5,157)	-
Depreciation expense of plant and equipment	708,895	226,685
Depreciation expense of right-of-use assets	-	5,222
Inventories written down	120,644	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

7 OTHER INCOME

	Group	
	2023	2022
	\$	\$
Government grants	67,664	181,003
Other miscellaneous income	28,506	18,942
Gain on disposal of plant and equipment (net)	32,788	32,772
Bad debts recovered	-	79
	128,958	232,796

8 FINANCE INCOME AND FINANCE COSTS

	Group	
	2023	2022
	\$	\$
Interest income under the effective interest method on:		
- Fixed deposits	40,253	4,879
- Other financial assets	131,074	-
- Net foreign exchange gain	39,133	5,410
Finance income	210,460	10,289
Finance costs:		
- Interest on lease liabilities	-	(56)
Net finance income recognised in profit or loss	210,460	10,233

9 INCOME TAX

	Group	
	2023	2022
	\$	\$
Current income expense:		
- Current year tax	40,699	86,097
- Changes in estimates related to prior years	(256)	(29,314)
	40,443	56,783
Deferred tax:		
- Movements in temporary differences (Note 18)	(83,387)	84,887
Tax (credit)/expense on continuing operations	(42,944)	141,670

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

9 INCOME TAX (CONT'D)

Reconciliation of effective tax rate

	Group	
	2023	2022
	\$	\$
Profit before tax from continuing and discontinued operation	784,495	2,584,112
Tax using the Singapore tax rate of 17% (2022: 17%)	133,364	439,299
Effect of different tax rates in foreign jurisdictions	4,562	(1,327)
Tax effects of:		
- Expenses not deductible for tax purposes	18,398	41,522
- Income not subject to tax	(6,802)	(113,014)
- Tax incentive	(17,425)	(17,425)
- Utilisation of previously unrecognised deferred tax assets	(174,785)	(178,071)
- Changes in estimates related to prior years	(256)	(29,314)
	(42,944)	141,670

10 DISCONTINUED OPERATION

On 18 February 2019, the Company announced that the subsidiary, Crescent Concrete Sdn. Bhd., had ceased its ready-mixed concrete operations in Malaysia.

	Group	
	2023	2022
	\$	\$
<u>Results of discontinued operation</u>		
Revenue	-	-
Other income	-	1,071
Expenses	(6,550)	(6,222)
Loss from operating activities	(6,550)	(5,151)
Tax	-	-
Loss from discontinued operation, net of tax	(6,550)	(5,151)
<u>Cash flows generated from discontinued operation</u>		
Net cash generated from/(used in) operating activities	13,516	(6,757)
Net cash generated from investing activities	-	60,648
Net cash inflows for the year	13,516	53,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

11 EARNINGS PER SHARE

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

	Group	
	2023	2022
<u>Continuing operations</u>		
Profit for the year attributable to owners of the Company (\$)	833,989	2,447,593
Weighted average number of ordinary shares:		
- Issued ordinary shares at 1 March	104,290,800	69,590,800
- Effect of share issued in July 2021	-	20,629,863
Weighted average number of ordinary shares during the year	104,290,800	90,220,663
<u>Discontinued operation</u>		
Loss for the year attributable to owners of the Company (\$)	(4,356)	(3,425)
Weighted average number of ordinary shares	104,290,800	90,220,663

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

12 PLANT AND EQUIPMENT

	Plant and machinery	Office equipment, furniture and fittings	Motor vehicles	Computers	Trucks and mixers	Concrete pumps	Renovation and electrical installations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
<u>Cost</u>								
At 1 March								
2022	1,739,606	54,749	1,662,547	173,870	212,316	30,275,001	59,563	34,177,652
Additions	7,478	-	25,808	-	-	-	-	33,286
Disposals	(273,764)	-	(144,217)	(11,135)	-	(776,500)	-	(1,205,616)
Foreign exchange translation adjustments	1,777	-	(2,213)	-	-	(38,475)	-	(38,911)
At 28 February 2023	1,475,097	54,749	1,541,925	162,735	212,316	29,460,026	59,563	32,966,411
<u>Accumulated depreciation and impairment losses</u>								
At 1 March								
2022	1,518,590	25,539	1,278,793	173,870	201,815	27,785,683	59,563	31,043,853
Depreciation charge for the year	65,507	960	69,663	-	-	572,765	-	708,895
Disposals	(247,328)	-	(131,192)	(11,135)	-	(776,500)	-	(1,166,155)
Foreign exchange translation adjustments	1,332	-	(1,861)	-	-	(36,055)	-	(36,584)
At 28 February 2023	1,338,101	26,499	1,215,403	162,735	201,815	27,545,893	59,563	30,550,009
<u>Carrying amount</u>								
At 28 February 2023	136,996	28,250	326,522	-	10,501	1,914,133	-	2,416,402

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

12 PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery	Office equipment, furniture and fittings	Motor vehicles	Computers	Trucks and mixers	Concrete pumps	Renovation and electrical installations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
<u>Cost</u>								
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
<u>Accumulated depreciation and impairment losses</u>								
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
<u>Carrying amount</u>								
At 28 February 2022	221,016	29,210	383,754	-	10,501	2,489,318	-	3,133,799

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

12 PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery	Office equipment, furniture and fittings	Motor vehicles	Computers	Trucks and mixers	Concrete pumps	Renovation and electrical installations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Company								
<u>Cost</u>								
At 1 March								
2022	16,100	45,918	95,970	144,538	-	5,193,731	59,563	5,555,820
Disposals	-	-	-	-	-	(776,500)	-	(776,500)
At 28 February 2023	16,100	45,918	95,970	144,538	-	4,417,231	59,563	4,779,320
<u>Accumulated depreciation and impairment losses</u>								
At 1 March								
2022	16,100	45,918	95,970	144,538	-	4,685,661	59,563	5,047,750
Depreciation charge for the year	-	-	-	-	-	58,845	-	58,845
Disposals	-	-	-	-	-	(776,500)	-	(776,500)
At 28 February 2023	16,100	45,918	95,970	144,538	-	3,968,006	59,563	4,330,095
<u>Carrying amount</u>								
At 28 February 2023	-	-	-	-	-	449,225	-	449,225

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

12 PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery	Office equipment, furniture and fittings	Motor vehicles	Computers	Trucks and mixers	Concrete pumps	Renovation and electrical installations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Company								
<u>Cost</u>								
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
<u>Accumulated depreciation and impairment losses</u>								
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
<u>Carrying amount</u>								
At 28 February								
2022	-	-	-	-	-	508,070	-	508,070

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

12 PLANT AND EQUIPMENT (CONT'D)

Impairment assessment - Continuing operations

Concrete pumping services segment ("CPS Segment")

The Company assessed the recoverable amount of its plant and equipment as there was an indicator of impairment.

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 value in use ("VIU") include:

Key assumptions	2023	2022
Gross profit margin (without depreciation)*	15%	28%
Realisable value	8.5% of the cost of the concrete pump equipment	8.5% of the cost of the concrete pump equipment
Discount rate	16%	8.7%

* 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 approximately the carrying amount of the segment's plant and equipment. Accordingly, no reversal of impairment loss or further impairment loss was recognised by the Group and the Company for the financial year ended 28 February 2023 (2022: reversal of impairment loss of \$1,379,278 and \$257,794 recognised by the Group and the Company respectively).

13 INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	\$	\$
Investment in subsidiaries, at cost	13,395,880	13,395,880
<u>Less: Impairment losses</u>		
At the beginning of the year	(3,251,986)	(8,217,820)
Impairment loss recognised	(634,000)	-
Reversal of impairment loss recognised	-	4,965,834
At the end of the year	(3,885,986)	(3,251,986)
	9,509,894	10,143,894

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

13 INVESTMENT IN SUBSIDIARIES (CONT'D)

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	
			2023	2022
			%	%
<i>Held under the Company</i>				
TMC Pumping System Pte. Ltd. ⁽¹⁾	Supply of concrete pumping services	Singapore	100	100
TMC (Beijing) Materials Co Ltd. ⁽³⁾	Inactive	People's Republic of China	100	100
TMC Concrete Pumping Services Pte. Ltd. ⁽¹⁾	Supply of concrete pumping services	Singapore	100	100
TMC Waste Management Pte. Ltd. ⁽¹⁾	Provision of waste management and CCTV sewer inspection services	Singapore	100	100
Transit-Mixed Concrete (M) Sdn. Bhd. ⁽²⁾	Supply of concrete pumping services	Malaysia	100	100
<i>Held under Transit-Mixed Concrete (M) Sdn. Bhd.</i>				
Crescent Concrete Sdn. Bhd. ⁽³⁾⁽⁴⁾	Dormant	Malaysia	66.5	66.5
Pinespeed Sdn. Bhd. ⁽³⁾	Dormant	Malaysia	100	100
<i>Held under Pinespeed Sdn. Bhd.</i>				
Pesiaran Makmur Sdn. Bhd. ⁽³⁾⁽⁴⁾	Dormant	Malaysia	100	100
Prestige Portfolio Sdn. Bhd. ⁽³⁾⁽⁴⁾	Dormant	Malaysia	100	100

(1) Audited by Moore Stephens LLP, Singapore

(2) Audited by Moore Stephens Associate PLT, Malaysia (a member firm of Moore Global Network Limited)

(3) Reviewed by Moore Stephens LLP, Singapore, for consolidation purposes

(4) These subsidiaries are currently under members' voluntary liquidation process

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

13 INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment assessment

The Company assessed the recoverable amount of its cost of investment in subsidiaries as the carrying amount of the investment exceeded the carrying amount of the relevant investees' net asset at the reporting date.

The Company estimated the recoverable amount of its subsidiaries based on present value of future cash flows expected to be derived from the subsidiaries operating in the CPS 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 VIU include:

Key assumptions	2023	2022
Gross profit margin (without depreciation)	15%	28%
Terminal growth rate	0%	0%
Discount rate	16%	8.7%

Based on the impairment assessment performed, the carrying amount was determined to be in excess of the recoverable amount of the investment in subsidiaries, and an additional impairment loss of \$634,000 (2022: reversal of impairment loss of \$4,965,834) was recognised by the Company for the financial year ended 28 February 2023.

14 INVENTORIES

	Group	
	2023	2022
	\$	\$
Spare parts and accessories	418,445	632,362

In 2023, inventories of \$1,147,817 (2022: \$839,748) were recognised as an expense during the year and included in "cost of sales".

In addition, inventories have been written down by \$120,644 (2022: Nil) as a result of inventory obsolescence. The inventories written down is included in "cost of sales".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade receivables	1,829,842	2,123,033	54,330	13,813
Amounts due from a former joint venture (trade)	-	81,807	-	-
Less: Allowance for impairment loss	(26,304)	(115,111)	-	-
	1,803,538	2,089,729	54,330	13,813
Deposits	162,720	78,780	11,871	23,981
Other receivables	8,619	74,360	1,147	10,600
Amounts due from subsidiaries (non-trade)	-	-	-	126,337
	1,974,877	2,242,869	67,348	174,731
Prepayments	210,468	142,462	5,895	2,250
	2,185,345	2,385,331	73,243	176,981
Non-current	-	27,942	-	1,379
Current	2,185,345	2,357,389	73,243	175,602
	2,185,345	2,385,331	73,243	176,981

The non-trade amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

16 OTHER FINANCIAL ASSETS

	Group and Company	
	2023	2022
	\$	\$
Debt investments measured at amortised cost:		
- SGD government treasury bills	9,981,314	-

The SGD government treasury bills earn interest of 2.78% to 3.11% per annum, payable every six months, and mature in March and April 2023.

As at 28 February 2023, the investment in SGD government treasury bills is considered to have low credit risk as the issuer has a Standard & Poor's credit rating of AAA. Accordingly, for the purpose of impairment assessment for these debt instruments, the loss allowance is measured at an amount equal to 12-month expected credit losses. There was no impairment loss in relation to these debt instruments. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for this financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash at bank and on hand	3,866,524	9,975,014	1,157,375	7,734,056
Fixed deposits	-	3,442,150	-	3,086,013
Cash and cash equivalents in the statement of cash flows	3,866,524	13,417,164	1,157,375	10,820,069

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

The Company maintains bank overdraft facilities amounting to \$1,500,000 (2022: \$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 2023 and 28 February 2022.

18 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2023	2022
	\$	\$
Plant and equipment	(319,383)	(275,900)
Unabsorbed capital allowances and unutilised tax losses	235,883	109,013
Deferred tax liabilities (net)	(83,500)	(166,887)

Movements in deferred tax balances during the year:

	Balance as at 1 March 2021	Recognised in profit or loss (Note 9)	Balance as at 28 February 2022	Recognised in profit or loss (Note 9)	Balance as at 28 February 2023
	\$	\$	\$	\$	\$
Group					
Plant and equipment	(82,000)	(193,900)	(275,900)	(43,483)	(319,383)
Unabsorbed capital allowances and unutilised tax losses	-	109,013	109,013	126,870	235,883
	(82,000)	(84,887)	(166,887)	83,387	(83,500)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

18 DEFERRED TAX LIABILITIES (CONT'D)

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.

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.

	Group	
	2023	2022
	\$	\$
Deductible temporary differences	13,584	39,548
Unutilised capital allowances	6,074,810	7,076,995
Unutilised tax losses	163,418	163,418
	6,251,812	7,279,961

Unutilised tax losses carried forward

Unutilised tax losses of \$156,627 (2022: \$156,627) pertaining to the Group's subsidiary in Malaysia, 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. The remaining deductible temporary differences, unutilised capital allowances and unutilised tax losses 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade payables	522,940	493,248	24,532	21,444
Accruals	581,677	890,107	411,140	742,563
Amounts due to subsidiaries (non-trade)	-	-	4,449,640	4,068,884
	1,104,617	1,383,355	4,885,312	4,832,891

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

20 SHARE CAPITAL

	2023		2022	
	No. of ordinary shares	\$	No. of ordinary shares	\$
Group and Company				
At the beginning of the year	104,290,800	16,048,764	69,590,800	11,190,764
Issue of ordinary shares by share placement	-	-	34,700,000	4,858,000
At the end of the year	104,290,800	16,048,764	104,290,800	16,048,764

On 27 July 2021, 34,700,000 ordinary shares in the share capital of the Company were issued, pursuant to Section 161 of the Singapore 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.

21 RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Foreign currency translation reserve	(602,770)	(501,220)	-	-
Retained earnings	1,850,839	2,064,114	236,975	767,359
	1,248,069	1,562,894	236,975	767,359

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

22 DIVIDEND

	Group	
	2023	2022
	\$	\$
Ordinary dividend paid		
Final one-tier tax exempt dividend of 1 cent per share paid in respect of the financial year ended 28 February 2022	1,042,908	-

23 NON-CONTROLLING INTERESTS

Name of subsidiary	Principal activities	Country of incorporation/ Principal place of business	Ownership interest held by non-controlling interests	
			2023	2022
			%	%
Crescent Concrete Sdn. Bhd.	Dormant	Malaysia	33.5	33.5

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

	2023	2022
	\$	\$
Revenue	-	-
Loss for the year	(6,550)	(5,151)
Other comprehensive income	-	-
Total comprehensive loss	(6,550)	(5,151)
Attributable to non-controlling interests:		
- Loss for the year	(2,194)	(1,726)
- Other comprehensive loss	(24,732)	(4,954)
Total comprehensive loss	(26,926)	(6,680)
Current assets	1,002,407	1,087,094
Current liabilities	-	(3,270)
Net assets	1,002,407	1,083,824
Net assets attributable to non-controlling interests	336,155	363,081
Cash flows generated from/(used in) operating activities	13,516	(6,757)
Cash flows generated from investing activities	-	60,648
Net increase in cash and cash equivalents	13,516	53,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

24 COMMITMENTS

Capital commitment

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group	
	2023	2022
	\$	\$
Purchase of a property	1,453,500	-

Operating leases - the Group as a lessee

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

	Group	Company
	\$	\$
<u>2023</u>		
Less than one year	257,897	180,000
One to two years	10,820	-
	268,717	180,000
<u>2022</u>		
Less than one year	279,750	166,500

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	
	2023	2022
	\$	\$
Salaries, other short-term benefits	418,497	614,681
Contributions to defined contribution plan	36,561	44,755
Directors' fees	87,000	88,263
	542,058	747,699

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

25 RELATED PARTY TRANSACTIONS (CONT'D)

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:

	Group	
	2023	2022
	\$	\$
Rental of workers' accommodation paid to a director of the Company	67,500	-

26 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 (collectively, 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 Chief Operating Decision Maker. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

26 SEGMENT REPORTING (CONT'D)

Information about reportable segments

	Ready-mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
External revenues	-	-	6,686,970	6,531,402	1,151,125	1,705,575	7,838,095	8,236,977
Inter-segment revenue - pump rental	-	-	666,000	676,000	-	-	666,000	676,000
Inter-segment revenue - pump parts	-	-	68,413	80,101	-	-	68,413	80,101
Interest income	-	-	171,327	4,879	-	-	171,327	4,879
Finance expense	-	-	-	(56)	-	-	-	(56)
Depreciation of plant and equipment	-	-	(614,055)	(92,445)	(94,840)	(134,240)	(708,895)	(226,685)
Depreciation of right-of-use assets	-	-	-	(5,222)	-	-	-	(5,222)
Loss on sale of joint venture	-	-	-	(36,247)	-	-	-	(36,247)
Share of loss of joint venture	-	-	-	(136,093)	-	-	-	(136,093)
Tax credit/ (expense)	-	-	47,944	(131,711)	(5,000)	(9,959)	42,944	(141,670)
Reportable segment (loss)/ profit before tax	(6,550)	(5,151)	707,149	2,649,649	110,823	294,184	811,422	2,938,682

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

26 SEGMENT REPORTING (CONT'D)

Information about reportable segments (cont'd)

	Ready-mixed concrete (Discontinued)		Concrete pumping services		Waste management services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
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	-	-	15,421	32,772	17,367	-	32,788	32,772
- Reversal of impairment loss on trade receivables	-	-	-	47,966	7,000	(7,000)	7,000	40,966
- Bad debts written off	-	-	-	(9,776)	(22,787)	(2,200)	(22,787)	(11,976)
- Inventories written off	-	-	(120,644)	-	-	-	(120,644)	-
- Bad debts recovered	-	-	5,157	79	-	-	5,157	79
Reportable segment assets	464,850	509,525	17,601,729	17,645,289	801,451	1,413,842	18,868,030	19,568,656
Additions of plant and equipment	-	-	7,478	181,688	25,808	1,920	33,286	183,608
Reportable segment liabilities	-	3,270	1,061,829	1,394,964	173,213	195,683	1,235,042	1,593,917

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

26 SEGMENT REPORTING (CONT'D)

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

	Group	
	2023	2022
	\$	\$
Revenue		
Total revenue for reportable segments	8,572,508	8,993,078
Elimination of inter-segment revenue	(734,413)	(756,101)
Revenue from continuing and discontinued operations	7,838,095	8,236,977
Profit or loss		
Total profit before tax for reportable segments	811,422	2,938,682
Unallocated amounts:		
- Other corporate expenses	(26,927)	(354,570)
Profit before tax from continuing and discontinued operations	784,495	2,584,112

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
	\$	\$	\$	\$	\$	\$
Group						
<u>2023</u>						
Singapore	7,618,791	-	7,618,791	2,390,833	-	2,390,833
Malaysia	219,304	-	219,304	25,569	-	25,569
	7,838,095	-	7,838,095	2,416,402	-	2,416,402
<u>2022</u>						
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

Major customer

There was no single external customer which contributed 10% or more to the Group's total revenue for the financial years ended 28 February 2023 and 28 February 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS

Finance risk management

Overview

The Group and the 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 the 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 the 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 the Company's activities.

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

(a) Credit risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (CONT'D)

Finance risk management (cont'd)

(a) Credit risk (cont'd)

Reversal of impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2023	2022
	\$	\$
Reversal of impairment loss on trade receivables	(7,000)	(40,966)

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

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

	2023		2022	
	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
	\$	\$	\$	\$
Group				
Customers within:				
- two or more years' trading history with the Group	1,757,413	-	1,975,470	88,807
- Less than two years' trading history with the Group	72,429	-	140,563	-
Total gross carrying amount	1,829,842	-	2,116,033	88,807
Loss allowance	(26,304)	-	(26,304)	(88,807)
	1,803,538	-	2,089,729	-
Company				
Customers within:				
- two or more years' trading history with the Company	54,330	-	13,813	-
Total gross carrying amount	54,330	-	13,813	-
Loss allowance	-	-	-	-
	54,330	-	13,813	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (CONT'D)

Finance risk management (cont'd)

(a) Credit risk (cont'd)

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.

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

	Weighted average loss rate %	Gross carrying amount \$	Impairment loss allowance \$
Group			
<u>2023</u>			
Not past due	*	1,055,703	-*
Past due 1 - 30 days	*	378,057	-*
Past due 31 - 120 days	*	220,141	-*
More than 120 days	14.95	175,941	(26,304)
		1,829,842	(26,304)
<u>2022</u>			
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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (CONT'D)

Finance risk management (cont'd)

(a) Credit risk (cont'd)

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

	Weighted average loss rate %	Gross carrying amount \$	Impairment loss allowance \$
Company			
<u>2023</u>			
Not past due	*	20,797	-*
Past due 1 - 30 days	*	25,337	-*
Past due 31 - 120 days	*	8,196	-*
		54,330	-
<u>2022</u>			
Not past due	*	4,986	-*
Past due 1 - 30 days	*	4,890	-*
Past due 31 - 120 days	*	664	-*
More than 120 days	*	3,273	-*
		13,813	-

* No allowance is recognised as the expected loss rates and/or amounts were insignificant.

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:

	Lifetime ECL	
	2023	2022
	\$	\$
Group		
At 1 March	115,111	344,054
Impairment loss recognised	-	7,000
Reversal of impairment loss due to debt recovery	(7,000)	(47,966)
Amount written off	(81,807)	(187,977)
At 28 February	26,304	115,111

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (CONT'D)

Finance risk management (cont'd)

(a) Credit risk (cont'd)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of \$3,866,524 and \$1,157,375, respectively, at 28 February 2023 (2022: \$13,417,164 and \$10,820,069, respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA1 (2022: AAA to Baa1) 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 at 28 February 2022. These balances were amounts extended to subsidiaries to satisfy short term funding requirements. Impairment on these balances had 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 was 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.

Other financial assets

The other financial assets are held with a counterparty that has a credit rating of AAA from Standard & Poor's.

The Group uses a similar approach for assessment of ECLs for other financial assets to those used for cash and cash equivalents. The amount of the allowance on other financial assets is negligible.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (CONT'D)

Finance risk management (cont'd)

(b) Liquidity risk

The Group and the 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 2023, the Group's current assets exceeds its current liabilities by \$15,300,086 (2022: \$14,979,885).

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 (Note 17) which they can utilise in the event of unforeseen circumstances.

The carrying amounts of the current financial liabilities with a maturity of less than one year are approximately to the contractual undiscounted cash flow amounts as the impact of discounting are insignificant.

(c) 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 the 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, other financial assets, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of their short period to maturity.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2023

27 FINANCIAL INSTRUMENTS (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.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by total equity. Net debt is calculated as trade and other payables less cash and cash equivalents. Total equity comprises all components of equity attributable to the owners of the Company.

	Group	
	2023	2022
	\$	\$
Trade and other payables	1,104,617	1,383,355
Less: Cash and cash equivalents	(3,866,524)	(13,417,164)
Net cash	(2,761,907)	(12,033,809)
Total equity	17,296,833	17,611,658
Net debt to equity ratio	N.M.	N.M.

N.M. - Not meaningful

The Group is not exposed to any externally imposed capital requirements for the financial years ended 28 February 2023 and 28 February 2022.

28 SUBSEQUENT EVENTS

- (a) On 18 April 2023, the Group completed the acquisition of a property located at 160 Paya Lebar Road, #07-09 Orion @ Paya Lebar, Singapore 409022 from a third party for a total consideration of \$1,530,000.
- (b) On 1 May 2023, the Company completed the acquisition of the entire issued and paid-up share capital of a company incorporated in Hong Kong, Hong Kong NHB Group Limited, from a third party for a total consideration of HK\$10,000 (equivalent to approximately \$1,700).

ANALYSIS OF SHAREHOLDINGS

As at 17 May 2023

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	0.21	80	0.00
100 to 1,000	263	54.23	253,000	0.24
1,001 to 10,000	148	30.51	788,300	0.76
10,001 to 1,000,000	65	13.40	6,215,300	5.96
1,000,001 and above	8	1.65	97,034,120	93.04
Total	485	100	104,290,800	100

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

22.49% 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 2023

TOP 20 SHAREHOLDERS

No.	Name of shareholders	No. of shares	% of total issued shares
1	Citibank Nominees Singapore Pte Ltd	39,030,000	37.42
2	CGS-CIMB Securities (Singapore) Pte. Ltd.	20,862,174	20.00
3	DBS Nominees (Private) Limited	15,707,400	15.06
4	Lim Chye Huat @ Bobby Lim Chye Huat	11,000,000	10.55
5	Lee Sai Sing	3,714,446	3.56
6	Lim Ching Tiew	3,520,100	3.38
7	Yee Chia Hsing	2,000,000	1.92
8	Lim Siang Hwa	1,200,000	1.15
9	Woodlands Transport Service Pte Ltd	1,000,000	0.96
10	WTS Logistics & Trading Pte Ltd	1,000,000	0.96
11	Cheong Wai Ngan Gillian	724,000	0.70
12	Hee Geok Lin	577,000	0.55
13	HSBC (Singapore) Nominees Pte Ltd	302,500	0.29
14	Phillip Securities Pte Ltd	281,900	0.27
15	Raffles Nominees (Pte) Limited	245,300	0.24
16	Tan Eng Chua Edwin	176,000	0.17
17	Ong Cho Thye	119,000	0.11
18	Liu Kien Fang	115,000	0.11
19	United Overseas Bank Nominees (Private) Limited	105,200	0.10
20	Wong Liang Toon	85,000	0.08
	Total	101,765,020	97.58

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	58,576,620	56.17	-	-
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 Tan Kok Hiang who is standing for re-election as a director at the Annual General Meeting of the Company on 28 June 2023, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	Tan Kok Hiang
Date of first appointment as a director	25 September 1997
Date of last re-election as a director	25 August 2020
Age	73
Country of principal residence	Singapore
The Board's comments on the re-election	Mr Tan has continued to discharge his duties well and his expertise will continue to benefit the Company and set the direction for growth
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job title	Non-executive Director, Chairman of Board, Audit Committee, Remuneration Committee and Member of Nominating Committee
Professional qualifications	Bachelor of Accountancy (Hons), University of Singapore
Working experience and occupation(s) during the past 10 years	Managing director of Dragafi Asia Pacific Pte Ltd
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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

Name of Director	Tan Kok Hiang
Other principal commitments* including directorships Past (for the last 5 years) Present	<p><u>Past</u> Ultima Investment Pte Ltd Fei Long Resources Pte Ltd</p> <p><u>Present</u> Conifers Investment Pte Ltd EnviroHub Holdings Ltd Fullmark.com Pte Ltd Fullmark Pte Ltd Fullmark Data Pte Ltd ICP Ltd Kwong Joo Kongs LHT Holdings Ltd Pacific Traders Pte Ltd</p>
(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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

Name of Director	Tan Kok Hiang
(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
(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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT

Name of Director	Tan Kok Hiang
(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
(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 43rd Annual General Meeting of the Company will be convened and held by way of electronic means on Wednesday, 28 June 2023 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.tmltd.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 2023 and the auditors' report thereon. (Resolution 1)
2. To re-elect Mr Tan Kok Hiang, a director who will retire by rotation pursuant to Article 89 of the Company's Constitution and who, being eligible, will offer himself for re-election. (Resolution 2)

Note: Mr Tan Kok Hiang, if re-elected as a director, will remain an independent non-executive director of the Company, the chairman of the audit committee and remuneration committee and a member of the nominating committee. Detailed information on Mr Tan is set out on pages 8 and 101 of the Annual Report 2023.

3. To re-appoint Moore Stephens LLP as auditors of the Company and to authorise the directors to fix their remuneration. (Resolution 3)

SPECIAL BUSINESS

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

4. Approval of directors' fees

"That directors' fees of S\$87,000 for the year ending 29 February 2024, to be paid quarterly in arrears, be approved." (2023: S\$87,000) (Resolution 4)

NOTICE OF ANNUAL GENERAL MEETING

5. 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 5)

OTHER BUSINESS

6. 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
8 June 2023

NOTICE OF ANNUAL GENERAL MEETING

Statement pursuant to Article 52 of the Company's Constitution

The ordinary resolution 4 proposed in item 4 above is to approve the payment of directors' fees for the year ending 29 February 2024.

The ordinary resolution 5 proposed in item 5 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.

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:
 - (a) 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);
 - (b) submission of questions to the Chairman of the Meeting in advance of, or live at, the AGM, and addressing of substantial and relevant questions prior to, or live at, the AGM; and
 - (c) voting at the AGM (i) live by the member or his/her/its duly appointed proxy/proxies (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the AGM,

are set out in the accompanying Company's announcement dated 8 June 2023 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.tmcld.com.sg/>.

NOTICE OF ANNUAL GENERAL MEETING

3. A member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may:
 - (a) (where the member is an individual) vote live via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the Meeting) to vote live via electronic means at the AGM on his/her/its behalf; or
 - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

When a member (whether individual or corporate) appoints a proxy/proxies, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of that resolution. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

CPF/SRS investors may:

- (a) vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 16 June 2023.
4.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at 160 Paya Lebar Road #07-09 Orion @ Paya Lebar Singapore 409022; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpa@mncsingapore.com or via the pre-registration website at <https://conveneagm.sg/AbundanteLimited>.

NOTICE OF ANNUAL GENERAL MEETING

in either case, by 10.00 a.m. on 26 June 2023.

A member who wishes to submit a proxy form 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, or via the pre-registration website provided above.

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

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ABUNDANTE LIMITED

(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. A member will not be able to attend the AGM in person. 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, or live at, the AGM, and addressing of substantial and relevant questions prior to, or live at, the AGM and live voting at the AGM, are set out in the Company's announcement dated 8 June 2023 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. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy/proxies.
4. 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 CPF/SRS investors. CPF/SRS investors may:
 - (a) vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 16 June 2023.
5. By submitting an instrument appointing a proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 June 2023.

I/We _____ (Name) _____ (NRIC / Passport / Co. Reg. No.)
of _____ (Address)

being a member/members of Abundante Limited hereby appoint:

Name	Address	Proportion of Shareholdings	
		No. of Shares	%
NRIC/Passport No.	Email Address [^]		

and/or (delete as appropriate)

Name	Address	Proportion of Shareholdings	
		No. of Shares	%
NRIC/Passport No.	Email Address [^]		

[^] Appointed proxy/proxies will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at <https://conveneagm.sg/AbundanteLimited> in order to access the live audio-visual webcast/live audio-only stream of the AGM proceedings.

or, failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 43rd Annual General Meeting of the Company to be held by way of electronic means on Wednesday, 28 June 2023 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 my/our proxy/proxies to vote, or to abstain from voting.

No.	Ordinary Resolutions	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 re-elect Mr Tan Kok Hiang as director			
3	To re-appoint Moore Stephens LLP as auditors and to authorise the directors to fix their remuneration			
Special Business				
4	To approve directors' fees			
5	To authorise the directors to allot and issue shares and convertible securities			

Note: Voting will be conducted by poll. If you wish your proxy/proxies 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 your proxy/proxies 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, your proxy/proxies will vote or abstain from voting at his/her/their discretion.**

Dated this _____ day of _____ 2023

Signature(s) of member(s)
or Common Seal

Total Number of Ordinary Shares Held

 **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. A member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may (a) (where the member is an individual) vote live via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the Meeting) to vote live via electronic means at the AGM on his/her/its behalf; or (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. Where a member (whether individual or corporate) appoints a proxy/proxies, he/she/it should give specific instructions as to the voting, or abstentions from voting, in respect of each resolution. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

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 16 June 2023.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A proxy need not be a member of the Company.
5. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at 160 Paya Lebar Road #07-09 Orion @ Paya Lebar Singapore 409022; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpa@mncsingapore.com or via the pre-registration website at <https://conveneagm.sg/AbundanteLimited>,

in either case, by 10.00 a.m. on 26 June 2023.

A member who wishes to submit a proxy form 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, or via the pre-registration website provided above.

6. The instrument appointing a proxy/proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised.
7. Where an instrument appointing a proxy/proxies 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.
8. The Company shall be entitled to reject the instrument appointing a proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy/proxies if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as provided by The Central Depository (Pte) Limited to the Company.

Abundante Limited

160 Paya Lebar Road
#07-09 Orion @ Paya Lebar
Singapore 409022
Tel: 6344 3922 Fax: 6342 0990
Company Registration No.:197902587H