

Press Release

T T J Holdings reports stable revenue of S\$77.7 million for FY2020

- Proposes first and final dividend of 0.4 Singapore cents per share
- Order book of S\$168 million remains intact

Financial highlights for the 12 months ended 31 July:

(S\$m)	FY2020	FY2019	Chg (%)
Revenue	77.7	76.6	1
Gross profit	7.9	12.0	(34)
Gross profit margin (%)	10.2	15.7	(5.5) points
(Loss) / profit before tax	(14.6)	4.2	n.m.
Net (loss) / profit attributable to shareholders	(11.3)	3.8	n.m.
(Loss) / Earnings per share (cts)	(3.22)	1.08	n.m.

n.m. – not meaningful

Singapore, 23 September 2020 – T T J Holdings Limited (“T T J” or together with its subsidiaries, the “Group”), one of Singapore’s largest structural steel specialists, reported a net attributable loss of S\$11.3 million for the 12 months period ended 31 July 2020 (“FY2020”) as the suspension of construction activities during Singapore’s Circuit Breaker period (“CB”) to curb COVID-19 impacted its operations in 2HFY2020. The Group has nonetheless proposed a first and final dividend of 0.4 Singapore cents per share for FY2020.

The Group recorded a significant increase in other losses to S\$16.8 million in FY2020 compared to S\$1.2 million a year ago. The other losses in FY2020 were mainly in relation the impairment loss arising from a property of a subsidiary in Singapore, property, plant and equipment written off, and lease termination fee arising from a subsidiary which was disposed during the year as well as loss on disposal of subsidiary.

Overall, the Group’s revenue in FY2020 remained stable at S\$77.7 million. In FY2020, revenue contribution from the structural steel business rose marginally while revenue from the waste management and treatment business remained relatively low as the COVID-19 pandemic weakened market demand for wood pellets, resulting in lower average selling prices.

Said T T J's Chairman and Managing Director, Mr Teo Hock Chwee (张福水): "Our business in 2HFY2020 was severely affected by the suspension of construction activities during the CB period in Singapore, as well as manpower disruptions arising from additional measures to curb the spread of the virus, including movement restrictions at foreign worker dormitories. However, the Group has gradually resumed operations since August 2020. Most of our local construction projects have restarted and we also expect more of our external worksites to gradually restart in the coming months."

He continued, "We expect the ongoing pandemic and its knock-on economic effects to impair our earnings capacity and ability to secure new projects in the next 12 months. However, our order book remains intact. Our current cash resources are sufficient to help us meet our near-term debt obligations and operational needs and we will continue to be prudent in our cash conservation and cash flow management to ensure the Group's operations remain sustainable. We will also continue to ensure and prioritise the health, safety and well-being of our employees, subcontractors and their workers, clients and other stakeholders."

As of 23 September 2020, the Group's S\$168 million order book remains healthy and intact, including S\$52 million in new structural steel contracts secured during the pandemic as announced on 28 April 2020. While these projects were originally meant to be substantially completed between FY2020 and FY2022, the Group expects possible delays due to the COVID-19 pandemic.

As part of the Group's efforts to mitigate the adverse financial impact of COVID-19 and protect jobs, the management team has taken a salary cut of up to 50% since August 2020. Company-wide salary cuts, ranging from 7% to 15%, have also been implemented for T T J employees.

Meanwhile, the government's Job Support Scheme (JSS) as well as the Foreign Worker Levy (FWL) waiver and rebates for S-Pass and work permit holders, which have helped cushion the financial impact from the CB measures, will continue to provide some relief for the Group's manpower costs in FY2021.

The Group will continue to monitor the evolving situation and will make any necessary announcement(s) as and when there are material developments.

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About T T J Holdings Limited

With a history that can be traced back to 1981, T T J is widely known as one of the largest structural steel fabricators based in Singapore with a current combined annual maximum production capacity of 42,000 tonnes of normal steel structure at its fabrication facilities located in Singapore and Johor, Malaysia. The Group's core business lies in the design, supply, fabrication, and erection of a wide spectrum of structural steelworks for use in the construction of buildings, factories, plants, and infrastructure. Since 1 April 2010, T T J is listed on the Mainboard of the Singapore Stock Exchange. For more information, please visit <http://www.ttj.com.sg/>.

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