

TTJ Holdings Limited

FY2020 Results Briefing

September 2020



Business Overview



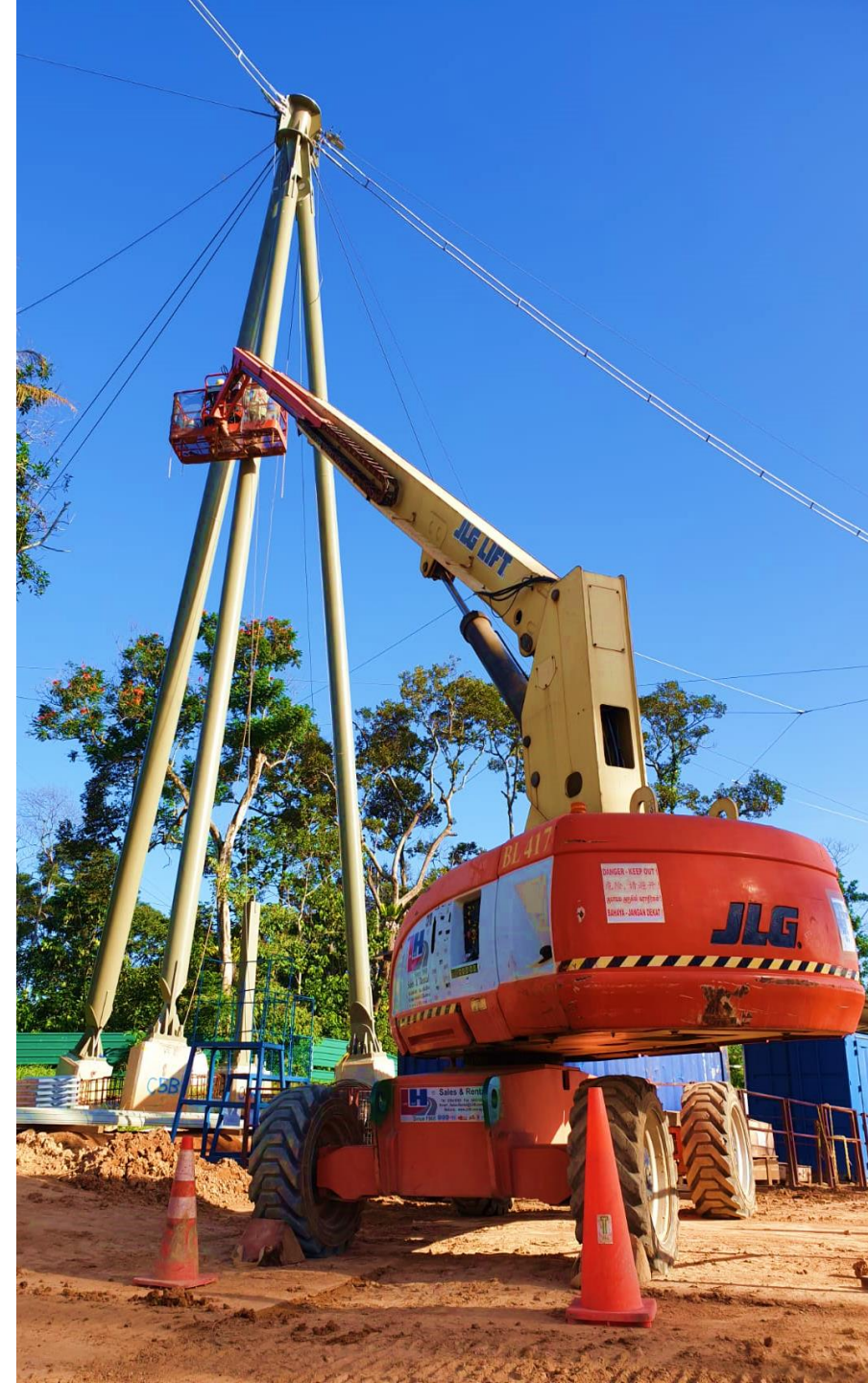
Widely known as one of the largest **structural steel fabricators** with a reputation as a **leading structural steel specialist**

- S1-accredited company with operations in Singapore and Malaysia
- Provides structural steel for diverse industries including many iconic projects in Singapore
- Max. annual capacity: 42,000 tonnes of normal structural steel



Financial Performance

FYE 31 July 2020





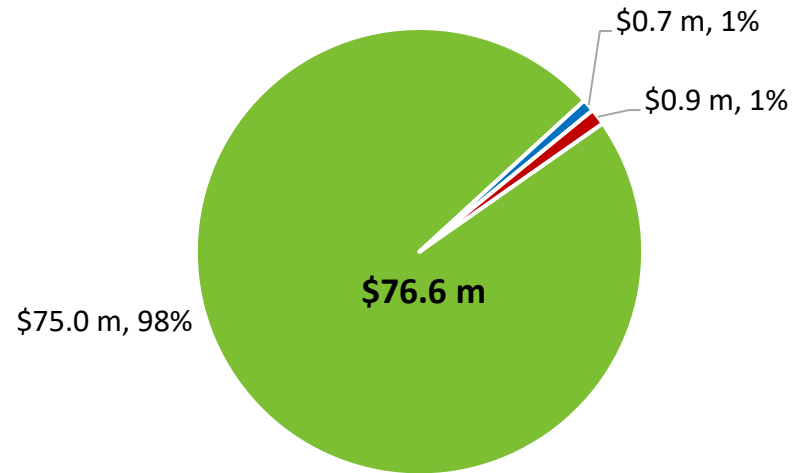
Key Highlights

	FY2018	FY2019	FY2020
Revenue (S\$'M)	92.5	76.6	77.7
Profitability (S\$'M)	FY2018	FY2019	FY2020
Gross Profit	19.0	12.0	7.9
Net Attributable Profit / (Loss)	8.9	3.8	(11.3)
Other Losses (See note below)	(1.2)	(1.2)	(16.8)
Margins (%)	FY2018	FY2019	FY2020
Gross Profit	20.5	15.7	10.2
Net Profit	9.6	5.0	NM
Dividends (S'cts)	FY2018	FY2019	FY2020
Dividends per share	0.7	0.4	0.4

- 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.

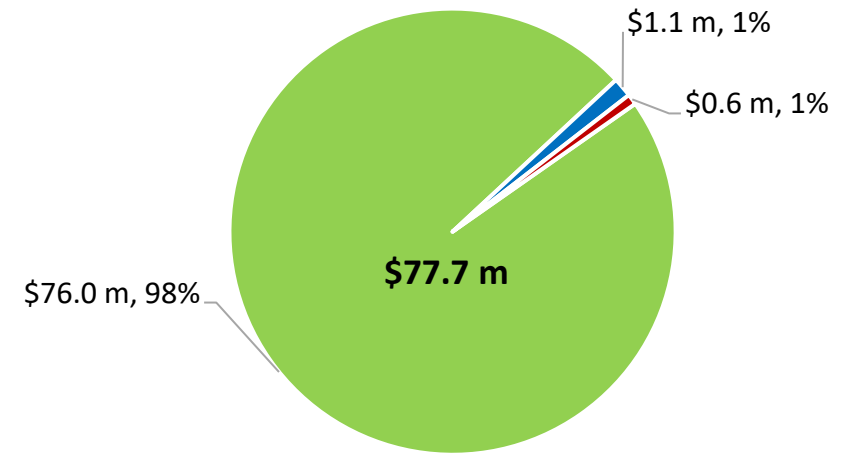
Segmental Revenue

FY2019 Revenue



■ Structural Steel ■ Waste Management and Treatment ■ Others

FY2020 Revenue



■ Structural Steel ■ Waste Management and Treatment ■ Others

- **Impact of COVID-19 in 2H was severe but overall full year revenue increased 1% yoy**
- **Structural Steel revenue increased marginally**
 - Despite the closure of construction sites during the Singapore Circuit Breaker from 7 April to 1 June 2020
- **Waste Management and Treatment revenue remained low**
 - Weak demand and low average selling prices for wood pellet due to COVID-19

Key Financial Indicators



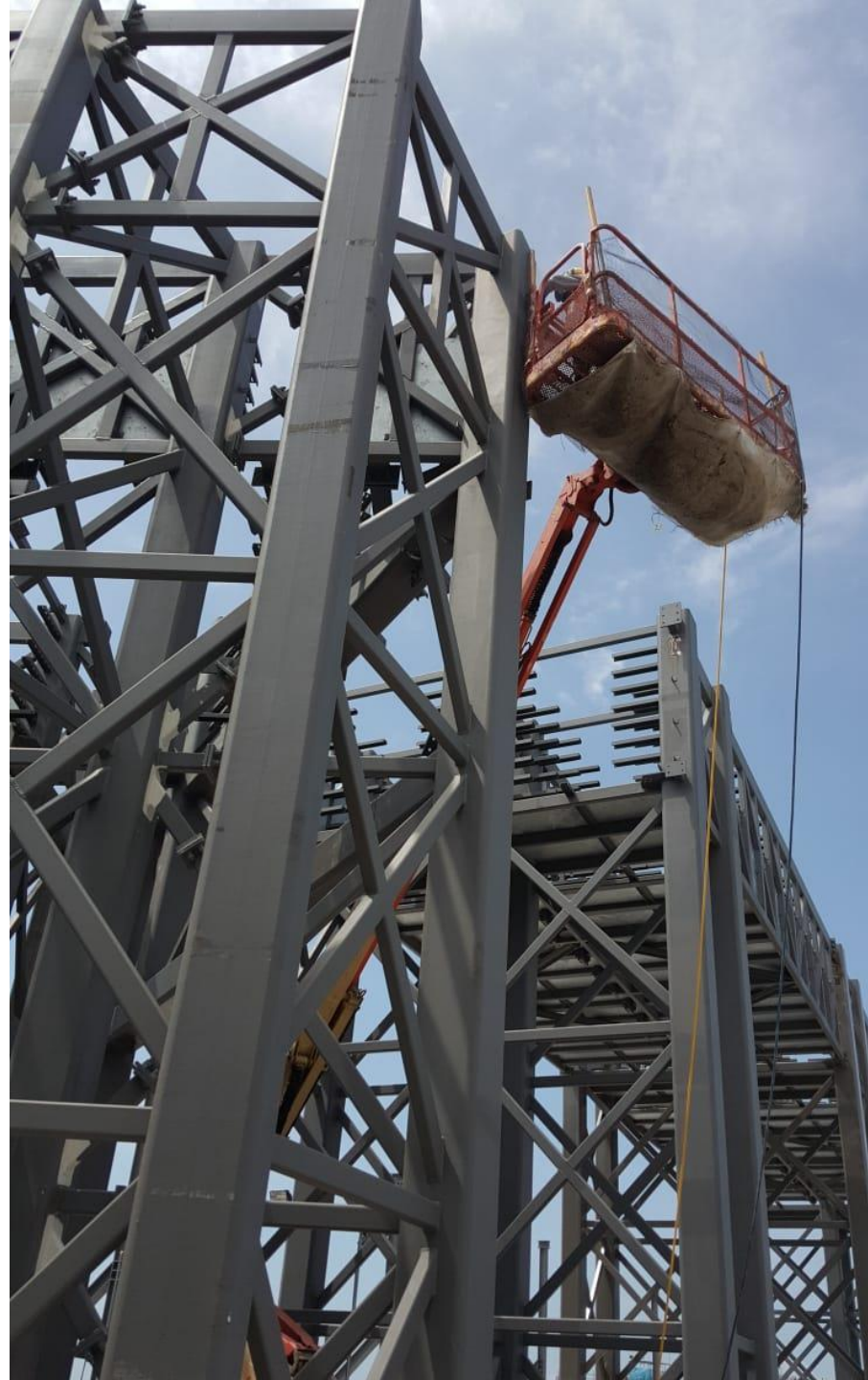
Profitability Ratios	FY2019	FY2020
EPS (S'cts)	1.08	(3.22)
Return on Assets (%)	2.2	(7.1)
Return on Equity(%)	2.6	(8.9)

Financial Position (\$\$'M)	As at 31 Jul 2019	As at 31 Jul 2020
Total assets	173.2	158.6
Total liabilities	30.0	31.3
Shareholders' equity	140.0	125.9

Net Asset Value	As at 31 Jul 2019	As at 31 Jul 2020
Net asset value per share (S'cts)	40.05	36.01

Cashflow (\$\$'M)	FY2019	FY2020
Net cash from operating activities	7.6	7.6
Net cash (used in) investing activities	(29.3)	(6.6)
Net cash from / (used in) financing activities	4.4	(4.0)
Cash and cash equivalents	39.3	36.2

Business Updates



Impact of COVID-19



	Singapore	Malaysia and Thailand
COVID-19 CONTROL MEASURES	<ul style="list-style-type: none"> • Circuit Breaker (CB) period from 7 April to 1 June 2020 • Stay-home-notice (SHN) for work permit and S Pass holders in the construction sector from 20 April to 18 May 2020 	<ul style="list-style-type: none"> • Malaysia: Movement Control Order (MCO) from 18 March to 9 June 2020 • Thailand: State of Emergency from 26 March to 30 September 2020
SIGNIFICANT OPERATIONAL IMPACT	<ul style="list-style-type: none"> • Suspension of construction activities during CB • Manpower shortage and disruptions from safe distancing measures, which has led to delays in execution of projects • COVID-19 cases at our Factory-Converted Dormitory (FCD) • General slow-down in project tenders and awards 	<ul style="list-style-type: none"> • Slow down in business activities during the affected periods due to restricted movements/curfews • Temporarily stopped operations at Thai wood pellet facility
SIGNIFICANT FINANCIAL IMPACT	<ul style="list-style-type: none"> • Significant decline in 2HFY2020 revenue and profit • 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. 	<ul style="list-style-type: none"> • Weaker demand and lower average selling prices for wood pellets

Response to COVID-19



ON OPERATIONS

- **Implemented safe distancing measures at the workplace and project sites**
 - Safe Entry scanning
 - Temperature screening
 - Use of masks
 - Safe distancing at the workplace
 - Trace Together app for employees
 - Rostered Routine Testing (RRT) every 14 days
- **Re-scheduling and extension of affected projects**
- **Resumption of operations**
 - Singapore
 - Full operations at the Singapore Factory since August 2020
 - FCD declared clear of COVID-19 in August 2020
 - Most external construction projects have restarted with more to gradually start subject to approvals from authorities
 - Malaysia
 - Full operations at Malaysia Factory since June 2020
 - Thailand
 - Operations suspended at Thai wood pellet facility; To resume when global economy recovers
- **No material impact on raw material supply chain**

Response to COVID-19



ON FINANCIALS

- **Tapping on government support measures**
 - Job Support Scheme (JSS) - Foreign Worker Levy (FWL) waiver and rebates - Construction Restart Booster (CRB)

JSS Wage Support	FWL Waiver	FWL Rebates (Per S-Pass and Work Permit Holder)	CRB: Firm-based Support (Per S-Pass and Work Permit Holder)
75% (Jun-Aug 2020)	100% (Jun-Sep 2020)	\$750 (Jun 2020)	\$400 (One-off)
50% (Sep-Oct 2020)	75% (Oct 2020)	\$375 monthly (Jul-Sep 2020)	
30% (Nov 2020- Mar 2021)	50% (Nov 2020)	\$90 monthly (Oct 2020-Dec 2021)	
-	25% (Dec 2020)	-	

- **Cost cutting measures**
 - Salary cuts since August 2020
- **Prudence in cash conservation and cash flow management**
 - Deferring non-critical capital expenditures eg construction of the new-build wood pellet manufacturing plant in Singapore
 - Sufficient liquidity to meet near-term debt obligations and operational needs
 - Cash resources of \$36.2 million and gearing of 11.1%

Order Book



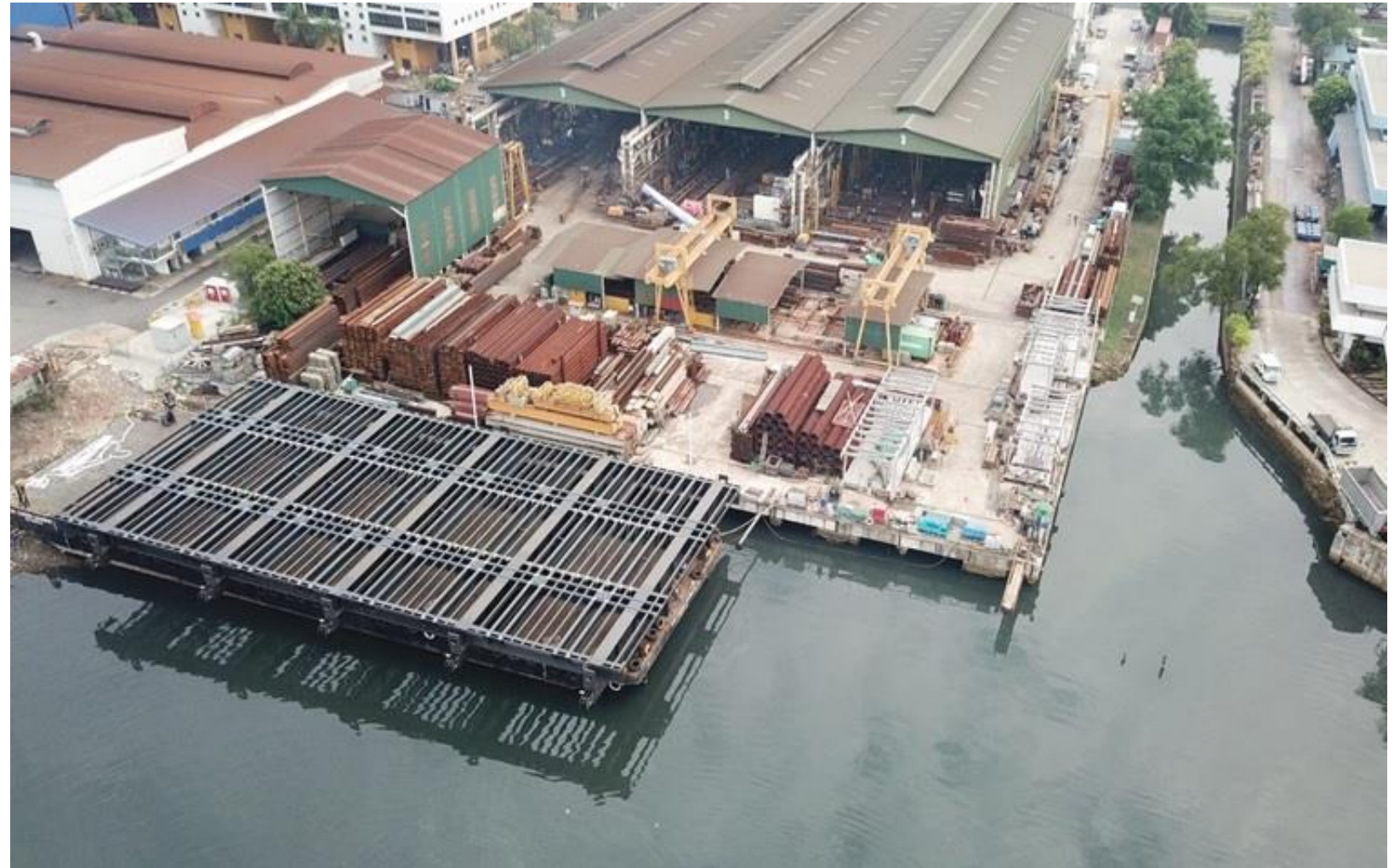
New Contracts Secured

\$52 million @ 28 Apr 2020

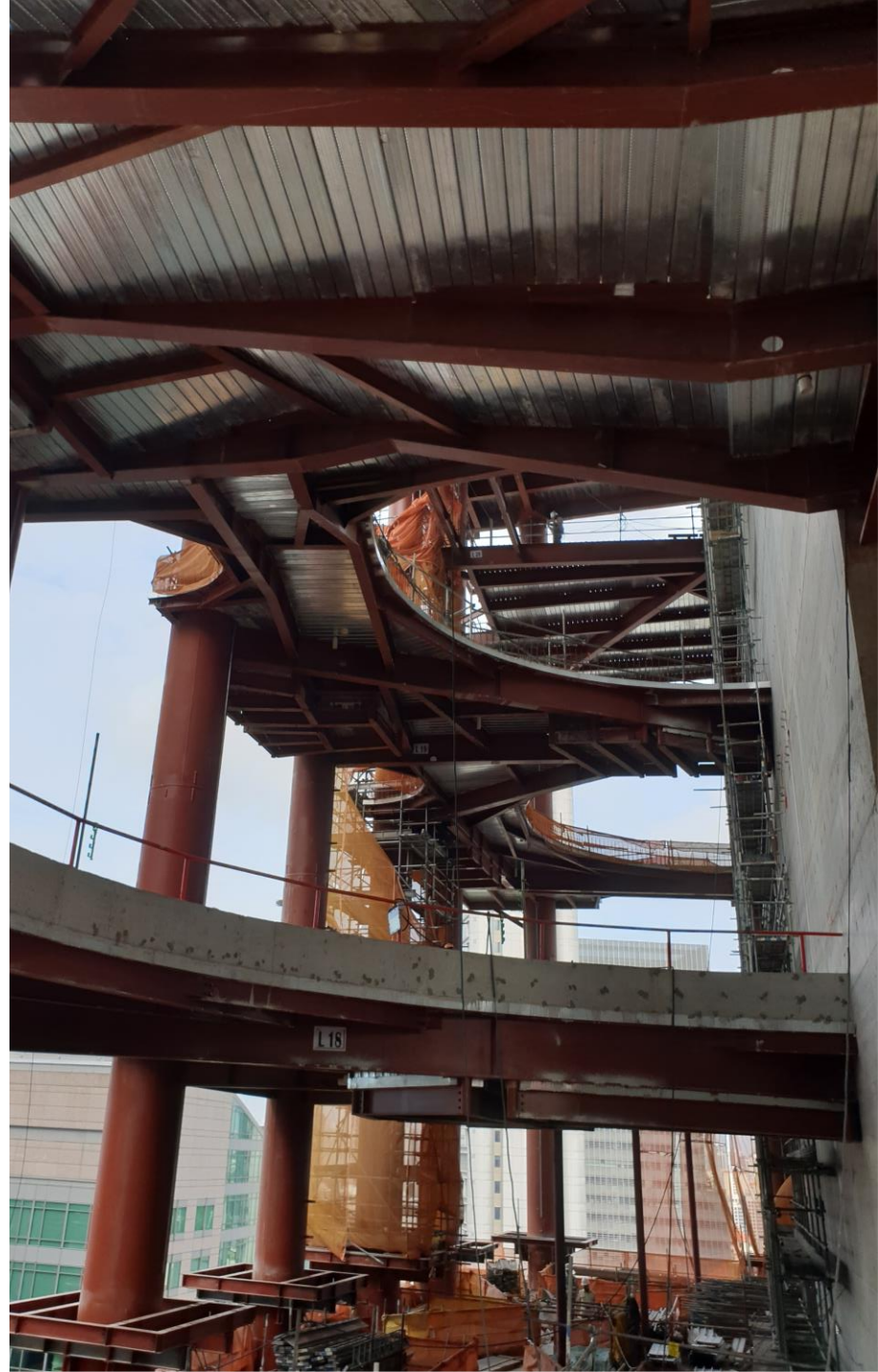
Order Book

\$168 million @ 23 Sep 2020

- Remains intact
- Expected to be substantially fulfilled between FY2020 and FY2022 but may experience delays



Industry Outlook



Construction Demand in Singapore

Construction Demand Forecast by Building and Construction Authority (BCA)

Value of contracts awarded (\$\$ billion)			
Year	Public	Private	Total
2019	19.03	14.5	33.52*
2020(F)	11-14	7-9	18-23

- **Projected construction demand revised from \$28-33 billion (Jan 2020) to \$18-23 billion (Sep 2020)**
 - A drop in private sector construction demand
 - Postponements in the award of some public sector projects from 2020 to 2021
- **Construction demand is expected to recover to some extent from 2021 supported by**
 - Public residential developments and upgrading works
 - Developments at the Jurong Lake District
 - Construction of new healthcare facilities
 - Various infrastructure projects eg Cross Island MRT Line

Source: BCA, Media Release "Projected Construction Demand for 2020 Revised to \$18 - \$23 Billion, but Expected to Recover to Some Extent from 2021" dated 17 September 2020

Potential Projects In Singapore

Public Sector Projects

- **Industrial:** Integrated Waste Management Facility @ Tuas, and Tuas Water Reclamation plant
- **Transport:** Cross Island Line, Thomson-East Coast Line, Jurong Region Line, Eastern Region Line, Integrated Train Testing Centre, and Integrated Transport Hub
- **Government:** ICA Building, MHA Building, Police Building at Toa Payoh, NS Hub, and PSA Tanjong Pagar workers dormitory
- **Recreational:** Mandai Bird Park East Arrival Node, Mandai Rainforest Package C, and Mandai Boardwalk

Private Sector Projects

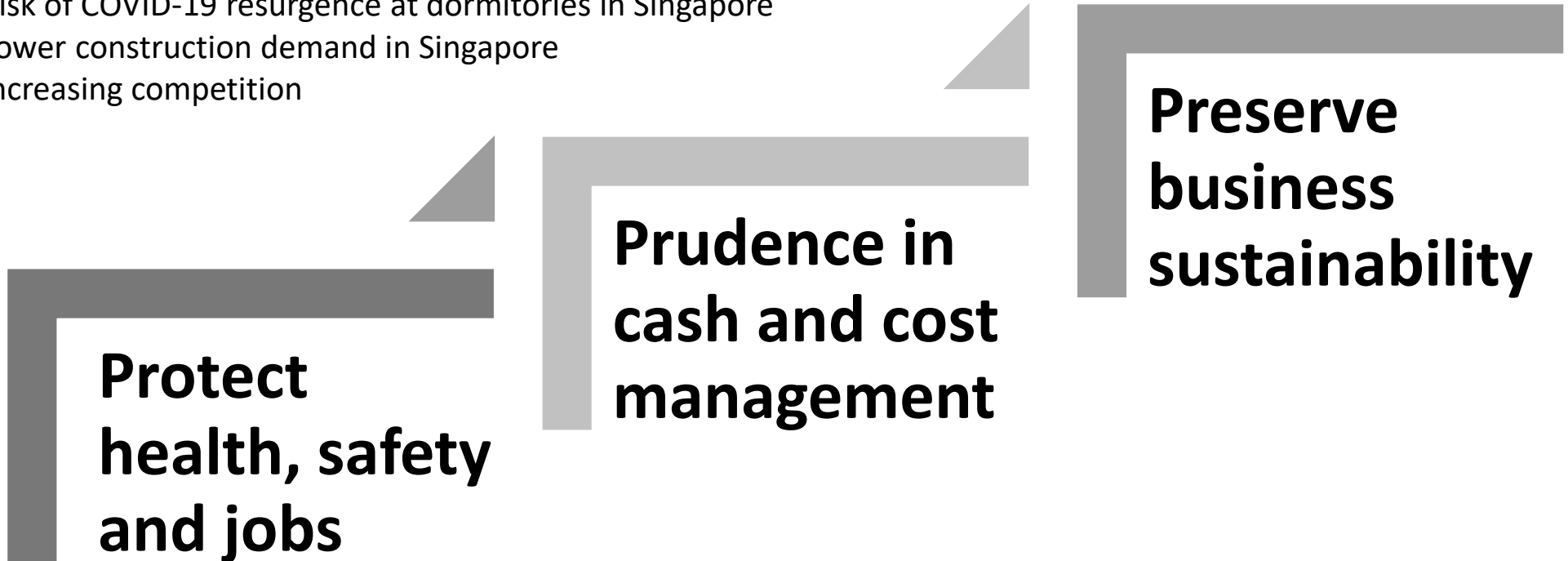
- **Jurong Island:** Arkema Symphony Project, Banyan Combined Cycle Power Plant, and Kuraray ES Project MC2
- **Commercial:** SF Project in Jurong Innovation District and High Rise Re-development Project



Business Strategy

Main Challenges:

- Global economic downturn caused by COVID-19
- Risk of COVID-19 resurgence at dormitories in Singapore
- Lower construction demand in Singapore
- Increasing competition



Thank You

