

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 APRIL 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	3 months ended			9 months ended		
	30/04/19	30/04/18	Change	30/04/19	30/04/18	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	16,906	28,664	(41)	50,675	68,737	(26)
Cost of Sales	(14,891)	(22,378)	(33)	(42,460)	(55,039)	(23)
Gross Profit	2,015	6,286	(68)	8,215	13,698	(40)
Finance Income	86	109	(21)	351	411	(15)
Other Gains	1,087	529	105	1,904	1,612	18
Administrative Expenses	(2,055)	(3,028)	(32)	(6,992)	(6,861)	2
Finance Costs	(186)	(31)	500	(308)	(78)	295
Other Losses	(31)	(474)	(93)	(45)	(484)	(91)
Profit Before Tax	916	3,391	(73)	3,125	8,298	(62)
Income Tax Expense	(214)	(526)	(59)	(601)	(1,330)	(55)
Profit Net of Tax	702	2,865	(75)	2,524	6,968	(64)
Other Comprehensive Income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange Difference on Translating Foreign Operations, Net of Tax	(26)	165	n.m.	(375)	1,410	n.m.
Available-for-Sale Financial Assets, Net of Tax	232	218	6	110	638	(83)
Other Comprehensive Income / (Losses) for the Period, Net of Tax	206	383	(46)	(265)	2,048	(113)
Total Comprehensive Income	908	3,248	(72)	2,259	9,016	(75)
Profit Attributable to:						
Owners of the Parent, Net of Tax	682	3,051	(78)	2,581	7,473	(65)
Non-Controlling Interests, Net of Tax	20	(186)	(111)	(57)	(505)	(89)
	702	2,865	(75)	2,524	6,968	(64)
Total Comprehensive Income Attributable to:						
Owners of the Parent	888	3,434	(74)	2,316	9,521	(76)
Non-Controlling Interests	20	(186)	(111)	(57)	(505)	(89)
	908	3,248	(72)	2,259	9,016	(75)

n.m. - not meaningful

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 (Cont'd)**

Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit or loss is arrived at after (charging) / crediting the following:

	3 months ended		9 months ended	
	30/04/19	30/04/18	30/04/19	30/04/18
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of lease premium prepayment	(7)	(11)	(20)	(20)
Allowance for impairment on trade receivables	-	(474)	-	(474)
Depreciation of property, plant and equipment	(863)	(554)	(2,187)	(1,558)
Dividend income	-	-	53	40
Foreign exchange gains	72	90	86	746
Gain on disposal of property, plant and equipment	2	4	134	10
Government grants	25	55	154	109
Plant and equipment written off	(45)	-	(45)	(10)

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30/04/19	31/07/18	30/04/19	31/07/18
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	71,278	42,660	–	–
Investment Property	–	–	–	–
Intangible Assets	283	283	–	–
Investments in Subsidiaries	–	–	6,923	6,923
Other Receivables	–	–	–	7,750
Other Financial Assets	3,116	2,985	3,116	2,985
Other Non-Financial Assets	901	3,921	–	–
Total Non-Current Assets	75,578	49,849	10,039	17,658
<u>Current Assets</u>				
Inventories	507	738	–	–
Trade and Other Receivables	56,993	58,935	38,520	9,950
Other Non-Financial Assets	1,673	400	21	37
Cash and Cash Equivalents	39,884	56,754	8,507	31,587
Total Current Assets	99,057	116,827	47,048	41,574
Total Assets	174,635	166,676	57,087	59,232
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	22,890	22,890	22,890	22,890
Retained Earnings	116,192	116,091	33,149	34,870
Other Reserves	(455)	(190)	858	749
Equity, Attributable to Owners of the Parent, Total	138,627	138,791	56,897	58,509
Non-Controlling Interests	173	254	–	–
Total Equity	138,800	139,045	56,897	58,509
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,454	1,462	–	–
Finance Leases	39	83	–	–
Other Financial Liabilities	6,688	–	–	–
Total Non-Current Liabilities	8,181	1,545	–	–
<u>Current Liabilities</u>				
Income Tax Payable	768	1,766	33	40
Trade and Other Payables	21,567	18,961	157	683
Finance Leases	23	32	–	–
Other Financial Liabilities	3,641	3,971	–	–
Other Non-Financial Liabilities	1,655	1,356	–	–
Total Current Liabilities	27,654	26,086	190	723
Total Liabilities	35,835	27,631	190	723
Total Equity and Liabilities	174,635	166,676	57,087	59,232

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

	As at 30/04/19	As at 31/07/18
	S\$'000	S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand	3,664	4,003
Amount repayable after one year	6,727	83
	10,391	4,086

Details of any collateral:

The Group's borrowings were secured by the legal mortgage on a Group's leasehold properties and covered by corporate guarantee by the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			
	3 months ended		9 months ended	
	30/04/19	30/04/18	30/04/19	30/04/18
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	916	3,391	3,124	8,298
Adjustments for:				
Interest Expenses	188	31	308	78
Interest Income	(86)	(109)	(351)	(411)
Amortisation of Lease Premium Prepayment	7	11	20	20
Depreciation of Property, Plant and Equipment	863	554	2,187	1,558
Dividend Income	-	-	(53)	(40)
Gain on Disposal of Property, Plant and Equipment	(2)	(4)	(134)	(10)
Plant and Equipment Written off	45	-	45	10
Operating Cash Flows Before Changes in Working Capital	1,931	3,874	5,146	9,503
Trade and Other Receivables	(11,763)	(6,101)	847	(22,514)
Inventories	161	42	232	359
Trade and Other Payables	2,464	575	2,958	3,670
Net Cash Flows (Used in) / From Operations	(7,207)	(1,610)	9,183	(8,982)
Income Taxes Paid	(714)	(456)	(1,820)	(1,496)
Income Taxes Refund	9	-	12	3
Net Cash Flows (Used in) / From Operating Activities	(7,912)	(2,066)	7,375	(10,475)
<u>Cash Flows from Investing Activities</u>				
Advance Payment of Purchase of Property, Plant and Equipment	1,490	-	-	-
Purchase of Property, Plant and Equipment	(14,920)	(1,250)	(22,719)	(18,511)
Proceeds from Disposal of Property, Plant and Equipment	2	10	203	16
Acquisition of Subsidiary	-	-	(60)	-
Dividend Received	-	-	32	21
Interest Received	86	109	351	411
Net Cash Flows Used in Investing Activities	(13,342)	(1,131)	(22,193)	(18,063)
<u>Cash Flows From Financing Activities</u>				
Cash restricted in use	-	-	-	157
Increase / (Decrease) in Bill Payables	-	132	(1,221)	455
Interest Paid	(187)	(31)	(308)	(78)
Proceeds from Borrowings	1,834	-	2,255	-
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	-	147	3	147
Repayment of Borrowings	(23)	(35)	(88)	(103)
Repayment of Finance Lease Obligations	(6)	(8)	(53)	(24)
Dividend Paid to Equity Owners	-	-	(2,447)	(2,447)
Net Cash Flows From / (Used in) Financing Activities	1,618	(205)	(1,859)	(1,893)
Net Decrease in Cash and Cash Equivalents	(19,636)	(2,992)	(16,677)	(30,431)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	54,493	54,811	56,601	82,226
Effect of Exchange Rate Changes on Cash and Cash Equivalents	27	(2)	(40)	22
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	39,884	51,817	39,884	51,817
<u>Cash and cash equivalents in the statement of cash flows:</u>				
Cash and cash equivalents per statement of financial position	39,884	51,817	39,884	51,817
Bank overdrafts	-	-	-	-
Cash and cash equivalents for statement of cash flows purpose at end of period	39,884	51,817	39,884	51,817

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

STATEMENTS OF CHANGES IN EQUITY

Group	Attributable					Non-Controlling Interests
	Total Equity	to Parent Sub-total	Share Capital	Retained Earnings	Other Reserves	
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
Current Year:						
Opening Balance at 1 August 2018	139,045	138,791	22,890	116,091	(190)	254
Movements in Equity:						
Total Comprehensive Income for the Period	1,351	1,429	–	1,900	(471)	(78)
Dividends Paid	(2,447)	(2,447)	–	(2,447)	–	–
Acquisition of Non-Controlling Interest Without a Change in Control	(60)	(34)	–	(34)	–	(26)
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	3	–	–	–	–	3
Closing Balance at 31 January 2019	137,892	137,739	22,890	115,510	(661)	153
Total Comprehensive Income for the Period	908	888	–	682	206	20
Closing Balance at 30 April 2019	138,800	138,627	22,890	116,192	(455)	173
Previous Year:						
Opening Balance at 1 August 2017	131,885	131,259	22,890	109,615	(1,246)	626
Movements in Equity:						
Total Comprehensive Income for the Period	5,768	6,087	–	4,422	1,665	(319)
Dividend Paid	(2,447)	(2,447)	–	(2,447)	–	–
Closing Balance at 31 January 2018	135,206	134,899	22,890	111,590	491	307
Total Comprehensive Income for the Period	3,248	3,434	–	3,051	383	(186)
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	147	–	–	–	–	147
Closing Balance at 30 April 2018	138,601	183,333	22,890	114,641	802	268
Company						
	Total Equity	Share Capital	Retained Earnings	Other Reserves		
	SS'000	SS'000	SS'000	SS'000		
Current Year:						
Opening Balance at 1 August 2018	58,509	22,890	34,870	749		
Movements in Equity:						
Total Comprehensive Income for the Period	571	–	694	(123)		
Dividends Paid	(2,447)	–	(2,447)	–		
Closing Balance at 31 January 2019	56,633	22,890	33,117	626		
Total Comprehensive Income for the Period	264	–	32	232		
Closing Balance at 30 April 2019	56,897	22,890	33,149	858		
Previous Year:						
Opening Balance at 1 August 2017	60,101	22,890	36,642	569		
Movements in Equity:						
Total Comprehensive Income for the Period	740	–	320	420		
Dividends Paid	(2,447)	–	(2,447)	–		
Closing Balance at 31 January 2018	58,394	22,890	34,515	989		
Total Comprehensive Income for the Period	531	–	313	218		
Closing Balance at 30 April 2018	58,925	22,890	34,828	1,207		

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

There is no new share issued since 31 January 2019.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 30 April 2019, the Company held 500,000 treasury shares (30 April 2018: 500,000).

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

As at 30 April 2019, the total number of issued shares (excluding treasury shares) was 349,500,000 (31 July 2018: 349,500,000).

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares during the financial period.

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

The figures have neither been audited nor reviewed in accordance with Singapore Auditing Standards.

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

Not applicable.

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

The Group's accounting policies and methods of computation for the current reporting period are consistent with the audited financial statements for the year ended 31 July 2018.

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

There were no changes in the accounting policies and methods of computation as compared to those adopted in the most recently audited financial statements.

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

	Group			
	3 months ended		9 months ended	
	30/04/19	30/04/18	30/04/19	30/04/18
	cents	cents	cents	cents
Basic earnings per share	0.20	0.87	0.74	2.14

Basic earnings per share for the period ended 30 April 2019 and 2018 is calculated by dividing the Group's net profit attributable to owners of the parent over the weighted average number of ordinary shares in issue of 349,500,000 ordinary shares.

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares existing during the respective financial periods.

- 7 *Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.*

	Group		Company	
	30/04/19	31/07/18	30/04/19	31/07/18
	cents	cents	cents	cents
Net asset value per share	39.66	39.71	16.28	16.74

Net asset value per share is calculated based on the shareholders' equity of the Group / Company as at the end of the financial periods and the issued share capital (excluding treasury shares) of 349,500,000 ordinary shares as at 30 April 2019 and 31 July 2018.

- 8 *A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-*
 (a) *any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and*
 (b) *any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.*

Review of Group performance

For the three months ended 30 April 2019 ("Q3FY2019"), the Group recorded a revenue of \$16.9 million, a decrease of 41% as compared to \$28.7 million for the previous corresponding period ("Q3FY2018"). The decrease was mainly due to the decrease in revenue from the structural steel business.

The Group's gross profit margin stood at 11.9% in Q3FY2019. In comparison, the gross profit margin in Q3FY2018 was 21.9% due to better gross margins derived from the projects executed during the reporting period.

Other gains increased by 105% from \$0.5 million in Q3FY2018 to \$1.1 million in Q3FY2019. The higher amount recorded in Q3FY2019 was mainly due to an increase in supplier rebate.

Finance costs increased by 500% from \$0.03 million in 3QFY2018 to \$0.2 million in 3QFY2019. This was mainly due to increase in the borrowings from financial institutions for partially financing the acquisition of property, plant and equipment.

Review of Group performance (cont'd)

Administrative expenses decreased by 32% from \$3 million in Q3FY2018 to \$2.1 million in Q3FY2019. This was mainly due to a decrease in staff related costs.

For the nine months ended 30 April 2019 (“3QFY2019”), the Group reported a revenue of \$50.7 million, a decrease of 26% as compared to \$68.7 million for the previous corresponding period (“3QFY2018”). The decrease was mainly due to the decrease in revenue from the structural steel business.

The Group’s gross profit margin decreased from 19.9% in 3QFY2018 to 16.2% in 3QFY2019.

Other gains increased by 18% from \$1.6 million in 3QFY2018 to \$1.9 million in 3QFY2019. This was mainly due to an increase in gain on disposal of property, plant and equipment and supplier rebate offset by the decrease in net foreign exchange gain recorded.

Administrative expenses remained stable at \$6.9 million in 3QFY2018 and \$7 million in 3QFY2019.

Finance costs increased by 295% from \$0.1 million in 3QFY2018 to \$0.3 million in 3QFY2019. This was mainly due to increase in the borrowings from financial institutions for partially financing the acquisition of property, plant and equipment.

Profit before tax of the Group was \$3.1 million in 3QFY2019 as compared to \$8.3 million in 3QFY2018. The decrease was mainly due to the Group’s lower turnover and decrease in gross profit margin as explained above.

Review of changes in working capital, assets and liabilities

The movement in the Group’s assets and liabilities are as follows:

- (i) Total assets increased from \$166.7 million as at 31 July 2018 to \$174.6 million as at 30 April 2019. This was mainly due to an increase in property, plant and equipment as a result of the acquisition of property, plant and equipment of the subsidiaries in Thailand and Singapore; and other non-financial assets which mainly consist of the tax recoverable from the disposal of property, plant and equipment.
- (ii) Total liabilities increased from \$27.6 million as at 31 July 2018 to \$35.8 million as at 30 April 2019. This was mainly due to increase in the borrowings from financial institutions for partially financing the acquisition of property, plant and equipment as mentioned above.

Review of changes in cash flow

The net cash flows of \$7.4 million were generated from operating activities in 3QFY2019 as compared to net cash flows of \$10.5 million used in 3QFY2018.

The net cash flows used in investing activities amounted to \$22.2 million in 3QFY2019, compared to \$18.1 million in 3QFY2018. The major investing activities were mainly for the acquisition of property and equipment in Thailand and Singapore in 3QFY2019. The investing activities in 3QFY2018 were mainly for the acquisition of property and equipment in Malaysia.

The net cash flows used in financing activities amounted to \$1.9 million in both 3QFY2018 and 3QFY2019. The use of cash flow for both 3QFY2019 & 3QFY2018 was mainly due to the payment of dividends and partially offset by the increase of the borrowings from financial institutions.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$39.9 million as at 30 April 2019 as compared to \$51.8 million as at 30 April 2018, representing a decrease of \$11.9 million.

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

No quarterly forecast or prospect statement has been previously disclosed.

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

As at 4 June 2019, T T J's projects order book stands at \$188 million with projects expected to be substantially completed between FY2019 and FY2021.

Going forward, the Group expects the operating environment to be increasingly challenging. Although the Building and Construction Authority ("BCA") has projected stronger construction demand in 2018 and 2019 as compared with 2017, the industry has become increasingly competitive and margins have narrowed. The Group continues to receive enquiries for a mix of public and private sector projects and also explore opportunities in the waste management and treatment sector including identifying potential acquisition targets. To this end, the Group has recently completed the acquisition of the assets of Biofuel Industries Pte. Ltd., including, *inter alia*, property situated at 51 Shipyard Crescent Singapore 758044 (the "Property"), as announced by the Group on 22 April 2019 (the "Assets Acquisition"). The Group intends to commence undertaking a wood pellet manufacturing business in Singapore subsequent to the completion of Assets Acquisition, and will be undertaking construction works at the Property to, amongst others, enhance the production line for wood pellet manufacturing. The Board will continue to update shareholders as and when there are material developments regarding the property and/or the wood pellet manufacturing business.

11 *Dividend*

(a) Current financial period reported on 30 April 2019

- (i) Any dividend declared for the current financial period reported on? No
- (ii) Any dividend recommended for the current financial period reported on? No

Name of Dividend : NA
 Dividend Type : NA
 Dividend Amount per Share : NA
 Tax Rate : NA

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend : NA
 Dividend Type : NA
 Dividend Amount per Share : NA
 Tax Rate : NA

11 Dividend (cont'd)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been recommended for the period ended 30 April 2019.

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

The Group has not obtained a general mandate from its shareholders for IPTs.

14 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of SGX-ST

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the financial period ended 30 April 2019 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of SGX-ST

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Teo Hock Chwee
Chairman and Managing Director

Chiong Su Been
Executive Director and Chief Financial Officer

4 June 2019
Singapore