
RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING TO BE HELD ON 30 NOVEMBER 2020

The Board of Directors of T T J Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to address questions received from Shareholders relation to the Company’s forthcoming annual general meeting to be held on 30 November 2020 by way of electronic means.

The Company has consolidated the material questions submitted by Shareholders and set out responses to such Shareholders’ questions in Annex A of this announcement.

By Order of the Board

Teo Hock Chwee
Chairman and Managing Director

27 November 2020

ANNEX A
RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Question 1:

Please breakdown/itemise the “other losses”?

Other losses rose from \$1.2 million in FY2019 to \$16.8 million in FY2020, mainly driven by impairment loss arising from a property of a subsidiary in Singapore due to prevailing market condition; property, plant and equipment written off; and the lease termination fee and loss on disposal arising from a subsidiary which was disposed during the year.

Company’s response

Breakdown of Other Losses	FY2020 \$’000	FY2019 \$’000
Allowance for impairment on property, plant and equipment	(7,596)	-
Bad debts written off – trade receivables	(901)	(793)
Foreign exchange adjustments (losses)	(622)	-
Intangible assets written off	-	(283)
Lease termination fee	(1,260)	-
Loss on disposal of subsidiary	(2,253)	-
Inventory written off	(8)	-
Property, plant and equipment written off	(4,206)	(80)
Total Other Losses	(16,846)	(1,156)

Please refer to page 73 of the Group’s 2020 Annual Report for additional information.

Question 2:

BCA's construction demand forecast is down 40% for 2021. What is T T J doing to prepare for this 40% slowdown in demand?

Company’s response

Based on public information, the Building and Construction Authority (“BCA”) did not forecast a 40% decline in construction demand for 2021. The BCA’s most recent outlook statement was released on 17 September 2020. In it, BCA revised its projected construction demand for 2020 to \$18-\$23 billion from its previous forecast of \$28-\$33 billion in January 2020. For 2021, BCA is expecting construction demand to recover to some extent. BCA has indicated that it will provide an update on the projected construction demand for 2021 and 2022 in early 2021.¹

¹ [https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/09/17/projected-construction-demand-for-2020-revised-to-\\$18-\\$23-billion-but-expected-to-recover-to-some-extent-from-2021](https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/09/17/projected-construction-demand-for-2020-revised-to-$18-$23-billion-but-expected-to-recover-to-some-extent-from-2021)

In its latest economic outlook statement on 23 November 2020, the Ministry of Trade and Industry (“MTI”) expects the Singapore economy to return to growth in 2021 given the improved growth outlook for key external economies, as well as a further easing of global travel restrictions and domestic public health measures. MTI expects the construction sector to recover from the low base this year, although construction activity will continue to be dampened by the implementation of safe management measures.²

Most of the Group’s local construction projects have restarted to-date and we expect more external worksites to gradually restart and ramp up in the coming months. Our order book remains healthy and intact at \$168 million as of 23 September 2020, though there could be some delays in delivery due to ongoing measures to control the COVID-19 pandemic in Singapore. To-date, the Group is still receiving enquiries for a mix of both public and private sector projects.

Our strategy had always been skewed to protect our profitability and to manage our collection risk rather than to simply grow our revenue, and this is particularly relevant given the current operating landscape. As such, we have been even more selective in tendering for projects that fit our capabilities and margin appetite and from potential customers who we deem financially stable and creditworthy.

At the same time, we will maintain our already tight grip on processes and costs to protect our profit performance and be vigilant over our operations and safety measures to prevent any further resurgence of virus cases.

Question 3:

What is the initial vs revised business plans for the wood pellets Thailand business? Is it a profitable or loss making business? How about the Singapore plant now? Is this a case of “diworsification”?

Company’s response

Our waste management and treatment business is a relatively young and small contributor to the Group’s overall business. It first commenced operations in FY2019 and had scarcely enough time to gain traction before the COVID-19 pandemic broke out in FY2020, resulting in weaker market demand and lower average selling prices for wood pellets in our key markets.

Looking at the larger scheme of things, we decided to temporarily halt the operations of this business in Thailand and defer the construction of our new plant in Singapore until such time when the industry shows signs of improvement.

The waste management and treatment business has yet to have a fair chance to prove itself. We intend to monitor the situation closely and will review and reassess this business in a year’s time.

² https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-Third-Quarter-2020/PR_3Q20.pdf

Question 4:

Why is there a need for T T J to remain listed?

Company's response

We take a long-term view of our business and intend to continue growing our company by leveraging its listed status, which provides us access to additional capital and increased liquidity should future opportunities arise. As a listed company, we will continue working towards creating and returning value to our shareholders, whether in the form of dividends or share price appreciation.

Question 5:

Will T T J be doing a rights issue?

Company's response

We have no plans to conduct a rights issue as of now. We assure shareholders that the Board of Directors would always give due consideration, exercise prudence and have shareholders' interest at heart prior to embarking on any fundraising exercise or transactions.

Question 6:

Will management have additional focus on the well-being of workers living in the dormitory?

Company's response

The Ministry of Manpower (“MOM”) and Ministry of Health (“MOH”) have set up Tasks Force to guide dormitory operators as well as employers to ensure the well-being of migrant workers. We do prioritise the health, safety and well-being of our employees. As such, we strictly adhere to the guidelines from the MOM for Safe Living measures among the workers at our Factory Converted Dormitory (“FCD”). These measures include:

- **Tightening control of dormitory entry and exit:** We track all movements in and out of the dormitories.
- **Limiting inter-mixing of workers:** We have set up physical barriers to prevent residents from inter-mixing between blocks and levels and have implemented scheduled timeslots to stagger the use of common facilities.
- **Strengthening health monitoring and facilitate contact tracing:** We regularly monitor the health of our workers and facilitate their required testing. We have also set aside onsite isolation facilities.
- **Safe Distancing:** Measures including SafeEntry check-in, TraceTogether contact tracing, temperature screening, use of masks, and Rostered Routine Testing every 14 days are in place.

We provide WIFI facilities in our FCD and such our workers can video call their families and friends back in their hometown as and when after their day of hard work. Exchanges of greetings and distribution of gifts on different festive seasons such as Hari Raya and Deepavali has always been practiced by the Group. On top of that, fruits are also regularly given out to all our workers to ensure a healthy and balanced diet. The happy smiles we see on the faces of our workers in return are the best gifts we receive.