

WAIVER TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL FOR THE PROPOSED DISPOSAL OF LAND HELD UNDER THE ISSUE DOCUMENT OF TITLE KNOWN AS HS (D) NO. 493036, PTD 4373, LOCATED IN MUKIM OF SUNGAI TIRAM, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR, TOGETHER WITH ALL THE EQUIPMENT AND MACHINERY CONTAINED IN THE FACTORY ERECTED THEREON

1. INTRODUCTION

The Board of Directors (the “**Board**”) of T T J Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group intends to enter into separate but inter-conditional sale and purchase agreements (collectively, the “**SPAs**” and each, an “**SPA**”) through a wholly-owned indirect subsidiary of the Company, MTTJ Engineering Sdn. Bhd. (the “**Vendor**”) with Air Products Malaysia Sdn Bhd (the “**Prospective Buyer**”) pursuant to which the Group will dispose of land held under the issue document of title known as HS (D) No. 493036, PTD 4373, located in Mukim of Sungai Tiram, District of Johor Bahru, State of Johor (the “**Property**”) together with all the equipment and machinery contained in the factory erected thereon (the “**Equipment**”, and together with the Property, the “**Assets**”) held by the Vendor to the Prospective Buyer (the “**Proposed Disposal**”).

The signing of the SPAs is expected to take place in June 2021 with completion expected to occur in March 2022. Upon completion the Vendor will transfer the Assets to the Prospective Buyer and the Prospective Buyer will transfer the Consideration (as defined in paragraph 4 below) in cash to the Vendor.

Pursuant to Rule 1014(1) of the Listing Manual, where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a major transaction. In addition, pursuant to Rule 1014(2) of the Listing Manual, a major transaction must be made conditional upon approval by shareholders in a general meeting. The relative figure as computed on the bases set out in Rule 1006(b) and Rule 1006(c) in respect of the Proposed Disposal would be a negative value and exceed 20% respectively (please refer to paragraph 4 below for more details). Accordingly, the Proposed Disposal will be considered a major transaction under Chapter 10 of the Listing Manual and the approval of Shareholders is required for the Proposed Disposal.

The Company had applied to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for a waiver with regard to compliance with Listing Rule 1014(2) for the requirement of Shareholders' approval for the Proposed Disposal (the “**Waiver**”).

2. GRANT OF WAIVER

On 26 March 2021, SGX-ST confirmed that it had no objection to the Waiver with regards to compliance with Listing Rule 1014(2) subject to the following conditions:

- a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- b) The Board of Directors' confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation).

The Waiver will not be effective if any of the conditions have not been fulfilled.

Following the disclosures in this announcement, the Company has complied with the conditions of the Waiver.

In addition, the Company is required to make an immediate disclosure via SGXNet if it is or will be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

3. REASONS FOR SEEKING THE WAIVER

The Company had sought the Waiver for the following reasons:

- (i) The Board is of the opinion that there will be no material change in the risk profile of the Group as a result of the Proposed Disposal and the existing core business of the Group, being its structural steel business, will not be affected as the Assets are not used in the Group's existing core business. After the Proposed Disposal, the Group will continue to operate its structural steel business. The Assets are a non-core asset which had been acquired in order to strengthen and diversify its revenue sources by developing its expertise in the Prefabricated Prefinished Volumetric Construction ("PPVC") industry. However, due to the unviable margins of the PPVC industry, the Assets are regarded by the Group as non-revenue generating. The Group had decided to discontinue its PPVC business and the proceeds from the Proposed Disposal will be used for working capital purposes and to undertake new investment opportunities that may arise in future.
- (ii) It is reasonable to expect Shareholders not to be overly concerned about the Proposed Disposal, as the Assets are a non-core asset and the Proposed Disposal will not affect the Group's existing core business. As illustrated in paragraph 3(i) above, the Assets are not used for any business activity of the Group.
- (iii) The controlling Shareholder of the Company, Mr Teo Hock Chwee (who is also the Chairman and Managing Director of the Group) will undertake to vote in favour of the Proposed Disposal at any extraordinary general meeting to be convened, if required. None of the directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company. Since the controlling Shareholder has already undertaken to vote in favour of the Proposed Disposal, it would be an unnecessary waste of the Company's time and resources to convene an extraordinary general meeting to obtain Shareholders' approval.

4. CHAPTER 10 OF THE LISTING MANUAL

The aggregate consideration for the sale and purchase of the Assets is RM41,700,000.00 (approximately S\$13,553,000.00¹) (the “**Consideration**”), with the consideration for the Property amounting to RM34,700,000.00 (approximately S\$11,278,000.00) (the “**Property Consideration**”) and the consideration for the Equipment amounting to RM7,000,000.00 (approximately S\$2,275,000.00) (the “**Equipment Consideration**”).

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal are set out below:

Rule	Basis of Computation	Relative figures
1006(a)	Net asset value of the Assets compared with the Group’s net asset value. ⁽²⁾	9.27%
1006(b)	Net profits attributable to the Assets, compared with the Group’s net profits. ⁽³⁾	(12.55%)
1006(c)	Aggregate value of the Consideration received for the Proposed Disposal compared with the Company’s market capitalisation. ⁽⁴⁾	25.85%
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ⁽⁵⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable ⁽⁶⁾

Notes:

- (1) All exchange rates used in this announcement are based on the illustrative exchange rate of S\$1.00 to RM3.0769 as at 26 March 2021, unless otherwise stated.
- (2) Under Rule 1002(3)(a) of the Listing Manual, “net assets” means total assets less total liabilities. The net asset value of the Assets is approximately S\$11,764,000.00 (equivalent to approximately RM36,198,000.00), and the Group’s net asset value is S\$126,925,000.00 are based on the unaudited consolidated financial statements of the Group for the financial period ended 31 January 2021.
- (3) Under Rule 1002(3)(b) of the Listing Manual, “net profits” means profit or loss before income tax, minority interests and extraordinary items. The net loss attributable to the Assets is approximately S\$313,000.00 (equivalent to approximately RM965,000.00) pertaining to the administrative costs and depreciation expense and the net profits of the Group of S\$2,495,000.00 are based on the unaudited consolidated financial statements of the Group for the financial period ended 31 January 2021.
- (4) The Consideration for the Assets is approximately S\$13,553,000.00 (equivalent to RM41,700,000.00). The Company’s market capitalisation of S\$52,425,000.00 is computed based on 349,500,000 shares in issue (excluding treasury shares) and the weighted average price of S\$0.15 per share transacted on 26 March 2021.
- (5) This basis is not applicable as it is not an acquisition.

- (6) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

5. CONFIRMATION FROM THE COMPANY

The Company had on 28 March 2021 submitted a written confirmation to SGX-ST that the Board of Directors confirms that the Waiver will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company.

6. NO EXTRAORDINARY GENERAL MEETING

As the SGX-ST has granted the Waiver, the Company will not be convening an extraordinary general meeting to seek Shareholders' approval in relation to the Proposed Disposal and accordingly, will not be dispatching a circular to the Shareholders in relation thereto.

7. FURTHER ANNOUNCEMENTS

As the Proposed Disposal remains subject to the execution of the SPAs, the Company will in due course provide further information on the Proposed Disposal as required pursuant to Rule 1010 of the Listing Manual via subsequent announcements on SGXNet following the execution of the SPAs.

8. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Disposal, at this juncture, remains subject to the execution of the SPAs.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed or that the SPAs will be executed. Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Teo Hock Chwee
Chairman and Managing Director

28 March 2021