

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 JANUARY 2019

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

1(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			6 months ended		
	31/01/19	31/01/18	Change	31/01/19	31/01/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	14,769	26,453	(44)	33,768	40,073	(16)
Cost of Sales	(12,182)	(21,201)	(43)	(27,568)	(32,661)	(16)
Gross Profit	<u>2,587</u>	<u>5,252</u>	(51)	<u>6,200</u>	<u>7,412</u>	(16)
Finance Income	140	140	-	265	302	(12)
Other Gains	497	827	(40)	818	1,083	(24)
Administrative Expenses	(2,045)	(2,003)	2	(4,939)	(3,833)	29
Finance Costs	(65)	(35)	86	(121)	(47)	157
Other Losses	-	(10)	(100)	(14)	(10)	40
Profit Before Tax	<u>1,114</u>	<u>4,171</u>	(73)	<u>2,209</u>	<u>4,907</u>	(55)
Income Tax Expense	(302)	(618)	(51)	(387)	(804)	(52)
Profit Net of Tax	<u>812</u>	<u>3,553</u>	(77)	<u>1,822</u>	<u>4,103</u>	(56)
Other Comprehensive Income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange Difference on Translating Foreign Operations, Net of Tax	(7)	1,002	n.m.	(348)	1,245	n.m.
Available-for-Sale Financial Assets, Net of Tax	129	298	(57)	(123)	420	(129)
Other Comprehensive Income / (Losses) for the Period, Net of Tax	<u>122</u>	<u>1,300</u>	(91)	<u>(471)</u>	<u>1,665</u>	(128)
Total Comprehensive Income	<u>934</u>	<u>4,853</u>	(81)	<u>1,351</u>	<u>5,768</u>	(77)
Profit Attributable to:						
Owners of the Parent, Net of Tax	924	3,662	(75)	1,900	4,422	(57)
Non-Controlling Interests, Net of Tax	(112)	(109)	3	(78)	(319)	(76)
	<u>812</u>	<u>3,553</u>	(77)	<u>1,822</u>	<u>4,103</u>	(56)
Total Comprehensive Income Attributable to:						
Owners of the Parent	1,042	4,962	(79)	1,429	6,087	(77)
Non-Controlling Interests	(108)	(109)	(1)	(78)	(319)	(76)
	<u>934</u>	<u>4,853</u>	(81)	<u>1,351</u>	<u>5,768</u>	(77)

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		6 months ended	
	31/01/19	31/01/18	31/01/19	31/01/18
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of lease premium prepayment	(6)	(7)	(13)	(9)
Depreciation of property, plant and equipment	(698)	(540)	(1,323)	(1,004)
Dividend income	–	–	53	40
Foreign exchange gains / (losses)	30	594	(14)	656
Gain on disposal of property, plant and equipment	130	–	132	6
Government grants	65	11	128	54
Plant and equipment written off	–	(10)	–	(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	
	31/01/19	31/07/18	31/01/19	31/07/18
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	53,716	42,660	–	–
Investment Property	–	–	–	–
Intangible Assets	283	283	–	–
Investments in Subsidiaries	–	–	6,923	6,923
Other Receivables	–	–	9,300	7,750
Other Financial Assets	2,883	2,985	2,883	2,985
Other Non-Financial Assets	5,397	3,921	–	–
Total Non-Current Assets	62,279	49,849	19,106	17,658
<u>Current Assets</u>				
Inventories	669	738	–	–
Trade and Other Receivables	46,176	58,935	18,104	9,950
Other Non-Financial Assets	582	400	38	37
Cash and Cash Equivalents	59,493	56,754	19,593	31,587
Total Current Assets	106,920	116,827	37,735	41,574
Total Assets	169,199	166,676	56,841	59,232
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	22,890	22,890	22,890	22,890
Retained Earnings	115,510	116,091	33,117	34,870
Other Reserves	(661)	(190)	626	749
Equity, Attributable to Owners of the Parent, Total	137,739	138,791	56,633	58,509
Non-Controlling Interests	153	254	–	–
Total Equity	137,892	139,045	56,633	58,509
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,454	1,462	–	–
Finance Leases	48	83	–	–
Other Financial Liabilities	3,769	–	–	–
Total Non-Current Liabilities	5,271	1,545	–	–
<u>Current Liabilities</u>				
Income Tax Payable	1,143	1,766	68	40
Trade and Other Payables	19,763	18,961	140	683
Finance Leases	21	32	–	–
Other Financial Liabilities	4,117	3,971	–	–
Other Non-Financial Liabilities	992	1,356	–	–
Total Current Liabilities	26,036	26,086	208	723
Total Liabilities	31,307	27,631	208	723
Total Equity and Liabilities	169,199	166,676	56,841	59,232

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

	As at 31/01/19	As at 31/07/18
	S\$'000	S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand	4,138	4,003
Amount repayable after one year	3,817	83
	7,955	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.

1(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		6 months ended	
	31/01/19	31/01/18	31/01/19	31/01/18
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	1,114	4,171	2,209	4,907
Adjustments for:				
Interest Expenses	65	35	121	47
Interest Income	(140)	(140)	(265)	(302)
Amortisation of Lease Premium Prepayment	6	7	13	9
Depreciation of Property, Plant and Equipment	698	540	1,323	1,004
Dividend Income	–	–	(53)	(40)
Gain on Disposal of Property, Plant and Equipment	(130)	–	(132)	(6)
Plant and Equipment Written off	–	10	–	10
Operating Cash Flows Before Changes in Working Capital	1,613	4,623	3,216	5,629
Trade and Other Receivables	3,215	(11,534)	12,610	(16,413)
Inventories	(80)	239	71	317
Trade and Other Payables	(1,576)	4,120	494	3,095
Net Cash Flows from Operations	3,172	(2,552)	16,391	(7,372)
Income Taxes Paid	(634)	(525)	(1,106)	(1,040)
Income Taxes Refund	3	–	3	3
Net Cash Flows From / (Used in) Operating Activities	2,541	(3,077)	15,288	(8,409)
<u>Cash Flows from Investing Activities</u>				
Advance Payment of Purchase of Property, Plant and Equipment	(1,490)	–	(1,490)	–
Purchase of Property, Plant and Equipment	(4,003)	(16,239)	(7,799)	(17,261)
Proceeds from Disposal of Property, Plant and Equipment	199	–	201	6
Acquisition of Subsidiary	–	–	(60)	–
Dividend Received	–	–	32	21
Interest Received	140	140	265	302
Net Cash Flows Used in Investing Activities	(5,154)	(16,099)	(8,851)	(16,932)
<u>Cash Flows From Financing Activities</u>				
Cash restricted in use	–	–	–	157
(Decrease) / Increase in Bill Payables	(531)	323	(1,221)	323
Interest Paid	(65)	(35)	(121)	(47)
Proceeds from Borrowings	421	–	421	–
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	3	–	3	–
Repayment of Borrowings	(32)	(34)	(65)	(68)
Repayment of Finance Lease Obligations	(39)	(8)	(47)	(16)
Dividend Paid to Equity Owners	(2,447)	(2,447)	(2,447)	(2,447)
Net Cash Flows From / (Used in) Financing Activities	(2,690)	(2,201)	(3,477)	(2,098)
Net Decrease in Cash and Cash Equivalents	(5,303)	(21,377)	2,960	(27,439)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	64,830	76,178	56,601	82,226
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(34)	10	(68)	24
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	59,493	54,811	59,493	54,811
<u>Cash and cash equivalents in the statement of cash flows:</u>				
Cash and cash equivalents per statement of financial position	59,493	54,956	59,493	54,956
Bank overdrafts	–	(145)	–	(145)
Cash and cash equivalents for statement of cash flows purpose at end of period	59,493	54,811	59,493	54,811

1(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	Total	Attributable	Share	Retained	Other	Non-
	Equity	to Parent	Capital	Earnings	Reserves	Controlling
	S\$'000	Sub-total	S\$'000	S\$'000	S\$'000	Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'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	417	387	–	976	(589)	30
Acquisition of Non-Controlling Interest Without a Change in Control	(60)	(34)	–	(34)	–	(26)
Closing Balance at 31 October 2018	139,402	139,144	22,890	117,033	(779)	258
Total Comprehensive Income for the Period	934	1,042	–	924	118	(108)
Dividends Paid	(2,447)	(2,447)	–	(2,447)	–	–
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
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	915	1,125	–	760	365	(210)
Closing Balance at 31 October 2017	132,800	132,384	22,890	110,375	(881)	416
Total Comprehensive Income for the Period	4,853	4,962	–	3,662	1,300	(109)
Dividends Paid	(2,447)	(2,447)	–	(2,447)	–	–
Closing Balance at 31 January 2018	135,206	134,899	22,890	111,590	419	307
Company						
	Total	Share	Retained	Other		
	Equity	Capital	Earnings	Reserves		
	S\$'000	S\$'000	S\$'000	S\$'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	41	–	293	(252)		
Closing Balance at 31 October 2018	58,550	22,890	35,163	497		
Total Comprehensive Income for the Period	530	–	401	129		
Dividends Paid	(2,447)	–	(2,447)	–		
Closing Balance at 31 January 2019	56,633	22,890	33,117	626		
Previous Year:						
Opening Balance at 1 August 2017	60,101	22,890	36,642	569		
Movements in Equity:						
Total Comprehensive Income for the Period	269	–	147	122		
Closing Balance at 31 October 2017	60,370	22,890	36,789	691		
Total Comprehensive Loss for the Period	471	–	173	298		
Dividends Paid	(2,447)	–	(2,447)	–		
Closing Balance at 31 January 2018	58,394	22,890	34,515	989		

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 October 2018.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 31 January 2019, the Company held 500,000 treasury shares (31 January 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 31 January 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		6 months ended	
	31/01/19	31/01/18	31/01/19	31/01/18
	cents	cents	cents	cents
Basic earnings per share	0.26	1.05	0.54	1.27

Basic earnings per share for the period ended 31 January 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	
	31/01/19	31/07/18	31/01/19	31/07/18
	cents	cents	cents	cents
Net asset value per share	39.41	39.71	16.20	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 31 January 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 31 January 2019 ("Q2FY2019"), the Group recorded a revenue of \$14.8 million, a decrease of 44% as compared to \$26.5 million for the previous corresponding period ("Q2FY2018"). The decrease was mainly due to the decrease in revenue from the structural steel business.

The Group's gross profit margin stood at 17.5% in Q2FY2019. In comparison, the gross profit margin in Q2FY2018 was 19.9% due to better gross margins derived from the projects executed during the reporting period.

Other gains decreased from \$0.8 million in Q2FY2018 to \$0.5 million in Q2FY2019. The higher amount recorded in Q2FY2018 was mainly due to net foreign exchange gains recorded.

Administrative expenses remained at \$2.0 million in both Q2FY2018 and Q2FY2019.

Review of Group performance (cont'd)

For the half year ended 31 January 2019 (“1HFY2019”), the Group reported a revenue of \$33.8 million, a decrease of 16% as compared to \$40.1 million for the previous corresponding period (“1HFY2018”). The decrease was mainly due to the decrease in revenue from the structural steel business.

The Group’s gross profit margin decreased from 18.5% in 1HFY2018 to 18.4% in 1HFY2019.

Other gains decreased by 24% from \$1.1 million in 1HFY2018 to \$0.8 million in 1HFY2019. The higher amount in 1HFY2018 was mainly due to net foreign exchange gains recorded.

Administrative expenses increased by 29% from \$3.8 million in 1HFY2018 to \$4.9 million in 1HFY2019. This was mainly due to an increase in staff related costs; donation; legal and professional fees; and depreciation as a result of a new office building of a subsidiary.

Profit before tax of the Group was \$2.2 million in 1HFY2019 as compared to \$4.9 million in 1HFY2018. The decrease was mainly due to the Group’s lower turnover, increase in administrative expenses and decrease in other gains 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 \$169.2 million as at 31 January 2019. This was mainly due to an increase in cash and cash equivalents; property, plant and equipment as a result of the acquisition of property, plant and equipment of a subsidiary in Thailand; and other non-financial assets which was mainly consist of the advance payments for acquisition of property, plant and equipment; and partially offset by a decrease in trade and other receivables.
- (ii) Total liabilities increased from \$27.6 million as at 31 July 2018 to \$31.3 million as at 31 January 2019. This was mainly due to increase in the borrowings from financial institutions for partially financing the acquisition of the property, plant and equipment as mentioned above.

Review of changes in cash flow

The net cash flows of \$15.3 million were generated from operating activities in 1HFY2019 as compared to net cash flows of \$8.4 million used in 1HFY2018.

The net cash flows used in investing activities amounted to \$8.9 million in 1HFY2019, compared to \$16.9 million in 1HFY2018. The major investing activities were mainly for the acquisition of property and equipment in Thailand and Malaysia in 1HFY2019 and 1HFY2018 respectively.

The net cash flows used in financing activities amounted to \$3.5 million in 1HFY2019, compared to net cash flows of \$2.1 million used in 1HFY2018. The major cash flow used for both 1HFY2019 & 1HFY2018 was for the payment of dividends.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$59.5 million as at 31 January 2019 as compared to \$54.8 million as at 31 January 2018, representing an increase of \$4.7 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 7 March 2019, T T J's projects order book stands at \$195 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 compared with 2017, there are still economic uncertainties. While the Group continues to receive enquiries for a mix of public and private sector projects, the industry has become increasingly competitive and margins have narrowed. In view of this, the Group will continue to pursue 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 property, land and machinery in Thailand for the purpose of undertaking wood pellet manufacturing business in Thailand. The Group had also entered into an asset sale and purchase agreement to acquire the assets of Biofuel Industries Pte. Ltd., including, inter alia, property situated at 51 Shipyard Crescent Singapore 758044, as announced by the Group on 28 November 2018 and 28 February 2019 (the "Proposed Assets Acquisition"). The Proposed Assets Acquisition will provide the Group with a base to jumpstart its foray into the waste management industry in Singapore. The Board will make further announcements accordingly when there are material developments regarding this the Proposed Assets Acquisition.

11 Dividend

(a) Current financial period reported on 31 January 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

(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 31 January 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 31 January 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

7 March 2019
Singapore