



Company Registration No.: 199204617M

T T J HOLDINGS LIMITED

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

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**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Notes	Group						
	6 months ended		Change	12 months ended		Change	
	31 July 2021	31 July 2020		31 July 2021	31 July 2020		
	\$'000	\$'000	%	\$'000	\$'000	%	
	Revenue	52,260	35,330	48	75,394	77,683	(3)
	Cost of sales	(42,962)	(33,605)	28	(64,100)	(69,754)	(8)
	Gross profit	9,298	1,725	439	11,294	7,929	42
	Interest income	25	74	(66)	55	200	(73)
	Other income and gains	1,673	2,736	(39)	5,324	3,202	66
	Administrative expenses	(3,449)	(4,132)	(17)	(6,590)	(8,183)	(19)
	Finance costs	(361)	(407)	(11)	(722)	(854)	(15)
	Other losses	(4,305)	(16,656)	(74)	(3,985)	(16,846)	(76)
	Profit / (loss) before tax from continuing operations	2,881	(16,660)	(117)	5,376	(14,552)	(137)
	Income tax expense	(1,183)	(83)	1,325	(2,201)	(1,315)	67
	Profit / (loss) from continuing operations, net of tax	1,698	(16,743)	(110)	3,175	(15,867)	(120)
	Other comprehensive income / (loss):						
	Item that will not be reclassified to profit or loss:						
	Fair value changes on equity shares at FVTOCI, net of tax	428	(660)	(165)	855	(766)	(212)
	Item that may be reclassified subsequently to profit or loss:						
	Exchange differences on translating foreign operations, net of tax	(632)	(957)	(34)	(213)	(695)	(69)
	Other comprehensive (loss) / income for the year, net of tax	(204)	(1,617)	(87)	642	(1,461)	(144)
	Total comprehensive income / (loss)	1,494	(18,360)	(108)	3,817	(17,328)	(122)
	Profit / (loss) attributable to owners of the parent, net of tax	1,763	(12,523)	(114)	3,380	(11,259)	(130)
	Loss attributable to non-controlling interests, net of tax	(65)	(4,220)	(98)	(205)	(4,608)	(96)
	Profit / (loss), net of tax	1,698	(16,743)	(110)	3,175	(15,867)	(120)
	Total comprehensive income / (loss) attributable to owners of the parent	1,559	(14,140)	(111)	4,022	(12,720)	(132)
	Total comprehensive loss attributable to non-controlling interests	(65)	(4,220)	(98)	(205)	(4,608)	(96)
	Total comprehensive income / (loss)	1,494	(18,360)	(108)	3,817	(17,328)	(122)
	Earnings / (losses) per share						
	Earnings / (losses) per share currency unit	Cents	Cents		Cents	Cents	
	Basic and diluted	0.50	(3.58)	n.m.	0.97	(3.22)	n.m.

n.m. – not meaningful

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

B. Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		31 July 2021	31 July 2020	31 July 2021	31 July 2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	46,289	63,570	–	–
Right-of-use assets	15	7,327	7,817	–	–
Investments in subsidiaries	16	–	–	5,920	6,145
Other receivables		–	–	16,885	26,328
Other financial assets		3,196	2,259	3,196	2,259
Other non-financial assets		843	869	–	–
Total non-current assets		57,655	74,515	26,001	34,732
Current assets					
Inventories		498	399	–	–
Trade and other receivables		24,169	14,415	2,481	744
Contract assets		31,843	32,572	–	–
Assets held for sale	17	11,578	–	–	–
Other non-financial assets		374	458	32	36
Cash and cash equivalents		38,030	36,196	5,663	7,888
Total current assets		106,492	84,040	8,176	8,668
Total assets		164,147	158,555	34,177	43,400
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital		22,890	22,890	22,890	22,890
Retained earnings		107,919	104,743	9,480	20,127
Other reserves		(1,131)	(1,773)	804	(51)
Equity, attributable to owners of the parent		129,678	125,860	33,174	42,966
Non-controlling interests		6	1,405	–	–
Total equity		129,684	127,265	33,174	42,966
Non-current liabilities					
Deferred tax liabilities		1,595	1,535	–	–
Lease liabilities		7,305	7,644	–	–
Other financial liabilities		4,709	5,016	–	–
Total non-current liabilities		13,609	14,195	–	–
Current liabilities					
Income tax payable		1,929	1,086	110	292
Trade and other payables		17,143	13,485	893	142
Lease liabilities		379	366	–	–
Other financial liabilities		1,357	1,726	–	–
Contract liabilities		46	432	–	–
Total current liabilities		20,854	17,095	1,003	434
Total liabilities		34,463	31,290	1,003	434
Total equity and liabilities		164,147	158,555	34,177	43,400

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

C. Condensed Interim Statements of Changes in Equity

<u>Group</u>	<u>Total equity</u> \$'000	<u>Attributable to parent sub-total</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Other reserves</u> \$'000	<u>Non-controlling interests</u> \$'000
Current year:						
Opening balance at 1 August 2020	127,265	125,860	22,890	104,743	(1,773)	1,405
Changes in equity:						
Total comprehensive income / (loss) for the year	3,817	4,022	–	3,380	642	(205)
Acquisition of non-controlling interest without a change in control	–	1,194	–	1,194	–	(1,194)
Dividends paid (Note 13)	(1,398)	(1,398)	–	(1,398)	–	–
Closing balance at 31 July 2021	129,684	129,678	22,890	107,919	(1,131)	6

Previous year:

Opening balance at 1 August 2019	143,207	139,978	22,890	117,400	(312)	3,229
Changes in equity:						
Total comprehensive loss for the year	(17,328)	(12,720)	–	(11,259)	(1,461)	(4,608)
Disposal of subsidiary	2,784	–	–	–	–	2,784
Dividends paid (Note 13)	(1,398)	(1,398)	–	(1,398)	–	–
Closing balance at 31 July 2020	127,265	125,860	22,890	104,743	(1,773)	1,405

<u>Company</u>	<u>Total equity</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Other reserves</u> \$'000
Current year:				
Opening balance at 1 August 2020	42,966	22,890	20,127	(51)
Changes in equity:				
Total comprehensive (loss) / income for the year	(8,394)	–	(9,249)	855
Dividends paid (Note 13)	(1,398)	–	(1,398)	–
Closing balance at 31 July 2021	33,174	22,890	9,480	804

Previous year:

Opening balance at 1 August 2019	57,136	22,890	33,531	715
Changes in equity:				
Total comprehensive loss for the year	(12,772)	–	(12,006)	(766)
Dividends paid (Note 13)	(1,398)	–	(1,398)	–
Closing balance at 31 July 2020	42,966	22,890	20,127	(51)

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

D. Condensed Interim Consolidated Statement of Cash Flows

	<u>Group</u>	
	<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	5,376	(14,552)
Adjustments for:		
Interest expense	722	854
Interest income	(55)	(200)
Amortisation of lease premium	26	26
Allowance for impairment on property, plant and equipment	3,145	7,596
Depreciation of property, plant and equipment	3,342	3,474
Depreciation of right-of-use assets	530	629
Dividend income	(85)	(139)
Gain on disposal of plant and equipment	(67)	(17)
Loss on disposal of subsidiary	–	2,253
Property, plant and equipment written off	2	4,206
Operating cash flows before changes in working capital	12,936	4,130
Trade and other receivables and contract assets	(8,761)	8,448
Inventories	(86)	191
Trade and other payables and contract liabilities	3,398	(4,502)
Net cash flows from operations	7,487	8,267
Income taxes paid	(1,301)	(696)
Income taxes refund	7	–
Net cash flows from operating activities	6,193	7,571
<u>Cash flows from investing activities</u>		
Dividend received	6	108
Purchase of property, plant and equipment	(1,622)	(6,930)
Proceeds from disposal of plant and equipment	67	31
Interest received	55	200
Net cash flows used in investing activities	(1,494)	(6,591)
<u>Cash flows from financing activities</u>		
(Decrease) / increase in bill payables	(263)	85
Interest paid	(722)	(854)
Disposal of subsidiary, net of cash	–	(198)
Repayment of borrowings	–	(1,247)
Repayment of finance lease obligations	–	(11)
Repayment of lease liabilities – principal	(366)	(419)
Dividend paid to equity owners	(1,398)	(1,398)
Net cash flows used in financing activities	(2,749)	(4,042)
Net increase / (decrease) in cash and cash equivalents	1,950	(3,062)
Cash and cash equivalents, statement of cash flows, beginning balance	36,196	39,329
Net effect of exchange rate changes on cash and cash equivalents	(116)	(71)
Cash and cash equivalents, statement of cash flows, ending balance	38,030	36,196

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements

1. General

The Company is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the six months and full year ended 31 July 2021 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities of the Group are disclosed in Note 5.

2. Basis of preparation of the financial statements

The condensed interim financial statements for the six months and full year ended 31 July 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 July 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised SFRS(I) as disclosed in Note 22.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Related party relationships and transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

4A. Key management compensation

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	574	507	1,198	1,225

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Remuneration of directors of the Company	365	339	768	762
Fees to directors of the Company	73	73	147	147

5. Financial information by operating segments

5A. Information about reportable segment profit or loss, assets and liabilities

For management purposes the Group is organised into two primary strategic operating segments – structural steel specialists and waste management and treatment. The results of all other activities, mainly investment holding and operation of testing centre, which are not included within the two primary segments, are included in the “other” segment.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial information by operating segments (cont'd)

5B. Profit or loss from continuing operations and reconciliations

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Adjustments and eliminations \$'000	Group \$'000
Continuing operations					
<u>6 months ended</u>					
<u>31 July 2021</u>					
Revenue by segment					
Sales to external parties	51,939	229	92	–	52,260
Inter-segment sales #a	122	–	1,017	(1,139)	–
Total revenue	<u>52,061</u>	<u>229</u>	<u>1,109</u>	<u>(1,139)</u>	<u>52,260</u>
Recurring EBITDA	8,391	(969)	862	–	8,284
Allowance for impairment loss on property, plant and equipment	–	(3,145)	–	–	(3,145)
Depreciation of property, plant and equipment	(976)	(674)	(7)	–	(1,657)
Depreciation of right-of-use assets	(109)	(123)	(32)	–	(264)
Finance costs	(97)	(244)	(20)	–	(361)
Interest income	9	–	16	–	25
Plant and equipment written off	–	(1)	–	–	(1)
Profit / (loss) before tax from continuing operations	<u>7,218</u>	<u>(5,156)</u>	<u>819</u>	<u>–</u>	<u>2,881</u>
Income tax expense					<u>(1,183)</u>
Profit from continuing operations					<u><u>1,698</u></u>

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

- E. Notes to the Condensed Interim Financial Statements (cont'd)**
- 5. Financial information by operating segments (cont'd)**
- 5B. Profit or loss from continuing operations and reconciliations (cont'd)**

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Adjustments and eliminations \$'000	Group \$'000
Continuing operations					
<u>6 months ended</u>					
<u>31 July 2020</u>					
Revenue by segment					
Sales to external parties	34,155	988	187	–	35,330
Inter-segment sales #a	1,361	–	797	(2,158)	–
Total revenue	<u>35,516</u>	<u>988</u>	<u>984</u>	<u>(2,158)</u>	<u>35,330</u>
Recurring EBITDA					
Allowance for impairment loss on property, plant and equipment	263	(1,373)	812	–	(298)
Depreciation of property, plant and equipment	–	(7,596)	–	–	(7,596)
Depreciation of right-of-use assets	(1,218)	(468)	(6)	–	(1,692)
Finance costs	(133)	(123)	(34)	–	(290)
Interest income	(134)	(260)	(13)	–	(407)
Loss on disposal of subsidiary	26	–	48	–	74
Property, plant and equipment written off	(2,253)	–	–	–	(2,253)
(Loss) / profit before tax from continuing operations	<u>(3,518)</u>	<u>(680)</u>	<u>–</u>	<u>–</u>	<u>(4,198)</u>
Income tax expense	<u>(6,967)</u>	<u>(10,500)</u>	<u>807</u>	<u>–</u>	<u>(16,660)</u>
Loss from continuing operations					<u>(83)</u>
					<u>(16,743)</u>

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

- E. Notes to the Condensed Interim Financial Statements (cont'd)
5. Financial information by operating segments (cont'd)
- 5B. Profit or loss from continuing operations and reconciliations (cont'd)

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Adjustments and eliminations \$'000	Group \$'000
Continuing operations					
12 months ended					
31 July 2021					
Revenue by segment					
Sales to external parties	75,033	229	132	–	75,394
Inter-segment sales #a	1,323	–	1,520	(2,843)	–
Total revenue	<u>76,356</u>	<u>229</u>	<u>1,652</u>	<u>(2,843)</u>	<u>75,394</u>
Recurring EBITDA	13,527	(1,651)	1,186	–	13,062
Allowance for impairment loss on property, plant and equipment	–	(3,145)	–	–	(3,145)
Depreciation of property, plant and equipment	(2,167)	(1,162)	(13)	–	(3,342)
Depreciation of right-of-use assets	(220)	(246)	(64)	–	(530)
Finance costs	(205)	(486)	(31)	–	(722)
Interest income	19	–	36	–	55
Plant and equipment written off	(2)	–	–	–	(2)
Profit / (loss) before tax from continuing operations	<u>10,952</u>	<u>(6,690)</u>	<u>1,114</u>	<u>–</u>	<u>5,376</u>
Income tax expense					<u>(2,201)</u>
Profit from continuing operations					<u><u>3,175</u></u>

**Condensed Interim Financial Statements
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E. Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial information by operating segments (cont'd)

5B. Profit or loss from continuing operations and reconciliations (cont'd)

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Adjustments and eliminations \$'000	Group \$'000
Continuing operations					
12 months ended					
31 July 2020					
Revenue by segment					
Sales to external parties	76,003	1,062	618	–	77,683
Inter-segment sales #a	5,293	–	1,527	(6,820)	–
Total revenue	81,296	1,062	2,145	(6,820)	77,683
Recurring EBITDA					
Allowance for impairment loss on property, plant and equipment	–	(7,596)	–	–	(7,596)
Depreciation of property, plant and equipment	(2,548)	(913)	(13)	–	(3,474)
Depreciation of right-of-use assets	(315)	(246)	(68)	–	(629)
Finance costs	(273)	(554)	(27)	–	(854)
Interest income	62	–	138	–	200
Loss on disposal of subsidiary	(2,253)	–	–	–	(2,253)
Property, plant and equipment written off	(3,526)	(680)	–	–	(4,206)
(Loss) / profit before tax from continuing operations	(3,508)	(12,500)	1,456	–	(14,552)
Income tax expense					(1,315)
Loss from continuing operations					(15,867)

**Condensed Interim Financial Statements
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E. Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial information by operating segments (cont'd)

5C. Assets and reconciliations

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Unallocated \$'000	Eliminations \$'000	Group \$'000
<u>31 July 2021</u>						
Total assets for reportable segments #a	132,976	28,233	29,326	–	(26,388)	164,147
Total Group assets	132,976	28,233	29,326	–	(26,388)	164,147
<u>31 July 2020</u>						
Total assets for reportable segments #a	119,983	32,011	38,947	–	(32,386)	158,555
Total Group assets	119,983	32,011	38,947	–	(32,386)	158,555
Expenditure for non-current assets:						
2021	274	1,330	18	–	–	1,622
2020	358	6,572	–	–	–	6,930

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial information by operating segments (cont'd)

5D. Liabilities and reconciliations

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Unallocated \$'000	Eliminations \$'000	Group \$'000
<u>31 July 2021</u>						
Total liabilities for reportable segments #a	28,297	46,323	620	–	(44,301)	30,939
Unallocated:						
Income tax payable	–	–	–	1,929	–	1,929
Deferred tax liabilities	–	–	–	1,595	–	1,595
Total Group liabilities	<u>28,297</u>	<u>46,323</u>	<u>620</u>	<u>3,524</u>	<u>(44,301)</u>	<u>34,463</u>
<u>31 July 2020</u>						
Total liabilities for reportable segments #a	25,277	43,193	421	–	(40,222)	28,669
Unallocated:						
Income tax payable	–	–	–	1,086	–	1,086
Deferred tax liabilities	–	–	–	1,535	–	1,535
Total Group liabilities	<u>25,277</u>	<u>43,193</u>	<u>421</u>	<u>2,621</u>	<u>(40,222)</u>	<u>31,290</u>

#a Inter-segment sales, assets and liabilities are eliminated on consolidation.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial information by operating segments (cont'd)

5E. Geographical information

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>				
Singapore	52,126	34,342	75,260	76,621
Thailand	134	988	134	1,062
Total continuing operations	<u>52,260</u>	<u>35,330</u>	<u>75,394</u>	<u>77,683</u>

	<u>Group</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000
<u>Non-current assets</u>		
Singapore	37,692	40,570
Malaysia	8,169	20,475
Thailand	8,337	10,888
India	261	323
Total continuing operations	<u>54,459</u>	<u>72,256</u>

6. Revenue

6A. Revenue from contracts with customer:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Revenue from construction contracts	51,939	34,155	75,033	76,003
Revenue from waste management and treatment	229	988	229	1,062
Dividend income from quoted corporations	45	79	85	139
Other revenue	47	108	47	479
Total revenue	<u>52,260</u>	<u>35,330</u>	<u>75,394</u>	<u>77,683</u>

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

6. Revenue (cont'd)

6B. Revenue classified by duration of contract:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Short-term contracts – less than 12 months	615	1,292	828	2,231
Long-term contracts – more than 12 months	51,645	34,038	74,566	75,452
Total revenue	<u>52,260</u>	<u>35,330</u>	<u>75,394</u>	<u>77,683</u>

6C. Revenue classified by timing of revenue recognition:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Point in time	615	1,292	828	2,231
Over time	51,645	34,038	74,566	75,452
Total revenue	<u>52,260</u>	<u>35,330</u>	<u>75,394</u>	<u>77,683</u>

7. Interest income

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Interest income from financial institution	<u>25</u>	<u>74</u>	<u>55</u>	<u>200</u>

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

8. Other income and gains and (other losses)

	Group			
	6 months ended		12 months ended	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment on property, plant and equipment	(3,145)	(7,596)	(3,145)	(7,596)
Bad debts written off – trade receivables	(50)	(901)	(50)	(901)
Compensation income	448	–	448	–
Foreign exchange adjustments losses	(988)	(440)	(667)	(622)
Gain on disposal of plant and equipment	67	5	67	17
Government grants	335	1,320	2,832	1,392
Inventory written off	(121)	(8)	(121)	(8)
Labour income	–	–	–	41
Lease termination fee	–	(1,260)	–	(1,260)
Loss on disposal of subsidiary	–	(2,253)	–	(2,253)
Property, plant and equipment written off	(1)	(4,198)	(2)	(4,206)
Reversal of custom duty import and goods and services tax accrued	–	1,122	356	1,122
Rental income	–	4	–	12
Scrap income	665	65	1,291	288
Supplier rebate	–	–	–	22
Other income	158	220	330	308
Net	<u>(2,632)</u>	<u>(13,920)</u>	<u>1,339</u>	<u>(13,644)</u>
Presented in profit or loss as:				
Other income and gains	1,673	2,736	5,324	3,202
Other losses	<u>(4,305)</u>	<u>(16,656)</u>	<u>(3,985)</u>	<u>(16,846)</u>
Net	<u>(2,632)</u>	<u>(13,920)</u>	<u>1,339</u>	<u>(13,644)</u>

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

9. Administrative expenses

Administrative expenses include the following:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Employee benefits expense (Note 10)	<u>1,944</u>	<u>2,502</u>	<u>3,624</u>	<u>4,811</u>

10. Employee benefits expense

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Short term employee benefits expense	8,813	7,363	16,304	17,861
Contributions to defined contribution plans	<u>367</u>	<u>357</u>	<u>691</u>	<u>814</u>
Total employee benefits expense	<u>9,180</u>	<u>7,720</u>	<u>16,995</u>	<u>18,675</u>
Allocation of the employee benefits expense:				
Cost of sales	7,236	5,218	13,371	13,864
Administrative expenses	<u>1,944</u>	<u>2,502</u>	<u>3,624</u>	<u>4,811</u>
	<u>9,180</u>	<u>7,720</u>	<u>16,995</u>	<u>18,675</u>

11. Finance costs

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
Interest expense	153	168	300	361
Interest on lease liabilities	<u>208</u>	<u>239</u>	<u>422</u>	<u>493</u>
Total finance costs	<u>361</u>	<u>407</u>	<u>722</u>	<u>854</u>

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

12. Income tax

12A. Components of tax expense recognised in profit or loss include:

	<u>Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
<u>Current tax expense / (income) :</u>				
Current tax expense / (income)	1,152	(250)	2,166	941
(Over) / under adjustments in respect of prior periods	(33)	153	(29)	194
Subtotal	<u>1,119</u>	<u>(97)</u>	<u>2,137</u>	<u>1,135</u>
<u>Deferred tax expense:</u>				
Deferred tax expense / (income)	315	(61)	315	(60)
(Over) / under adjustments in respect of prior periods	(251)	241	(251)	240
Subtotal	<u>64</u>	<u>180</u>	<u>64</u>	<u>180</u>
Total income tax expense	<u>1,183</u>	<u>83</u>	<u>2,201</u>	<u>1,315</u>

13. Dividends on equity shares

	<u>Rate per share – cents</u>		<u>31 July 2021</u>	<u>31 July 2020</u>
	<u>31 July 2021</u>	<u>31 July 2020</u>		
			\$'000	\$'000
<u>Group and Company</u>				
Final tax exempt (one-tier) dividend paid	0.4	0.4	1,398	1,398

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

14. Property, plant and equipment

	Construction work-in- progress \$'000	Freehold land \$'000	Freehold property and improvements \$'000	Leasehold lands \$'000	Leasehold properties and improvements \$'000	Plant, fixtures and equipment \$'000	Total \$'000
<u>Group</u>							
<u>Cost:</u>							
At 1 August 2019	1,014	2,850	3,412	10,609	49,378	27,727	94,990
Foreign exchange adjustments	(1)	(46)	(56)	(243)	(254)	(274)	(874)
Additions	5,451	–	72	–	6	1,401	6,930
Reclassifications	(199)	–	52	–	147	–	–
Cost adjustments	–	–	–	–	(98)	–	(98)
Disposal of subsidiary	–	–	–	–	–	(196)	(196)
Disposals / written off	(646)	–	–	–	(3,300)	(1,140)	(5,086)
At 31 July 2020	5,619	2,804	3,480	10,366	45,879	27,518	95,666
Foreign exchange adjustments	–	(172)	(213)	(19)	(56)	(413)	(873)
Additions	1,330	–	–	–	102	190	1,622
Reclassifications	(6,949)	–	–	–	6,949	–	–
Transfer to assets held for sale (Note 17)	–	–	–	(6,379)	(4,604)	(2,193)	(13,176)
Disposals / written off	–	–	–	–	–	(350)	(350)
At 31 July 2021	–	2,632	3,267	3,968	48,270	24,752	82,889

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

14. Property, plant and equipment (cont'd)

	Construction work-in- progress \$'000	Freehold land \$'000	Freehold property and improvements \$'000	Leasehold lands \$'000	Leasehold properties and improvements \$'000	Plant, fixtures and equipment \$'000	Total \$'000
<u>Group</u>							
<u>Accumulated depreciation and impairment loss:</u>							
At 1 August 2019	–	–	88	1,175	5,577	15,329	22,169
Foreign exchange adjustments	–	–	(3)	(29)	(40)	(124)	(196)
Depreciation for the year	–	–	131	202	1,058	2,083	3,474
Impairment loss	1,388	–	–	–	6,193	15	7,596
Disposal of subsidiary	–	–	–	–	–	(81)	(81)
Disposals / written off	–	–	–	–	(444)	(422)	(866)
At 31 July 2020	1,388	–	216	1,348	12,344	16,800	32,096
Foreign exchange adjustments	–	(5)	(21)	(11)	(19)	(197)	(253)
Depreciation for the year	–	–	129	142	1,130	1,941	3,342
Reclassifications	(1,388)	–	–	–	1,388	–	–
Impairment loss	–	104	40	–	2,053	948	3,145
Transfer to assets held for sale (Note 17)	–	–	–	(389)	(281)	(712)	(1,382)
Disposals / written off	–	–	–	–	–	(348)	(348)
At 31 July 2021	–	99	364	1,090	16,615	18,432	36,600
<u>Carrying value:</u>							
At 1 August 2019	1,014	2,850	3,324	9,434	43,801	12,398	72,821
At 31 July 2020	4,231	2,804	3,264	9,018	33,535	10,718	63,570
At 31 July 2021	–	2,533	2,903	2,878	31,655	6,320	46,289

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

14. Property, plant and equipment (cont'd)

During the reporting year, property, plant and equipment with a carrying amount of \$25,661,000 (2020 : \$22,813,000) was impaired by \$3,145,000 (2020 : \$7,596,000) due to poor prevailing market condition. The fair value of the property, plant and equipment was measured in June 2021 (2020 : September 2020) based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value less costs of disposal was based on valuation made by external valuation firms using the following valuation approaches:

- i) The direct market comparison method where the assets are valued using recent market prices of assets with similar used condition adjusted for differences in location, tenure, size and condition of the asset.
- ii) The depreciated replacement cost method where assets are valued based on replacement cost of comparable assets adjusted for depreciation.

The fair value measurement is categorised within the fair value hierarchy at Level 3.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

15. Right-of-use assets

The right-of-use assets in the statement of financial position are as follows:

<u>Group</u>	<u>Leasehold lands</u> \$'000	<u>Leasehold properties</u> \$'000	<u>Plant, fixtures and equipment</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>				
At 1 August 2019 on adoption of SFRS(l) 16	8,735	587	267	9,589
Foreign exchange adjustments	–	(20)	–	(20)
Disposals	(1,085)	(133)	–	(1,218)
At 31 July 2020	7,650	434	267	8,351
Foreign exchange adjustments	–	(9)	(1)	(10)
Additions	–	8	48	56
Remeasurement	–	(7)	–	(7)
Disposals	–	–	(21)	(21)
At 31 July 2021	<u>7,650</u>	<u>426</u>	<u>293</u>	<u>8,369</u>
<u>Accumulated depreciation:</u>				
At 1 August 2019	–	–	–	–
Foreign exchange adjustments	–	(2)	–	(2)
Depreciation for the year	399	153	77	629
Disposals	(44)	(49)	–	(93)
At 31 July 2020	355	102	77	534
Foreign exchange adjustments	–	(2)	–	(2)
Depreciation for the year	355	99	76	530
Disposals	–	–	(20)	(20)
At 31 July 2021	<u>710</u>	<u>199</u>	<u>133</u>	<u>1,042</u>
<u>Carrying value:</u>				
At 1 August 2019	<u>8,735</u>	<u>587</u>	<u>267</u>	<u>9,589</u>
At 31 July 2020	<u>7,295</u>	<u>332</u>	<u>190</u>	<u>7,817</u>
At 31 July 2021	<u>6,940</u>	<u>227</u>	<u>160</u>	<u>7,327</u>

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

16. Investments in subsidiaries

	<u>Company</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000
<u>Total cost comprising:</u>		
Unquoted equity shares at cost	6,420	6,420
Allowance for impairment	(500)	(275)
Total at cost less impairment	<u>5,920</u>	<u>6,145</u>
<u>Movements during the year:</u>		
At beginning of the year	6,145	6,923
Disposal	–	(503)
Less: allowance for impairment	(225)	(275)
At end of the year	<u>5,920</u>	<u>6,145</u>
<u>Movements in allowance for impairment:</u>		
At beginning of the year	275	–
Impairment loss included in other losses	225	275
At end of the year	<u>500</u>	<u>275</u>

17. Assets held for sale

	<u>31 July 2021</u>
	\$'000
<u>Group</u>	
Assets held for sale:	
Leasehold land at net book value (Note 14)	5,990
Leasehold property and improvements at net book value (Note 14)	4,323
Plant, fixtures and equipment at net book value (Note 14)	1,481
Foreign exchange adjustments	(216)
At end of the year	<u>11,578</u>

The above assets are presented as held for sale following the decision of management to sell certain property, plant and equipment of a subsidiary as these assets have not been used for operations. Management intends to dispose these assets to provide additional working capital for the Group. On 8 June 2021, the Group had, through its subsidiary, entered into a sale and purchase agreement with the purchaser for an aggregate consideration of RM41,700,000 (approximately S\$13,377,000). The sale is expected to be completed in next reporting year (Note 19).

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

18. Contingent liabilities

The Group's subsidiary, MTTJ Engineering Sdn. Bhd. ("MTTJ") was granted the Licensed Manufacturing Warehouse status, where customs import duty exemptions are given to all raw materials and components used directly in the manufacturing process of approved finished products for export. MTTJ has also applied to the Royal Malaysian Customs Department ("the relevant authority") that these customs import duty (local sales) exemptions are extended to MTTJ's certain local projects and was informed that they were eligible to the exemptions for a local project in 2016. However in 2017, MTTJ received a letter issued by the Royal Malaysian Customs Department requesting for payment of customs import duty (local sales) and goods and services tax (GST) based on the billings issued to the customer. MTTJ has accordingly accrued an amount of approximately RM3,419,000 (S\$1,103,000) in respect of the said claim by the relevant authority despite lodging an appeal to the relevant authority. In 2018, MTTJ has further accrued approximately RM1,120,000 (included in profit or loss as other losses of S\$371,000) in respect of the customs duty and GST based on the contract value agreed with the customer.

During the reporting year, the remaining accrued amount of approximately RM1,120,000 (S\$356,000) (2020 : RM3,419,000 (S\$1,122,000)) has been waived by the relevant authority. Accordingly, this amount was reversed to other income and gains (Note 8).

19. Events after the end of the reporting year

On 9 September 2021, the Group's subsidiary entered into supplemental agreements for the early handover of the assets held for sale on 15 October 2021 (Note 17).

20. Financial instruments

20A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>31 July 2021</u>	<u>31 July 2020</u>	<u>31 July 2021</u>	<u>31 July 2020</u>
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	62,199	50,611	25,029	34,960
Financial assets that is equity shares at fair value through other comprehensive income	3,196	2,259	3,196	2,259
At end of the year	<u>65,395</u>	<u>52,870</u>	<u>28,225</u>	<u>37,219</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	30,893	26,414	893	142
At end of the year	<u>30,893</u>	<u>26,414</u>	<u>893</u>	<u>142</u>

Financial assets that is equity shares at fair value through other comprehensive income is categorised within the fair value hierarchy at Level 1.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

E. Notes to the Condensed Interim Financial Statements (cont'd)

21. The COVID-19 pandemic

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the reporting entity's business. There is significant uncertainty around the medium to long term impact of the COVID-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties and / or disclaimers regarding the impact of COVID-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the reporting entity. Management will continue to closely monitor the further economic development and its impact. It is however reasonably probable that the COVID-19 pandemic will have an adverse impact on the reporting entity's revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

22. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS (I) No.</u>	<u>Title</u>
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2

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.

- (i) Please refer to Section A – Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income; and
- (ii) Please refer to Section E – Notes to the Condensed Interim Financial Statements – Notes 6 to 12.

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.

Please refer to Section B - Condensed Interim Statements of Financial Position.

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

	31 July 2021	31 July 2020
	S\$'000	S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand:		
- Other financial liabilities – current liabilities	1,357	1,726
Amount repayable after one year:		
- Other financial liabilities – non-current liabilities	4,709	5,016
	<u>6,066</u>	<u>6,742</u>
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand:		
- Lease liabilities – current liabilities	379	366
Amount repayable after one year:		
- Lease liabilities – non-current liabilities	7,305	7,644
	<u>7,684</u>	<u>8,010</u>
Total	<u><u>13,750</u></u>	<u><u>14,752</u></u>

Details of any collateral:

The Group's borrowings were secured by the legal mortgage on Group's freehold land, freehold property, plant and machinery 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.

Please refer to Section D – Condensed Interim Consolidated Statement of Cash Flows.

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

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.

Please refer to Section C – Condensed Interim Statements of Changes in Equity.

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 2021.

During the financial year, the Company did not purchase any shares under the share buyback mandate. As at 31 July 2021, the Company held 500,000 treasury shares (31 July 2020: 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 July 2021, the total number of issued shares (excluding treasury shares) was 349,500,000 (31 July 2020: 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.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 3A** *Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -*
- a. Updates on the efforts taken to resolve each outstanding audit issue.*
- b. Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.*
- This is not required for any audit issue that is a material uncertainty relating to going concern.*

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.*

Except for adoption of the new and revised Singapore Financial Reporting Standards (International) as disclosed in the paragraph 5 of this section, 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 2020.

- 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.*

Please refer to Section E – Notes to the Condensed Interim Financial Statements – Note 22.

- 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			
	6 months ended		12 months ended	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	cents	cents	cents	cents
Basic earnings per share	0.50	(3.58)	0.97	(3.32)

Basic earnings per share for the period ended 31 July 2021 and 31 July 2020 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.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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 July 2021	31 July 2020	31 July 2021	31 July 2020
	cents	cents	cents	cents
Net asset value per share	37.10	36.01	9.49	12.29

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 July 2021 and 31 July 2020.

- 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's performance

For the six months ended 31 July 2021 ("2HFY2021"), the Group reported a revenue of \$52.3 million, an increase of 48% as compared to \$35.3 million for the six months ended 31 July 2020 ("2HFY2020"). The increase was mainly due to the increase in revenue from the structural steel business.

Revenue from the structural steel business was \$51.9 million in 2HFY2021 as compared to \$34.2 million in 2HFY2020. The lower revenue in 2HFY2020 was mainly due to the closure of construction sites during the Circuit Breaker period from 7 April 2020 to 1 June 2020.

The revenue generated by the waste management and treatment business was \$0.2 million in 2HFY2021 as compared to \$1.0 million in 2HFY2020. The segment revenue remained relatively low as the COVID-19 pandemic continued to depress demand and average selling prices during the reporting period.

The Group's gross profit margin increased from 4.9% in 2HFY2020 to 17.8% in 2HFY2021. The lower gross profit margin in 2HFY2020 was mainly due to the operating costs incurred in spite of low revenue generated during the lockdown restrictions in Thailand and the Circuit Breaker measures in Singapore.

Finance income decreased by 66% from \$0.1 million in 2HFY2020 to less than \$0.1 million in 2HFY2021. The decrease was mainly due to lower fixed deposit placement during the reporting period.

Other income and gains decreased by 39% from \$2.7 million in 2HFY2020 to \$1.7 million in 2HFY2021. The decrease was mainly due to decreases in government grants received and a non-recurring reversal of custom duty import and goods and services tax, partially offset by the increases in scrap income during the reporting period.

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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. (cont'd)**

Review of Group's performance (cont'd)

Administrative expenses decreased by 17% from \$4.1 million in 2HFY2020 to \$3.5 million in 2HFY2021. The decrease was mainly due to the decrease in staff related costs.

Finance costs remained at \$0.4 million in both 2HFY2020 and 2HFY2021.

Other losses decreased by 74% from \$16.7 million in 2HFY2020 to \$4.3 million in 2HFY2021. The other losses in 2HFY2020 were mainly in relation to the allowance for impairment arising from a property of a subsidiary in Singapore due to prevailing market condition, property, plant and equipment written off and lease termination fee arising from a subsidiary which was disposed during the reporting period and loss on disposal of a subsidiary. The amount recorded in 2HFY2021 was mainly in relation to allowance for impairment arising from certain property, plant and equipment of waste management and treatment segment due to prevailing market condition and net foreign exchange losses recorded.

The Group's profit before tax was \$2.9 million in 2HFY2021 as compared to loss before tax of \$16.7 million in 2HFY2020. The increase was mainly due to the increase in gross profit margin, partially offset by the decrease in other losses as explained above.

For the twelve months ended 31 July 2021 ("FY2021"), the Group reported a revenue of \$75.4 million, a decrease of 3% as compared to \$77.7 million for the twelve months ended 31 July 2020 ("FY2020"). The decrease was mainly due to the decreases in revenue from the structural steel business and waste management and treatment business.

Revenue from the structural steel business was \$75.0 million in FY2021 as compared to \$76.0 million in FY2020. This was attributable to the slow and gradual restart of project sites in the construction industry when the Circuit Breaker measures were first lifted.

The revenue generated by the waste management and treatment business was \$0.2 million in FY2021 as compared to \$1.1 million in FY2020. The segment revenue remained relatively low as the COVID-19 pandemic continued to depress demand and average selling prices during the reporting period.

The Group's gross profit margin increased from 10.2% in FY2020 to 15.0% in FY2021. The lower gross profit margin in FY2020 was mainly due to the operating costs incurred in spite of low revenue generated during the lockdown restrictions in Thailand and the Circuit Breaker measures in Singapore in 2HFY2020.

Finance income decreased by 73% from \$0.2 million in FY2020 to \$0.1 million in FY2021. The decrease was mainly due to lower fixed deposit placement during the year.

Other income and gains increased by 66% from \$3.2 million in FY2020 to \$5.3 million in FY2021. The increase was mainly due to increases in government grants received and scrap income, partially offset by the decrease of a non-recurring reversal of custom duty import and goods and services tax.

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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. (cont'd)**

Review of Group's performance (cont'd)

Administrative expenses decreased by 19% from \$8.2 million in FY2020 to \$6.6 million in FY2021. The decrease was mainly due to the decrease in staff related costs.

Finance costs decreased by 15% from \$0.9 million in FY2020 to \$0.8 million in FY2021. The decrease was mainly due to decreases in interest expense of bank borrowings and lease liabilities.

Other losses decreased by 76% from \$16.8 million in FY2020 to \$4.0 million in FY2021. The other losses in FY2020 were mainly in relation the allowance for impairment arising from a property of a subsidiary in Singapore due to prevailing market condition, property, plant and equipment written off and lease termination fee arising from a subsidiary which was disposed during the reporting period and loss on disposal of a subsidiary. The amount recorded in FY2021 was mainly in relation to allowance for impairment arising from certain property, plant and equipment of waste management and treatment segment due to prevailing market condition and net foreign exchange losses recorded.

The Group's profit before tax was \$5.4 million in FY2021 as compared to loss before tax of \$14.6 million in FY2020. The increase was mainly due to the increase in gross profit margin, partially offset by the decrease in other losses 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 \$158.6 million as at 31 July 2020 to \$164.1 million as at 31 July 2021. The increase was mainly due the increases in trade and other receivables, partially offset by the decrease in property, plant and equipment as a result of allowance for impairment and depreciation expense.
- (ii) Total liabilities increased from \$31.3 million as at 31 July 2020 to \$34.5 million as at 31 July 2021. The increase was mainly due to increase in trade and other payable.

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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. (cont'd)**

Review of changes in cash flow

The net cash flows of \$6.2 million were generated from operating activities in FY2021 as compared to \$7.6 million in FY2020.

The net cash flows used in investing activities amounted to \$1.5 million in FY2021 as compared to \$6.6 million in FY2020. The net cash flows used in investing activities in both FY2021 and FY2020 were mainly for the purchase of property, plant and equipment.

The net cash flows used in financing activities amounted to \$2.7 million in FY2021 as compared to \$4.0 million in FY2020. The lower cash flow used in FY2021 was mainly due to the decrease in the repayment of borrowings.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$38.0 million as at 31 July 2021 as compared to \$36.2 million as at 31 July 2020, representing an increase of \$1.8 million.

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

No yearly 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.**

Industry Outlook

Singapore's economy performed better than expected in the first half of 2021 with a 7.7% year-on-year ("y-o-y") growth. The construction sector grew by 106.2% y-o-y in 2Q 2021 as both public and private sector construction works expanded. This strong growth was, however, due to low base effects as most domestic construction activities were suspended during the Circuit Breaker last year which took place from 7 April to 1 June 2020.¹

Singapore's domestic vaccination programme continues to make good progress. Singapore has one of the highest vaccination rates in the world with over 80% of its population fully vaccinated to date.²

¹ MTI, "MTI Upgrades 2021 GDP Growth Forecast to "6.0 to 7.0 Per Cent"", 11 August 2021

² Ministry of Health, <https://www.moh.gov.sg/>

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F. Information Required by Listing Rule Appendix 7.2 (cont'd)

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. (cont'd)

Industry Outlook (cont'd)

Considering Singapore's better-than-expected performance in the first half of 2021 and the latest external and domestic economic developments, the Ministry of Trade and Industry (MTI) upgraded Singapore's GDP growth forecast for 2021 to "6.0 to 7.0%" in August 2021, from its previous forecast of "4.0 to 6.0%" made in May 2021.¹

Meanwhile even though border restrictions may be eased towards the later part of the year, which would alleviating labour shortages, the output of the construction sector is expected to remain substantially below pre-COVID-19 levels even at the end of 2021.¹

While the construction sector is projected to see some recovery from the low base in 2020, labour shortages arising from border restrictions on the entry of migrant workers, especially from South Asia, are likely to continue to weigh on the recovery of activities at worksites.

The construction sector is facing a labour shortage due to Singapore's restrictive and protracted border controls, and as a result, manpower cost is rising. Supply chain disruptions arising from the COVID-19 pandemic has also led to cost volatility for certain construction materials such as steel.

All of the Group's project sites have resumed work activities supported by adequate workers to execute its existing order book. The pace of work, however, has been hampered by prevailing safe management measures and the Group expects this drag on productivity to continue as long as these measures are in place. Materials required for most of the Group's order book have been secured, which mitigates the current steel price fluctuation. As such, the Group will continue to monitor the situation closely and adapt its strategies accordingly if the need arises.

Order Book and Outlook

As at 23 September 2021, T T J has an order book of \$119 million. The Group expects these projects to be substantially completed between FY2022 and FY2023 subject to the domestic COVID-19 situation and prevailing safe management measures.

The outlook for the waste management and treatment business remains clouded by the prolonged impact of COVID-19, and as such the Group will require more time to review and reassess this business.

Even though a sector recovery is anticipated in 2021, the recovery will be far from pre-COVID-19 levels. As such, the Group will continue to protect the health and well-being of its employees and maintain prudence in cash conservation and cash flow management to ensure its operations remain sustainable in this challenging environment.

With cash resources of approximately \$38.0 million as at 31 July 2021, the Group is of the view that it has sufficient liquidity to meet its near-term debt obligations and operational needs.

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

11 Dividend

a. Current financial period reported on 31 July 2021

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

Name of Dividend : First & Final
Dividend Type : Cash
Dividend Amount per Share : 0.8 cent per ordinary share
Tax Rate : Tax exempt (One-tier)

b. Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend : First & Final
Dividend Type : Cash
Dividend Amount per Share : 0.4 cent per ordinary share
Tax Rate : Tax exempt (One-tier)

c. Date payable

The proposed final dividend, if approved by the shareholders at the forthcoming AGM to be held on 30 November 2021, will be paid on 21 December 2021.

d. Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 8 December 2021 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company received by the Company's Registrar, B.A.C.S. Private Limited, up to 5.00 p.m. on 7 December 2021 will be registered to determine shareholders' entitlement to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 7 December 2021 will be entitled to the proposed final dividend.

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

Not applicable.

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.

**Condensed Interim Financial Statements
 For the Six Months and Full Year ended 31 July 2021**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

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.

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Section E – Notes to the Condensed Interim Financial Statements – Note 5

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 of this section.

18 A breakdown of sales as follows:-

	Group		
	31 July 2021 S\$'000	31 July 2020 S\$'000	Change %
(a) Sales reported for first half year	23,134	42,353	(45)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,477	876	69
(c) Sales reported for second half year	52,260	35,330	48
(d) Operating profit / (loss) after tax before deducting non-controlling interests reported for second half year	1,698	(16,743)	(110)

**Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 July 2021****F. Information Required by Listing Rule Appendix 7.2 (cont'd)****19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	<u>As at</u> <u>31 July 2021</u> <u>S\$'000</u>	<u>As at</u> <u>31 July 2020</u> <u>S\$'000</u>
Proposed first and final dividend	2,796	1,398

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Teo Hock Chwee
Executive Chairman**Chiong Su Been**
Executive Director and Chief Financial Officer23 September 2021
Singapore