

**Press Release**

**T T J achieves a turnaround in FY2021 with a net attributable profit of S\$3.4 million**

- First and final dividend of 0.8 Singapore cents per ordinary share proposed
- Healthy order book of S\$119 million as at 23 September 2021

*Financial highlights for the six months and full year ended 31 July:*

<b>(S\$m)</b>	<b>2H FY2021</b>	<b>2H FY2020</b>	<b>%Chg</b>	<b>FY2021</b>	<b>FY2020</b>	<b>Chg (%)</b>
Revenue	52.3	35.3	48	75.4	77.7	(3)
Gross profit	9.3	1.8	439	11.3	7.9	42
Gross profit margin (%)	17.8	4.9	12.9 points	15.0	10.2	4.8 points
Profit/(loss) before tax	2.9	(16.7)	(117)	5.4	(14.6)	(137)
Net profit/(loss) attributable to shareholders	1.8	(12.5)	(114)	3.4	(11.3)	(130)
Earnings/(losses) per share (cts)	0.50	(3.58)	n.m.	0.97	(3.32)	n.m.

*n.m. – not meaningful*

**Singapore, 23 September 2021** – T T J Holdings Limited (“T T J” or together with its subsidiaries, the “Group”), one of Singapore’s largest structural steel specialists, reported a turnaround in net attributable profit to S\$3.4 million for the financial year ended 31 July 2021 (“FY2021”) from a loss of S\$11.3 million in the financial year ended 31 July 2020 (“FY2020”). Correspondingly, earnings per share achieved for FY2021 was 0.97 Singapore cents compared with a loss per share of 3.32 Singapore cents in FY2020.

The Group has proposed a first and final dividend of 0.8 Singapore cents per ordinary share for FY2021.

Revenue declined slightly in FY2021 to S\$75.4 million compared with S\$77.7 million in FY2020, largely attributable to the slow and gradual restart of projects sites in the construction industry when the Circuit Breaker (“CB”) measures were first lifted. As such,

revenue from structural steel saw a 1.3% dip to S\$75.0 million compared with S\$76.0 million a year ago.

Revenue contribution from the waste management and treatment business was not significant as market demand, and consequently average selling prices, for wood pellets remained low due to the COVID-19 pandemic. The Group will continue to observe market conditions in this segment to decide its strategic direction.

The Group's gross profit increased 42% to S\$11.3 million while gross profit margin improved to 15% in FY2021, from S\$7.9 million and 10.2% in FY2020 respectively. Profitability in FY2020 was lower because the Group incurred operating costs despite CB measures in Singapore and lockdown restrictions in Thailand impacting its revenue.

Other losses decreased by 76% from \$16.8 million in FY2020 to \$4.0 million in FY2021. Other losses in FY2021 were mainly in relation to allowance for impairment arising from certain property, plant and equipment of the waste management and treatment segment due to prevailing market condition and net foreign exchange losses recorded. FY2020's other losses 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 FY2020 and loss on disposal of a subsidiary.

On the other hand, other income and gains increased from S\$3.2 million to S\$5.3 million in FY2021 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.

Said T T J's Executive Chairman, Mr Teo Hock Chwee (张福水): "It has been a tough two years due to the prolonged and evolving COVID-19 situation which has greatly disrupted normal operations in the construction sector. We have managed the challenges to the best of our ability, and I am pleased to report a return to profitability in FY2021. Even though the construction sector is expected to make a recovery this year, it will not be back to pre-COVID-19 levels. We will continue to monitor the COVID-19 situation closely and adapt our strategies accordingly if the need arises, while working on various fronts to protect our long-term business sustainability."

Singapore has one of the highest vaccination rates in the world with over 80% of its population fully vaccinated to date.<sup>1</sup> Singapore's economy performed better than expected in the first half of 2021 with a 7.7% year-on-year growth, leading the Ministry of Trade and Industry (MTI) to upgrade GDP growth forecast for 2021 to "6.0 to 7.0%" in August 2021. The construction sector, which grew 106.2% year-on-year in 2Q2021, is expected to see some recovery in 2021. However, the sector will continue to face constraints from labour shortages arising from border restrictions on the entry of migrant workers.<sup>2</sup>

As at 23 September 2021, T T J's projects order book stood at \$119 million. These projects are expected to be substantially completed between FY2022 and FY2023 subject to the domestic COVID-19 situation and prevailing safe management measures. Meanwhile, the Group continues to receive a mix of project enquiries from the public and private sectors.

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### **About T T J Holdings Limited**

With a history that can be traced back to 1981, T T J is widely known as one of the largest structural steel fabricators based in Singapore with a current combined annual maximum production capacity of 42,000 tonnes of normal steel structure at its fabrication facilities located in Singapore and Johor, Malaysia. The Group's core business lies in the design, supply, fabrication, and erection of a wide spectrum of structural steelworks for use in the construction of buildings, factories, plants, and infrastructure. Since 1 April 2010, T T J is listed on the Mainboard of the Singapore Stock Exchange. For more information, please visit <http://www.ttj.com.sg/>.

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<sup>1</sup> Ministry of Health, <https://www.moh.gov.sg/>

<sup>2</sup> MTI, MTI Upgrades 2021 GDP Growth Forecast to "6.0 to 7.0 Per Cent", 11 August 2021