

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2018

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 | | Change |
|---|--------------------------------|--------------------------------|---------------|
| | 3 months ended 31/10/18 | 3 months ended 31/10/17 | |
| | S\$'000 | S\$'000 | |
| Revenue | 18,999 | 13,620 | 39 |
| Cost of Sales | (15,386) | (11,460) | 34 |
| Gross Profit | 3,613 | 2,160 | 67 |
| Finance Income | 125 | 162 | (23) |
| Other Gains | 351 | 256 | 37 |
| Administrative Expenses | (2,894) | (1,830) | 58 |
| Finance Costs | (56) | (12) | 367 |
| Other Losses | (44) | - | 100 |
| Profit Before Tax | 1,095 | 736 | 49 |
| Income Tax Expense | (85) | (186) | (54) |
| Profit Net of Tax | 1,010 | 550 | 84 |
| Other Comprehensive Income: | | | |
| Items That May Be Reclassified Subsequently to Profit or Loss: | | | |
| Exchange Differences on Translating Foreign Operations, Net of Tax | (341) | 243 | n.m. |
| Available-for-Sale Financial Assets, Net of Tax | (252) | 122 | n.m. |
| Other Comprehensive Income for the Period, Net of Tax | (593) | 365 | n.m. |
| Total Comprehensive Income | 417 | 915 | (54) |
| Profit Attributable to: | | | |
| Owners of the Parent, Net of Tax | 976 | 760 | 28 |
| Non-Controlling Interests, Net of Tax | 34 | (210) | (116) |
| | 1,010 | 550 | 84 |
| Total Comprehensive Income Attributable to: | | | |
| Owners of the Parent | 387 | 1,125 | (66) |
| Non-Controlling Interests | 30 | (210) | (114) |
| | 417 | 915 | (54) |

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:

| | | |
|---|-------|-------|
| Amortisation of lease premium prepayment | (7) | (2) |
| Depreciation of property, plant and equipment | (625) | (464) |
| Dividend income | 53 | 40 |
| Foreign exchange (losses) / gains | (44) | 62 |
| Government grants | 63 | 43 |
| Gain on disposal of plant and equipment | 2 | 6 |

n.m. - not meaningful

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 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31/10/18 | 31/07/18 | 31/10/18 | 31/07/18 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| <u>Non-Current Assets</u> | | | | |
| Property, Plant and Equipment | 48,887 | 42,660 | – | – |
| Investment Property | – | – | – | – |
| Intangible Assets | 283 | 283 | – | – |
| Investments in Subsidiaries | – | – | 6,923 | 6,923 |
| Other Receivables | – | – | 9,495 | 7,750 |
| Other Financial Assets | 2,754 | 2,985 | 2,754 | 2,985 |
| Other Non-Financial Assets | 3,914 | 3,921 | – | – |
| Total Non-Current Assets | 55,838 | 49,849 | 19,172 | 17,658 |
| <u>Current Assets</u> | | | | |
| Inventories | 588 | 738 | – | – |
| Trade and Other Receivables | 48,600 | 58,935 | 8,788 | 9,950 |
| Other Non-Financial Assets | 1,325 | 400 | 32 | 37 |
| Cash and Cash Equivalents | 64,914 | 56,754 | 31,504 | 31,587 |
| Total Current Assets | 115,427 | 116,827 | 40,324 | 41,574 |
| Total Assets | 171,265 | 166,676 | 59,496 | 59,232 |
| EQUITY AND LIABILITIES | | | | |
| <u>Equity</u> | | | | |
| Share Capital | 22,890 | 22,890 | 22,890 | 22,890 |
| Retained Earnings | 117,033 | 116,091 | 35,163 | 34,870 |
| Other Reserves | (779) | (190) | 497 | 749 |
| Equity, Attributable to Owners of the Parent, Total | 139,144 | 138,791 | 58,550 | 58,509 |
| Non-Controlling Interests | 258 | 254 | – | – |
| Total Equity | 139,402 | 139,045 | 58,550 | 58,509 |
| <u>Non-Current Liabilities</u> | | | | |
| Deferred Tax Liabilities | 1,457 | 1,462 | – | – |
| Finance Leases | 75 | 83 | – | – |
| Other Financial Liabilities | – | – | – | – |
| Total Non-Current Liabilities | 1,532 | 1,545 | – | – |
| <u>Current Liabilities</u> | | | | |
| Income Tax Payable | 1,421 | 1,766 | 31 | 40 |
| Trade and Other Payables | 20,615 | 18,961 | 915 | 683 |
| Finance Leases | 32 | 32 | – | – |
| Other Financial Liabilities | 6,518 | 3,971 | – | – |
| Other Non-Financial Liabilities | 1,745 | 1,356 | – | – |
| Total Current Liabilities | 30,331 | 26,086 | 946 | 723 |
| Total Liabilities | 31,863 | 27,631 | 946 | 723 |
| Total Equity and Liabilities | 171,265 | 166,676 | 59,496 | 59,232 |

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

| | As at 31/10/18 | As at 31/07/18 |
|--|-----------------------|-----------------------|
| | S\$'000 | S\$'000 |
| <u>Secured</u> | | |
| Amount repayable in one year or less, or on demand | 6,550 | 4,003 |
| Amount repayable after one year | 75 | 83 |
| | 6,625 | 4,086 |

Details of any collateral:

The Group's borrowings were secured by the legal mortgage on a Group's leasehold property and covered by corporate guarantee by the Company.

I(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 31/10/18 | 3 months ended 31/10/17 |
| | S\$'000 | S\$'000 |
| <u>Cash Flows From Operating Activities</u> | | |
| Profit Before Tax | 1,095 | 736 |
| Adjustments for: | | |
| Interest Expenses | 56 | 12 |
| Interest Income | (125) | (162) |
| Amortisation of Lease Premium Prepayment | 7 | 2 |
| Depreciation of Property, Plant and Equipment | 625 | 464 |
| Dividend Income | (53) | (40) |
| Gain on disposal of Plant and Equipment | (2) | (6) |
| Operating Cash Flows Before Changes in Working Capital | 1,603 | 1,006 |
| Trade and Other Receivables | 9,395 | (4,879) |
| Inventories | 151 | 78 |
| Trade and Other Payables | 2,070 | (1,025) |
| Net Cash Flows From Operations | 13,219 | (4,820) |
| Income Taxes Paid | (472) | (515) |
| Income Taxes Refund | - | 3 |
| Net Cash Flows From / (Used In) Operating Activities | 12,747 | (5,332) |
| <u>Cash Flows From Investing Activities</u> | | |
| Purchase of Property, Plant and Equipment | (3,796) | (1,022) |
| Proceeds from Disposal of Plant and Equipment | 2 | 6 |
| Acquisition of subsidiary | (60) | - |
| Dividend Received | 32 | 21 |
| Interest Received | 125 | 162 |
| Net Cash Flows Used In Investing Activities | (3,697) | (833) |
| <u>Cash Flows From Financing Activities</u> | | |
| Cash restricted In Use | - | 157 |
| Interest Paid | (56) | (12) |
| Decrease in Bills Payables | (690) | - |
| Repayment of Borrowings | (33) | (34) |
| Repayment of Finance Lease Obligations | (8) | (8) |
| Net Cash Flows (Used In) / From Financing Activities | (787) | 103 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 8,263 | (6,062) |
| Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance | 56,601 | 82,226 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (34) | 14 |
| Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance | 64,830 | 76,178 |
| <u>Cash and Cash Equivalents in the Statement of Cash Flows:</u> | | |
| Cash and cash equivalents per statement of financial position | 64,914 | 76,178 |
| Bank overdrafts | (84) | - |
| Cash and cash equivalents for statement of cash flows purpose at end of period | 64,830 | 76,178 |

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

| | Total Equity S\$'000 | Attributable to Parent Sub-total S\$'000 | Share Capital S\$'000 | Retained Earnings S\$'000 | Other Reserves S\$'000 | Non- Controlling Interests S\$'000 |
|--|-------------------------------------|---|--------------------------------------|--|---------------------------------------|---|
| Group | | | | | | |
| 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 |
| 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 Equity S\$'000 | Share Capital S\$'000 | Retained Earnings S\$'000 | Other Reserves S\$'000 |
|---|-------------------------------------|--------------------------------------|--|---------------------------------------|
| Company | | | | |
| 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 |
| 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 |

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 July 2018.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 31 October 2018, the Company held 500,000 treasury shares (31 October 2017: 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 October 2018, 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 31/10/18 | 3 months ended 31/10/17 |
| | cents | cents |
| Basic earnings per share | 0.28 | 0.22 |

Basic earnings per share for the period ended 31 October 2018 and 2017 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 | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| | 31/10/18 | 31/07/18 | 31/10/18 | 31/07/18 |
| | cents | cents | cents | cents |
| Net asset value per share | 39.81 | 39.71 | 16.75 | 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 October 2018 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 first quarter ended 31 October 2018 ("1QFY2019"), the Group recorded a revenue of \$19.0 million, an increase of 39% as compared to \$13.6 million for the previous corresponding period ("1QFY2018"). The increase was due to the increase in contribution from the structural steel business.

Administrative expenses increased by 58% from \$1.8 million in 1QFY2018 to \$2.9 million in 1QFY2019. This was mainly due to an increase in staff related costs and donation.

Profit before tax of the Group was \$1.1 million in 1QFY2019 as compared to \$0.7 million in 1QFY2018.

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 \$171.3 million as at 31 October 2018. This was mainly due to an increase in cash and cash equivalents; and property, plant and equipment as a result of the acquisition of property, land and machinery in Thailand as announced by the Group on 4 October 2018 and 11 October 2018 (the "Thailand Acquisition"); 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 \$31.9 million as at 31 October 2018. This was mainly due to an increase in other financial liabilities which was mainly derived from the partial financing of the Thailand Acquisition; and trade and other payables.

Review of changes in cash flow

The net increase in cash and cash equivalents for 1QFY2019 was \$8.3 million as compared to a net decrease of \$6.1 million for 1QFY2018. This was mainly due to the net cash flows of \$12.7 million generated from operating activities in 1QFY2019; and partially offset by the net cash flow of \$3.7 million used in investing activities which was mainly for the acquisition of property, plant and equipment.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$64.8 million as at 31 October 2018, representing a decrease of \$11.4 million as compared to \$76.2 million as at 31 October 2017.

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 5 December 2018, T T J's projects order book stands at \$198 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 experience 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 actively pursue projects and also explore opportunities in the waste management and treatment sector including identifying potential acquisition targets. To this end, the Group recently completed the Thailand Acquisition. Pursuant to the Thailand Acquisition, the Group is now able to undertake wood pellet manufacturing business. Another acquisition undertaken by the Group was that of the assets of Biofuel Industries Pte. Ltd., including property situated at 51 Shipyard Crescent Singapore 758044, as announced by the Group on 28 November 2018 (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 matter.

11 Dividend

(a) Current financial period reported on 31 October 2018

- (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 October 2018.

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 October 2018 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

5 December 2018
Singapore