TTJ HOLDINGS LIMITED

ANNUAL REPORT **2020**

STRUCTURES THAT SHAPE THE FUTURE

CONTENTS

CORPORATE PROFILE

Established in 1981 and listed on the Mainboard of the Singapore Stock Exchange on 1 April 2010, T T J Holdings Limited ("T T J" or the "Group") is one of the largest structural steel fabricators in Singapore.

T T J is a reputed leading structural steel specialist in Singapore. Both of the Group's factories are specially designed around an in-line production concept based on Computerised Numerically Controlled ("CNC") machinery. In addition, T T J's Singapore factory at Pioneer Road has a waterfront loading area which enables the loading of heavy materials and large assemblies onto barges for transport by sea.

As a testament to our commitment to Quality, Environmental, Occupational Health and Safety management systems, we have been awarded ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. We are a certified manufacturer of structural steel works to SS EN 1090-1:2018 with execution class EXC 4, and also an accredited structural steel fabricator with the highest S1 - grading[1] category by the Singapore Structural Steel Society. The Group has a combined annual production capacity of 42,000 tonnes for normal structural steel at its two fabrication facilities in Singapore and Johor, Malaysia.

T T J's structural steel solutions are used in a wide array of industries ranging from commercial building construction and offshore oil and gas to industrial plants as well as in iconic landmarks such as the National Art Gallery, the Orchard Gateway bridge, the SuperTrees and OCBC Skyway at Gardens by the Bay, The Helix at Marina Bay, Pinnacle@Duxton, Henderson Waves, the Supreme Court and Changi Airport Terminals 2 and 3. The Group has also supplied structural steelworks for several notable projects including Our Tampines Hub, Duo Residences @ Ophir-Rochor, Mediapolis@ One North, Funan Digital Mall, HomeTeamNS Khatib Clubhouse and PSA Liveable City.

The Group's comprehensive manufacturing capabilities include, among others, heavy lifting cranes, ship-lift platforms, structures for high rise buildings and petrochemical complexes, heavy roof trusses, civil defence shelter doors, steel moulds and launching girders for bridges and highways, pressurised vessels and tanks, vehicular aluminium parapets, expansion joints and bearings for highways and roads.

In 2018, the Group expanded its business into waste management and treatment to diversify its income streams. It currently owns a wood pellet manufacturing factory in Thailand, while another factory is under construction in Singapore.

For more information, please visit
www.ttj.com.sg

[1] *For works undertaken by our wholly owned subsidiary T T J Design and Engineering Pte Ltd*

CHAIRMAN'S MESSAGE

"LOOKING AHEAD, THE GROUP INTENDS TO MAINTAIN A PRUDENT APPROACH IN ITS CASH CONSERVATION AND CASHFLOW MANAGEMENT EFFORTS TO ENSURE THAT ITS OPERATIONS REMAIN SUSTAINABLE AMID AN UNCERTAIN BUSINESS ENVIRONMENT."

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I present to you our annual report for the 12 months ended 31 July 2020 ("FY2020").

The COVID-19 pandemic, and its knock-on effect on the global and domestic economy, has made 2020 one of the most challenging periods for the construction industry in Singapore. In the second quarter of 2020, this sector contracted by 59.3% year-on-year[1] due largely to Singapore's Circuit Breaker ("CB") measures from 7 April 2020 to 1 June 2020.

While our business was negatively affected by these CB measures introduced during the second half of our financial year, the Group has proposed a first and final dividend of 0.4 Singapore cents per share for FY2020, subject to approval by shareholders at our annual general meeting.

IMPACT OF COVID-19

The impact of the pandemic on T T J's business was especially severe in the second half of FY2020 due to the suspension of construction activities during the CB period as well as measures to curb the spread of the virus in Singapore including movement restrictions at foreign worker dormitories and mandatory stay-home-notice for work permit and S-Pass holders from 20 April 2020 to 18 May 2020. Even after the lifting of the CB, we continued to experience manpower shortage and disruptions due to safe distancing measures which have led to delays in the execution of projects.

Our overseas operations were similarly affected. Over in Malaysia, our structural steel factory in Johor experienced a slowdown during the Movement Control Order from 18 March 2020 to 9 June 2020 due to restrictions on movement and curfews. The factory has resumed full operations since June 2020.

In Thailand, our waste management and treatment business saw weaker demand and lower average selling prices for wood pellets from our key markets of Japan and South Korea. We have since decided to temporarily stop operations at our Thai wood pellet manufacturing plant with a view to resume business when the global economy picks up.

[1] *Ministry of Trade & Industry Singapore (Press release), MTI Narrows 2020 GDP Growth Forecast to "-7.0 to -5.0 Per Cent", 11 August 2020*

PROTECTING BUSINESS SUSTAINABILITY

Financially, the repercussions of COVID-19 in FY2020 were partially cushioned by the Singapore government's Job Support Scheme, the Foreign Worker Levy waiver and rebates for S-Pass and work permit holders in the construction sector. These schemes have helped defray our costs during the worst of the pandemic and will continue to provide some relief for the Group's manpower costs in FY2021.

Our factory-converted dormitory, which was subject to movement restrictions since April 2020, was declared clear of COVID-19 in August 2020, and in the same month, our Singapore factory resumed operations gradually. We have rescheduled our projects in consultation with our clients and work at most of our project sites have restarted although they are not fully ramped up due to strict social distancing measures. In the coming months, we expect these projects to ramp up further as well as more external worksites to restart gradually.

In response to the pandemic, we have taken steps to preserve the long-term business sustainability of T T J. We have enforced safe distancing measures at our workplace and project sites including Safe Entry scanning, use of the Trace Together app, temperature screening, use of masks, and safe distancing for employees at the workplace to protect the health and well-being of our people. In addition, our foreign workers are registered for Rostered Routine Testing every 14 days.

We have also heightened our prudence in cash flow and cost management during this period of uncertainty. As part of the Group's efforts to mitigate the adverse financial impact of COVID-19 and to protect jobs, the management team has volunteered a salary cut of up to 50% since August 2020 while company-wide salary cuts, ranging from 7% to 15%, have also been implemented for T T J employees in the same month.

CHAIRMAN'S MESSAGE

In our bid to defer non-critical capital expenditures, construction of the Group's upcoming new-build wood pellet manufacturing plant in Singapore, which was originally due to obtain Temporary Occupation Permit ("TOP") in December 2020, has been postponed until such time when the industry shows signs of recovery.

OUTLOOK AND PROSPECTS

The outlook for the rest of the year remains muted with the Building and Construction Authority ("BCA") revising its projected construction demand for 2020 to $18 billion - $23 billion[2] in September 2020, down from its previous forecast of $28 billion - $33 billion[3] at the start of the year. The revision was due to a drop in private sector construction demand, as well as postponements in the award of some public sector projects from 2020 to 2021, as contractors and suppliers remain uncertain on the impact of COVID-19 on their resource management and project implementation timelines.

There is light at the end of the tunnel however as BCA is expecting construction demand to recover to some extent in 2021, supported by various public residential, healthcare and infrastructure projects including the construction of the Cross Island MRT Line.

For T T J, our order book remains healthy and intact at $168 million as of 23 September 2020, and this includes $52 million in new structural steel contracts announced during the height of the pandemic in April 2020. Originally meant to be substantially completed between FY2020 and FY2022, these projects may experience possible delays because of the COVID-19 pandemic. Looking ahead, we expect the pandemic and its knock-on economic effects to continue to impact T T J's earnings capacity and ability to secure new projects over the next 12 months.

T T J nonetheless remains confident of its ability to meet its near-term debt obligations and operational needs. The Group believes it has sufficient liquidity with cash resources of approximately $36.2 million as at 31 July 2020. No significant capital expenditure has been planned for the near future, and our balance sheet remains sound with a low gearing of 11.1%. Despite a lower cash and cash equivalents balance for FY2020 as compared to a year ago, management is anticipating improvements to the Group's cash flows as more projects ramp up.

Looking ahead, the Group intends to maintain a prudent approach in its cash conservation and cashflow management efforts to ensure that its operations remain sustainable amid an uncertain business environment.

APPRECIATION

I would like to express my sincerest appreciation to all T T J employees, including my fellow Directors on the Board, business partners and shareholders for standing by the Group throughout an extraordinarily challenging year. We have weathered challenging times in the past and the experience has allowed us to emerge stronger. As such, we will carry this spirit going forward and strive to maintain the Group's strong fundamentals, steady track record, and healthy balance sheet to withstand the current industry headwinds and position ourselves well for an eventual recovery.

Yours sincerely

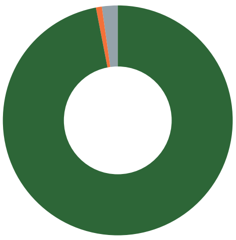
TEO HOCK CHWEE
Chairman and Managing Director

[2] *Building and Construction Authority (Press release), Projected construction demand for 2020 revised to $18-$23 billion, but expected to recover to some extent from 2021, 17 September 2020*
[3] *Building and Construction Authority (Press release), Singapore's construction demand for 2020 expected to remain strong, 8 January 2020*

FINANCIAL HIGHLIGHTS
AT A GLANCE

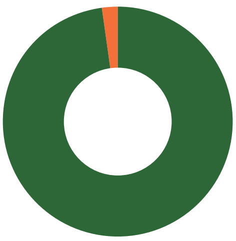
	FY2020	FY2019	FY2018
Revenue ($'000)	**77,683**	76,562	92,541
Gross Profit ($'000)	**7,929**	12,041	19,000
Gross Profit Margin (%)	**10.2%**	15.7%	20.5%
Net (Loss) / Profit ($'000)	**(15,867)**	3,337	8,327
Net (Loss) / Profit Margin (%)	**(20.4%)**	4.4%	9.0%

FY2020 REVENUE BY
BUSINESS SEGMENT (%)



Structural Steel
97.8%
Other
0.8%
Waste Management & Treatment
1.4%

FY2020 REVENUE BY
GEOGRAPHICAL MARKET (%)



Singapore
98.6%
Thailand
1.4%

OPERATING & FINANCIAL REVIEW

> **THE GROUP BELIEVES IT HAS SUFFICIENT LIQUIDITY WITH CASH RESOURCES OF APPROXIMATELY $36.2 MILLION AS AT 31 JULY 2020. NO SIGNIFICANT CAPITAL EXPENDITURE HAS BEEN PLANNED FOR THE NEAR FUTURE, AND OUR BALANCE SHEET REMAINS SOUND WITH A LOW GEARING OF 11.1%.**

FY2020 IN REVIEW

INCOME STATEMENT

The Group reported a revenue of $77.7 million for the 12 months ended 31 July 2020 (“FY2020”), an increase of 1% compared to $76.6 million achieved for the 12 months ended 31 July 2019 (“FY2019”). The structural steel business which accounted for most of the Group’s revenue was the main driver of the increase.

The structural steel business registered a full year revenue of $76.0 million in FY2020 compared to $75.0 million achieved in FY2019. It achieved a marginal increase of 1% despite the mandatory suspension of construction sites during the Circuit Breaker period in Singapore from 7 April 2020 to 1 June 2020.

Revenue contribution from the Group’s waste management and treatment business in FY2020 remained relatively insignificant. This was due to the COVID-19 pandemic impacting market demand for wood pellets and resulting in lower average selling prices, which led the group to temporarily halt production at its operating factory located in Thailand. Revenue for this segment was $1.1 million in FY2020 compared to $0.7 million in FY2019.

Gross profit for the Group decreased 34% to $7.9 million in FY2020 compared to $12.0 million a year ago. FY2020 gross profit margin was 10.2% compared to 15.7% in FY2019, mainly due to the incurrence of operating costs in a year of low revenue due to the lockdown restrictions in Thailand and the Circuit Breaker measures in Singapore since the second half of FY2020.

Finance income decreased 66% from $0.6 million a year ago to $0.2 million in FY2020, mainly due to lower fixed deposit placement. On the other hand, other income and gains increased 33% from $2.4 million last year to $3.2 million in FY2020, mainly due to increases in government grants received and reversal of custom duty import and goods and services tax accrued.

Administrative expenses decreased by 12% from $9.3 million in FY2019 to $8.2 million in FY2020. The decrease was mainly due to the decreases in foreign worker levy expense, donations and rental expense arising from the adoption of SFRS(I) 16, partially offset by the increase in depreciation of right-of-use assets arising from the adoption of SFRS(I) 16.

Finance costs increased by 128% from $0.4 million in FY2019 to $0.9 million in FY2020. The increase was mainly due to interest expense on lease liabilities arising from the adoption of SFRS(I) 16.

Other losses rose from $1.2 million in FY2019 to $16.8 million in FY2020, mainly driven by impairment loss arising from a property of a subsidiary in Singapore due to prevailing market condition; property, plant and equipment written off; and the lease termination fee and loss on disposal arising from a subsidiary which was disposed during the year.

Mainly due to the reduction in gross profit margin and the increase in other losses, the Group incurred a loss before tax of $14.6 million in FY2020 compared to a profit before tax of $4.2 million in FY2019.

OPERATING & FINANCIAL REVIEW

FINANCIAL POSITION AND CASH FLOWS

As at 31 July 2020, T T J registered net assets of $127.3 million, compared to $143.2 million as at 31 July 2019. In parallel with this, T T J had cash and cash equivalents of $36.2 million as at 31 July 2020, a decrease of $3.1 million from $39.3 million as at 31 July 2019.

The Group's total assets stood at $158.6 million in FY2020 compared to $173.2 million in FY2019. This reduction was mainly due to the decreases in other financial assets, trade and other receivables, contract assets, cash and cash equivalents, as well as the decrease in property, plant and equipment in relation to the disposal of a subsidiary and the allowance for impairment loss. Partially offsetting this was the increase in right-of-use assets arising from the adoption of SFRS(I) 16.

Total liabilities stood at $31.3 million in FY2020 compared to $30.0 million in FY2019. This was mainly driven by the increases in income tax payable, other financial liabilities and the increase in lease liabilities arising from the adoption of SFRS(I) 16, partially offset by the decrease in trade and other payables, long term borrowings and contract liabilities.

The Group's net cash flows from operating activities remained stable at $7.6 million in FY2019 and FY2020. Net cash flows used in investing activities decreased from $29.3 million in FY2019 to $6.6 million in FY2020. Over the last two years, they were utilised mainly for the purchase of property, plant and equipment.

Net cash flows used in financing activities in FY2020 registered at $4.0 million, mainly due to the repayment of borrowings and payment of dividends. This is compared with $4.4 million in net cash flows derived from financing activities in FY2019, mainly from the proceeds of borrowings and proceeds from issuance of ordinary shares to non-controlling interest in subsidiaries.

PER SHARE DATA

The Group registered negative Earnings Per Share ("EPS") of 3.22 cents in FY2020 compared with positive EPS of 1.08 cents in FY2019, based on a weighted average number of ordinary shares in issue of 349,500,000 for both financial years. Net Asset Value per share decreased to 36.01 cents as at 31 July 2020 from 40.05 cents as at 31 July 2019.

The Board has recommended a first and final dividend of 0.4 Singapore cent per share for FY2020, similar to the previous financial year. If approved by shareholders at our annual general meeting on 30 November 2020, the final dividend will be paid on 21 December 2020.

SEGMENT REVIEW

REVENUE BY BUSINESS SEGMENT

The structural steel business segment contributed 97.8% or $76.0 million of the Group's total revenue in FY2020 while the waste management and treatment segment accounted for 1.4% or $1.1 million of overall revenue in FY2020. The Other segment contributed $0.6 million or 0.8% of the overall revenue.

REVENUE BY GEOGRAPHICAL MARKET

Singapore accounted for $76.6 million or 98.6% of the Group's overall revenue while Thailand accounted for the balance $1.1 million or 1.4% of the overall revenue.

KEY PROJECTS: ONGOING AND IN THE PIPELINE

T T J's order book of $168 million as at 23 September 2020 remains intact and includes $52 million in new structural steel contracts that were secured during the pandemic as announced on 28 April 2020. While originally expected to be substantially completed between FY2020 and FY2022, the Group expects delays to the completion due to the impact of the COVID-19 pandemic.

Since August 2020, our Singapore factory has resumed operations gradually. Most of the Group's projects have restarted and more external worksites are expected to restart gradually in the coming months. Meanwhile, the Group continues to receive enquiries from a mix of public and private sector projects.

The Group's waste management and treatment business has been impacted by the COVID-19 pandemic as wood pellets experienced weaker market demand and lower selling prices. This has led to the operations at the wood pellets factory in Thailand being temporarily paused, with a view to resume operations when the global economy recovers. The global economic slowdown has also led to the deferment of construction the Group's wood pellet manufacturing plant in Singapore, which was originally expected to obtain TOP in December 2020, has been postponed until such time when the industry shows signs of improvement.

BOARD OF DIRECTORS

MR TEO HOCK CHWEE
Chairman and Managing Director

MR LING CHIEN YIEN
Independent Director

MR LIM YIAN POH
Lead Independent Director

MS CHIONG SU BEEN
Executive Director and Chief Financial Officer

MR LEONG YEE YEW
Independent Director

TEO HOCK CHWEE

Chairman and Managing Director

Mr Teo, the Group's founder, has close to 50 years of working experience, out of which 46 years were directly spent in the structural steelworks industry. As Chairman and Managing Director of the Group, Mr Teo is responsible for its overall business strategy. At only 20 years of age, he formed a partnership trading under the name of Teo Contractor to do steel fabrication works and gained valuable hands-on experience. In 1981, he started T T J Design and Engineering Pte Ltd and began to engage in large-scale structural steelworks projects. Through his leadership over the last 39 years, the Group has grown into a leading steel fabricator and a Class S1 Steel Fabricator accredited by the Singapore Structural Steel Society.

CHIONG SU BEEN

Executive Director and Chief Financial Officer

Ms Chiong joined the Group in 2005 bringing extensive experience in accounting and finance. She is responsible for the full spectrum of financial and taxation functions in the Group and played an instrumental role in its initial public offering in 2010. Prior to joining the Group, she was with Barang Barang Pte Ltd as Finance Manager from 2004 to 2005. From 2000 to 2003, she was a senior accountant with Liang Huat Aluminium Limited. Ms Chiong is a Fellow Member of the Association of Chartered Certified Accountants and a Provisional Member of the Institute of Singapore Chartered Accountants.

LIM YIAN POH

Lead Independent Director

Mr Lim joined the Board in 1996 as an independent director. He has more than 20 years of experience in the banking and finance industry, having worked in major international banks including Citibank, Banque Nationale de Paris (now known as BNP Paribas) and Arab Banking Corporation, where he held regional responsibilities. He possesses a wealth of experience and an extensive network of contacts both in Singapore and the region. In 1993, he left as General Manager of Arab Banking Corporation, Singapore Branch to set up Yian Poh Associates, a financial consultancy and investment firm. Mr Lim is an Independent Director of the Board of Casa Holdings Limited. He is also an Independent Director of Zicom Group Limited, a company listed on the Australian Stock Exchange. He has been an honorary Commercial Advisor to the Administrative Committee of Jiaxing Economic Development Zone, China since 2000. He has also been appointed as a Consultant to the Suzhou Vocational University, China, from 2017 to 2022. He obtained his Bachelor of Science Degree from Nanyang University in 1969 and his Master of Science Degree from the University of Hull, England in 1972.

LING CHIEN YIEN

Independent Director

Mr Ling joined the Board in 1996 as an independent director. He has more than 25 years of mechanical engineering and project management expertise in both public and private sectors. During his career, Mr Ling has worked for organisations that included Public Works Department of Singapore, Guthrie Engineering (S) Pte Ltd, ACE Equipment (S) Pte Ltd and a Singapore consortium company, Mainland Investors (Singapore) Pte Ltd from 1970 to 1995. Mr Ling, who holds a Bachelor of Engineering from University of New South Wales, has been retired since 1996.

LEONG YEE YEW

Independent Director

Mr Leong joined the Board in 2010 as an independent director. He has more than 17 years of experience in auditing gained from PricewaterhouseCoopers, formerly known as Coopers & Lybrand, in Singapore and London; and Patrick Tay & Co. He was with Marina Centre Holdings Pte Ltd, a subsidiary of Singapore Land Limited since 1985, and was its Company Secretary and Financial Controller until March 2005 when he reached the compulsory retirement age. He was co-opted a Member of the Board of Directors of the Children's Charities Association of Singapore in 2008, and was the Honorary Treasurer from 2008 to 2011, and from 2015 to 2018. He holds a Master of Business Administration from the Strathclyde Business School and is a Fellow Member of The Institute of Chartered Accountants in England and Wales, CPA Australia and the Institute of Singapore Chartered Accountants.

MANAGEMENT TEAM

TEO HOCK CHWEE

CHAIRMAN AND MANAGING DIRECTOR

CHIONG SU BEEN

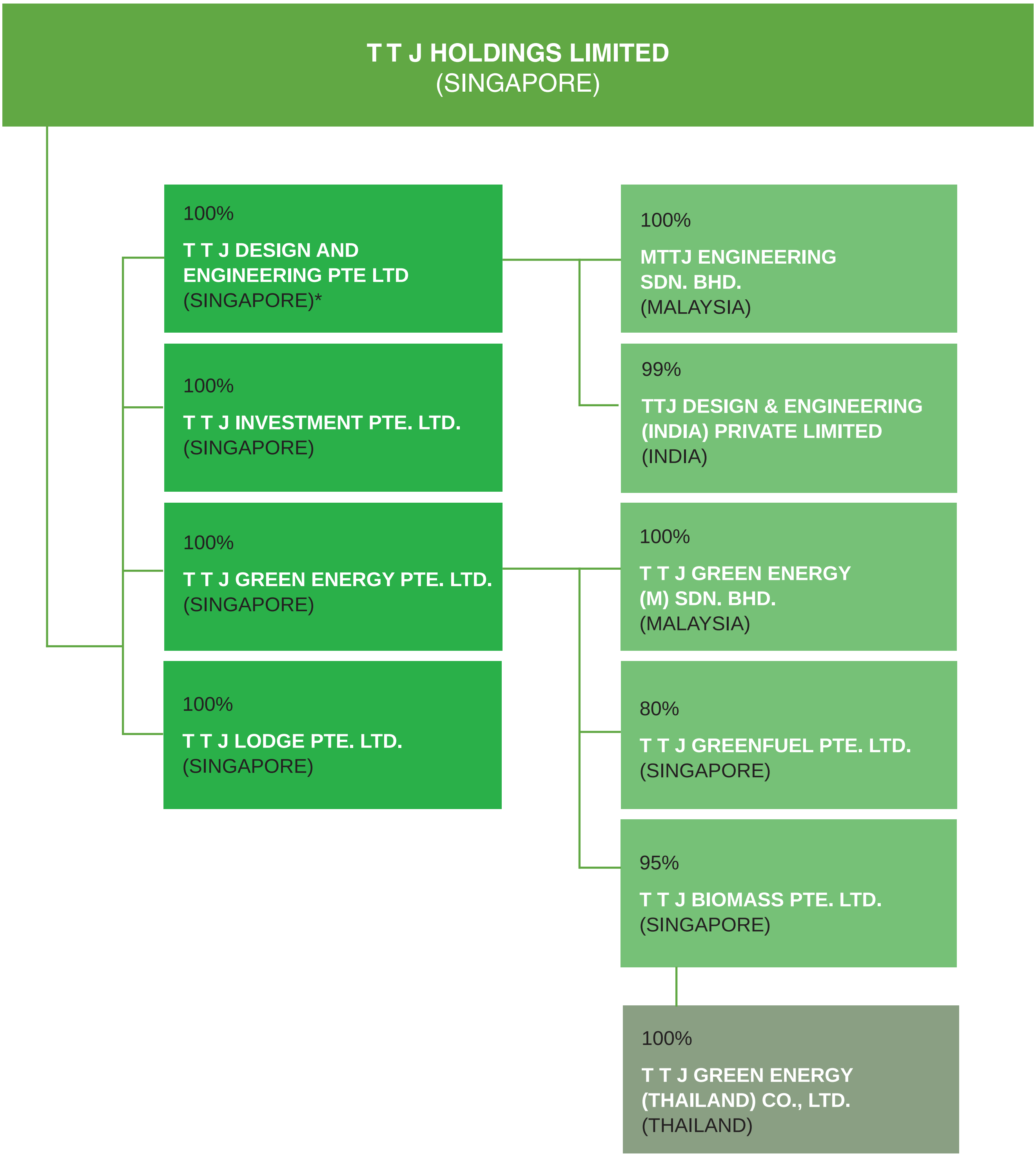
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

ELAVARASU SOMASUNDARAM

CHIEF OPERATING OFFICER

Mr Somasundaram, who has been Chief Operating Officer since January 2015, is responsible for the overall operations department, project management and the business development of the Group. He joined the Group in 1992 and has, to date, 28 years of working experience with the Group, out of which 16 years were spent in project management. Prior to joining the Group, he was with TTG Industries Ltd. in India as a Quality Control Engineer from 1990 to 1992 and was a Technical Assistant cum Lecturer with Annamalai University from 1988 to 1990. He graduated with a Bachelor Degree in Mechanical Engineering from Annamalai University, India in 1988.

CORPORATE STRUCTURE



Technics Steel Pte. Ltd., a 51%-owned direct subsidiary of the Group is under liquidation and not included in this chart.

* *T T J Design and Engineering Pte Ltd has a Representative Office in the Philippines.*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teo Hock Chwee
(Chairman and Managing Director)

Chiong Su Been
(Executive Director and
Chief Financial Officer)

Lim Yian Poh
(Lead Independent Director)

Ling Chien Yien
(Independent Director)

Leong Yee Yew
(Independent Director)

AUDIT COMMITTEE

Lim Yian Poh (Chairman)
Ling Chien Yien
Leong Yee Yew

REMUNERATION COMMITTEE

Leong Yee Yew (Chairman)
Lim Yian Poh
Ling Chien Yien

NOMINATING COMMITTEE

Ling Chien Yien (Chairman)
Lim Yian Poh
Leong Yee Yew
Teo Hock Chwee

COMPANY SECRETARIES

Tan Swee Gek, LLB (Hons)
Ong Beng Hong, LLB (Hons)

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road, #03-08, Wilkie Edge
Singapore 228095

Partner-in-charge: Chua Ling Ling
Effective from year ended 31 July 2018

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00, ASO Building
Singapore 048544

REGISTERED OFFICE

57 Pioneer Road
Singapore 628508

CORPORATE WEBSITE

www.ttj.com.sg

COMPANY REGISTRATION NUMBER

199204617M

The Board of Directors and the Management team are committed to maintaining a high standard of corporate governance by complying with the principles and provisions of the revised Code of Governance 2018 (the "**Code**") issued by the Corporate Governance Committee.

Good corporate governance is integral to a sound corporation as it promotes corporate transparency and protects and enhances shareholders' interest. This statement outlines the main corporate governance practices and processes that were in place since the financial year beginning on 1 August 2019 and which ended on 31 July 2020 ("**FY2020**"), and has provided an explanation where the Company has deviated from provisions of the Code.

Under Rule 710 of the Listing Manual, the Company is required to describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code. In this regard, specific reference to the provisions of the Code have been included in the right column below.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

In FY2020, the Board of Directors comprised two (2) Executive Directors and three (3) Independent Directors, all possessing the right core competencies and diversity of experience which enabled them to effectively contribute to the Group. In view of Provision 2.2 of the Code, as the Chairman of the Board ("**Chairman**") is not an independent director, the Independent Directors make up at a majority of the Board. As at the date of this Annual Report, the Board comprises the following members:

Mr Teo Hock Chwee (Chairman and Managing Director)
Ms Chiong Su Been (Executive Director and Chief Financial Officer)
Mr Lim Yian Poh (Lead Independent Director)
Mr Ling Chien Yien (Independent Director)
Mr Leong Yee Yew (Independent Director)

The Board is involved in the supervision of the management of the Group's operations. It reviews strategies, policies and financial performance and assesses key risks provided by Management as well as the adequacy of internal controls and risk management of the Group. Day-to-day management and implementation of business strategies are delegated to the Executive Directors.

Provision 1.1 of the Code

Directors are fiduciaries who act objectively in the best interests of the Group and hold Management accountable for performance. While the Group's employee handbook sets out, *inter alia*, the conduct and ethics expected of employees, the Group is, in consultation with the Board, in the process of reviewing the same and formalising a code of conduct and ethics, which will set an appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

The Board's role is to:

(a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;

(c) review Management's performance;

(d) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(e) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of board committees including a Nominating Committee, a Remuneration Committee and an Audit Committee with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The effectiveness of each Committee is constantly monitored. The Board has also established a framework for the management of the Group, including a system of internal controls.

Provision 1.4 of the Code

The Board currently holds a minimum of three (3) scheduled meetings each financial year. It also holds additional meetings at such other times as may be necessary to address any specific significant matters that may arise. In addition to holding meetings, important matters regarding the Group are also put to the Board for decision making by way of written resolutions. The agenda for meetings are prepared in consultation with the Group's Chairman and Managing Director ("**MD**"). Standing items include the Management's report, financial reports, strategic matters, governance, business risk issues and compliance. Executive Officers of the Group may, from time to time, be invited to attend Board meetings to provide updates on operational matters.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

Access to Information

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at Board meetings. Information provided includes background or explanatory information relating to matters to be

Provision 1.6 of the Code

brought before the Board, copies of disclosure documents, budgets, forecasts and internal financial statements, including explanations for any material variance between projections and actual results.

All Directors have unrestricted access to the Group's records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult with other employees and seek additional information on request.

All Directors have separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense. The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

Provision 1.7 of the Code

The Company Secretary administers, attends and prepares minutes of Board meetings, assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act (Cap.50) (the "**Companies Act**") and the SGX-ST, are complied with. The Company Secretary ensures the quality, quantity and timeliness of the flow of information within the Board and its Board Committees and between Management and Non-executive Directors, advises the Board on all corporate governance matters, facilitates orientation and assists with professional development as and when required.

Should Directors, whether as a group or individually, need independent professional and expertise advice in the furtherance of their duties, the cost of such advice will be borne by the Company.

Board and Board Committee Meetings held in FY2020

Directors attend and actively participate in Board and Board Committee meetings. For FY2020, the Board held four (4) meetings and the attendance of each Director at the Board and Board Committee meetings is as follows:

Provision 1.5 of the Code

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Teo Hock Chwee (Chairman and Managing Director)	4	4	4[(1)]	4[(1)]	1	1	1[(1)]	1[(1)]
Chiong Su Been (Executive Director and Chief Financial Officer)	4	4	4[(1)]	4[(1)]	1[(1)]	1[(1)]	1[(1)]	1[(1)]
Lim Yian Poh (Lead Independent Director)	4	4	4	4	1	1	1	1
Ling Chien Yien (Independent Director)	4	4	4	4	1	1	1	1
Leong Yee Yew (Independent Director)	4	4	4	4	1	1	1	1

Note:

(1) Attendance by invitation.

The current Board members generally do not have more than three (3) directorships in other listed companies. Accordingly, the NC is satisfied that currently the Directors have been able to devote sufficient time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

Provision 1.5 of the Code

Matters Requiring Board Approval

The Company has prepared a document with guidelines setting forth the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board. The document specifies that the Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's half yearly and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends.

Provision 1.3 of the Code

On 30 November 2011, the shareholders of the Company approved the Group's diversification into the business of property development, property investment and property management (the "**Property Business**"). Before undertaking any project as part of the Property Business, Management will prepare a proposal containing a cost-benefit analysis, credentials of the prospective joint venture partners, the proposed structure of the joint venture (including management and operational rights and obligations) and the funding needs of the project concerned before forwarding the same to the Board for review. The Board will review the proposal and, if required, seek the advice of reputable property consultants and/or other external consultants and experts. The Group will undertake the project only if it is approved by the Board. In addition, the Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Property Business at more frequent intervals of no less than six (6) months.

In addition, on 30 November 2017, the shareholders of the Company approved the Group's diversification into the business of waste management and treatment (the "**Waste Management Business**"). Before embarking on any joint venture relating to the Waste Management Business, the Board will conduct the necessary risk assessment with assistance from professional parties where needed, and will also enter into feasibility studies.

All other matters are delegated to Board Committees whose actions are reported to and monitored by the Board. The Board does not abdicate its responsibility for such delegations of authority.

Training of Directors

Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Directors receive comprehensive and tailored induction on joining the Board including their duties as Directors and how to discharge those duties. Directors are also provided with updates on the relevant new laws, regulations and changing commercial risks in the Group's operating environment through regular presentations and meetings; and they also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of business operations.

Provision 1.2 of the Code

The Company does not have a formal training program for new Directors. However, to assist the Board in discharging its duties, newly appointed Directors will be briefed on the business operations and regulatory issues relating to the Group to ensure that they are familiar with the Group's business and governance practices and be provided with a formal letter setting out the Director's duties and obligations. Directors are also informed of regulatory changes affecting the Group. The Board encourages its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company understands that some of the Independent Directors have participated in seminars and received training to improve themselves in the discharge of their duties as Directors. The Company will also share its industry-specific knowledge with Directors as appropriate and may hire professionals to provide training for first-time Directors in areas such as accounting and legal rights and responsibilities as appropriate. First-time Directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Manual of the SGX-ST.

Board Composition and Balance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises five (5) Directors of which three (3) are Independent Directors. The three (3) Independent Directors are Mr Lim Yian Poh, Mr Ling Chien Yien and Mr Leong Yee Yew. The criterion of independence is based on the definition given in the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST.

Provision 2.1 of the Code

The Board and the Nominating Committee (hereinafter referred to as "**NC**") consider a Director to be "independent" if he is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgement in the best interests of the Company. The Board and the NC are of the opinion that the Independent Directors satisfy these criteria. The NC is of the opinion that the Independent Directors are independent in conduct, character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. As at the date of this Annual Report, there are no Independent Directors of the Company who sit on the board of any of the Company's principal subsidiaries.

Provision 2.2 and 2.3 of the Code

In line with Provision 2.2 of the Code, as the Chairman is not an independent director, the Independent Directors make up at a majority of the Board.

Mr Lim Yian Poh and Mr Ling Chien Yien have served on the Board since 1996, and Mr Leong Yee Yew has served on the Board since 2010, and their independence have been subject to particularly rigorous review. The Board notes that Mr Lim Yian Poh, Mr Ling Chien Yien and Mr Leong Yee Yew should be considered independent because they have been active during Board discussions and have on many occasions voiced strong opinions which have differed from Management's view and were able to convince Management to accept their recommendation. Furthermore, Mr Lim Yian Poh, Mr Ling Chien Yien and Mr Leong Yee Yew have a wealth of experience from which the Management is happy to tap on (please refer to pages 8 and 9 of this Annual Report for a more detailed write-up on the extensive experience and wealth of knowledge of Mr Lim Yian Poh, Mr Ling Chien Yien and Mr Leong

Yee Yew which the Group continues to leverage on). Neither they nor their immediate family members have any business relationship with any of the other Directors and they do not hold any shares in the Company. As such, the Board has established that each of these Directors remain independent in conduct, character and judgement and there were no relationships with the Company, related corporations, Management or substantial shareholders or circumstances which were likely to affect, or could appear to affect, their independence. The Board is therefore satisfied with their performance and continued independence. Furthermore, the Board holds the view that continuity and stability of the Board is also important and the aforesaid Directors, through their years of involvement with the Company, have gained valuable insight and understanding of the Company and together with their diverse experience and expertise, have contributed and will continue to contribute effectively as Independent Directors by providing educated, impartial and autonomous views at all times. The Board nevertheless will on a continuing basis, review the need for progressive refreshment of its Board.

The composition of the Board is determined in accordance with the following principles:

Provision 2.4 of the Code

- The Board and its Board Committees are of an appropriate size and comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. They also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified);

- The Board should comprise a majority of Non-executive Directors, with at least half of the Board made up of Independent Non-executive Directors; and

- The Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities.

With three (3) out of five (5) Directors deemed to be independent, the Board is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Furthermore, the Board will be able to interact and work with Management through a robust exchange of ideas and views to help shape the Group’s strategic direction.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

Independent members of the Board exercise no management functions in the Company or any of its subsidiaries. Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in reviewing and monitoring the performance of management in meeting the Group’s agreed goals and objectives and ensuring that the strategies proposed by the management are fully discussed and rigorously examined taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business. The Board considers its Non-executive and Independent Directors to be of sufficient calibre and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees as set out in the Statement by Directors.

The Non-executive Directors of the Company:

- constructively challenge and help develop proposals on strategy; and
- review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Independent Directors, led by the Lead Independent Director, meet regularly without the presence of Management, and the Lead Independent Director provides feedback to the Board and/or Chairman as appropriate. Provision 2.5 of the Code

The Board is of the view that its current composition of five (5) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Other key information on the individual Directors of the Company is set out in pages 8 and 9 of this Annual Report. Their shareholdings in the Company are also disclosed in the Statement by Directors. Save for T T J Design & Engineering (India) Private Limited and T T J Green Energy (Thailand) Co., Ltd. in which the Group Chairman and MD holds 0.74% and less than 0.01% of the Shareholding interests therein respectively, none of the Directors hold shares in the subsidiaries of the Company.

Chairman and Managing Director

Principle 3: ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

Mr Teo Hock Chwee is the Chairman and MD of the Group. He plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. Deviated from Provision 3.1 of the Code

The Chairman's role is to: Provision 3.2 of the Code

(a) lead the Board to ensure its effectiveness in all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the Directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and Management;

(g) facilitate the effective contribution of Independent and Non-executive Directors in particular; and

(h) promote high standards of corporate governance.

The responsibilities set out above provide guidance and should not be taken as a comprehensive and exclusive list of all the duties and responsibilities of a Chairman.

The Board has not appointed any Non-executive Chairman or Chief Executive Officer at this point. Notwithstanding the foregoing, the key position of a chief executive officer is played by the Group's Chairman and MD. As the MD of the Group, Mr Teo Hock Chwee bears overall daily operational responsibility for the Group's business. Provision 3.2 of the Code

In view of Mr Teo Hock Chwee's concurrent appointment as the Chairman and MD of the Group, the Board has appointed Mr Lim Yian Poh as the Lead Independent Director to provide leadership when the Chairman's position is conflicted and to ensure that a channel of communication is always available to shareholders where they have concerns for which contact through normal channels of the Group's Chairman and MD or the Chief Financial Officer ("**CFO**") are inappropriate or inadequate. The appointment of the Lead Independent Director is in line with the Board's policy of adopting a high standard of corporate governance in accordance with the guidelines in the Code which recommends that a Lead Independent Director be appointed, *inter alia*, when the Chairman is part of the Management or the Chairman is not an Independent Director. Deviated from Provision 3.1 of the Code; Provision 3.3 of the Code

The Lead Independent Director's role includes, *inter alia*, leading the Independent Directors in meeting periodically without the presence of the other Executive Directors, and to provide any feedback to the Chairman after such meetings.

The Company is of the view that it maintains a satisfactory independent element on the Board as majority of the Board comprises Independent Directors and the Company believes the Board is able to exercise independent judgment on corporate affairs. In addition, all of the Directors have debated vigorously on the subject matters tabled at the Board meetings held in FY2020, regardless of whether they were independent or not. All decisions of the Board are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the NC and the Board believe that Mr Teo Hock Chwee, with his vast industry knowledge and experience, familiarity with the Group's business operations and as one of the founders of the Group and the MD since the Company's listing, is in the best position to lead the Board as Chairman and MD.

All major decisions like substantial acquisitions, material contracts, acquisitions of banking facilities fall under the purview of the Board. The Chairman and MD's performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package will be reviewed periodically by the Remuneration Committee. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board has no dissenting view on the Group's Chairman and MD's statement for the year under review.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises Mr Ling Chien Yien as the Chairman and Mr Lim Yian Poh, Mr Leong Yee Yew and Mr Teo Hock Chwee as members. Except for Mr Teo Hock Chwee, the Chairman and the other two (2) members of the NC are all independent. The NC considers that the appointment of Mr Teo Hock Chwee as a member is necessary in view of, *inter alia*, his intimate knowledge of the operations team members and business of the Group, all of which enables him to provide constructive feedback to the NC in assessing the Board's structure, size and composition. The NC is also satisfied that his membership will not compromise the independence of the NC.

Provision 1.4 and 4.2 of the Code

The Board has approved the written terms of reference of the NC. The NC performs the following functions:

Provision 1.4 and 4.1 of the Code

(a) To make recommendations to the Board on the appointment of new Executive and Non-executive Directors.

Provision 4.1(d) of the Code

(b) To review each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, whether he/she remains independent, in the case of the Independent Directors, and the balance between Executive and Non-executive Directors appointed to the Board.

(c) To regularly review the Board structure, size and composition and make recommendations to the Board with regard to the progressive renewal of the Board and any adjustments that are deemed necessary.

(d) To determine the process for search, nomination, selection and appointment of new Board members and be responsible for assessing the requisite qualifications and fulfilment of being independent of the nominees or candidates for appointment or election to the Board.

(e) To make plans for succession, in particular for the Chairman and MD.

Provision 4.1(a) of the Code

(f) To determine, on an annual basis, and as and when circumstances require, if a Director is independent. If the NC determines that a Director, who has one (1) or more of the relationships mentioned under the Code is in fact independent, the NC should disclose in full, the nature of the Director's relationship and provide its views to the Board for the Board's consideration. The NC may at its discretion determine a Director as non-independent even if he has no business or other relationships with the Company, its related companies or its officers and should similarly provide its views to the Board for the Board's consideration.

(g) To recommend Directors who are retiring by rotation to be put forward for re-election.

Provision 4.1(d) of the Code

(h) To decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations, taking into consideration the Director's number of listed company board representations and other principal commitments.

(i) To be responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman and the assessment shall be disclosed annually. Provision 4.1(b) of the Code

(j) To review any training and professional development programmes for the Board. Provision 4.1(c) of the Code

In the event there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC will review the change to be implemented and make recommendations to the Board accordingly. For the new appointment of Directors, the NC will, in consultation with the Board, examine the strength and capabilities of the existing Board as well as the skills, knowledge and experience contributed by the existing Directors to the Group and the Board. The NC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NC will attempt to seek candidates widely and beyond persons directly known to the existing Directors and recommend suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment will be released via SGXNET. In the event of cessation of appointment of any Director or Executive Officer, the NC will conduct the exit interviews with such Director or Executive Officer, as the case may be, and announcements relating to such cessation will also be released via SGXNET. Provision 4.3 of the Code

The current Board members generally do not have more than three (3) directorships in other listed companies. Accordingly, the NC is of the opinion that they have sufficient energy and time to focus on the affairs of the Group. As such, the NC has currently not set a limit on the number of directorships which a Director can hold in other listed companies. The NC will however not rule out the requirement to set limits on the Directors' directorships in other listed companies should subsequent situations warrant such action. After conducting reviews, the NC is satisfied that currently the Directors have been able to devote adequate time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board. As mentioned under Principle 1 above, the Board and the NC are of the opinion that the Independent Directors satisfy the criteria under Provision 2.1 of the Code. Provision 4.4 of the Code

With effect from 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST. The Company's Constitution provides that one third of the Board or the number nearest to one third is to retire by rotation at every Annual General Meeting ("**AGM**"). In addition, the Company's Constitution also provides that newly-appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM of the Company.

The Board does not have any alternate Directors.

When new Directors are appointed, the NC also ensures that they are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company. The NC has in place internal guidelines to address the conflict of competing time commitments of Directors serving on multiple boards. If a Director serves on the board of other companies, the NC will consider whether he/she has been able to devote adequate time and attention to the affairs of the Group. In the event there are sufficient grounds for complaint, the Chairman of the Board will on the advice of the NC, discuss, and if necessary, advise the Director concerned of the issues and the consequences of failure to rectify the situation within the period required.

Provision 4.5 of the Code

The dates of the appointment and last re-election of each Director as at the date of this Annual Report as well as their directorships in listed companies and principal commitments are set out below:

Provision 4.5 of the Code

			Directorship in Listed Companies		
Name of Director	**Date of Appointment**	**Date of Last Re-election**	**Present**	**Past Preceding 3 years**	**Principal Commitments**
Teo Hock Chwee	28 August 1992	28 November 2019	T T J Holdings Limited	Nil	Nil
Chiong Su Been	7 April 2008	28 November 2019	T T J Holdings Limited	Nil	Nil
Lim Yian Poh	5 July 1996	28 November 2019	T T J Holdings Limited Zicom Group Limited Casa Holdings Limited	Nil	Nil
Ling Chien Yien(1)	5 July 1996	29 November 2018	T T J Holdings Limited	Nil	Nil
Leong Yee Yew(2)	11 January 2010	29 November 2018	T T J Holdings Limited	Zicom Group Limited	Nil

Notes:

(1) Mr Ling Chien Yien was last re-elected on 29 November 2018, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.

(2) Mr Leong Yee Yew was last re-elected on 29 November 2018, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. The performance criteria which have been approved by the Board for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, and Board performance in relation to the discharge of its principal responsibilities. Such performance criteria, which are meant to enhance long-term shareholder value, would not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the Board would justify this decision. Provision 5.1 of the Code

In its assessment, the NC takes into consideration the frequency of the Board meetings, Board independence, the rate at which issues raised are adequately dealt with, the effectiveness of the Board Committees, and reports from the various committees. Provision 5.2 of the Code

The Board and the NC evaluate individual Directors on whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and Board Committee meetings, and any other duties) and have endeavoured to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions. The NC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors. Provision 5.2 of the Code

With respect to FY2020 and after due evaluation, the NC considered the performance of each individual Director and the Board to be satisfactory. For avoidance of doubt, each member of the NC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, each Board Committee and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement. Provision 5.2 of the Code

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: There is a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

The Remuneration Committee (hereinafter referred to as "**RC**") comprises Independent Directors, with Mr Leong Yee Yew as the Chairman, and Mr Lim Yian Poh and Mr Ling Chien Yien as members. Provision 1.4 and 6.2 of the Code

The Board has approved the written terms of reference of the RC. The RC performs the following functions: Provision 1.4 of the Code

(a) To review and recommend to the Board, a general framework of remuneration and to determine the specific remuneration packages and terms of employment for: Provision 6.1 of the Code

- each Director;
- the Chairman and MD (or executive of equivalent rank);
- senior management of the Group; and
- employees related to Directors or substantial shareholders of the Group.

(b) Meetings of the RC will be held as the RC deems appropriate. The RC should meet at least once a year and meetings should be organised so that attendance is maximised. Meetings may be called, at any other time, by the Chairman or any member of the RC. Members of the Board or Management may be invited to the meetings.

(c) The secretary of the RC shall be the Company Secretary for the time being or such other person as may be nominated by the RC.

(d) The Company Secretary shall attend all meetings and minute the proceedings thereof.

(e) Minutes of all meetings shall be confirmed by the chairman of the meeting and circulated to all members of the RC.

(f) If the Chairman of the RC so decides, the minutes shall be circulated to other members of the Board. Any Director may, provided there is no conflict of interest and with the agreement of the Chairman, obtain copies of the minutes of RC meetings.

(g) The notice of each meeting of the RC, confirming the venue, date and time and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RC at least three (3) working days prior to the date of the meeting.

(h) To recommend to the Board, the T T J Employee Share Option Scheme (“**T T J ESOS**”) or any other performance bonus schemes which may be set up from time to time and to do all acts necessary in connection therewith.

(i) To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

As part of its review, the RC shall ensure that:

(i) all aspects of remuneration including Directors’ fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms should be covered and are fair; Provision 6.3 of the Code

(ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element;

(iii) the remuneration package of employees related to Directors or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility;

(iv) existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and

(v) the Executive Directors' and key management personnel's contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance. Provision 6.3 of the Code

In FY2020, the RC did not seek expert advice inside and/or outside the Company on the remuneration of all Directors. No remuneration consultants were engaged by the Company during FY2020. Provision 6.4 of the Code

The members of the RC do not participate in any decision concerning their own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

A significant proportion of Executive Directors' and key management executive's remuneration should be structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Provision 7.1 of the Code

The Group's remuneration policy is to provide compensation packages appropriate to attract, retain and motivate the Directors to provide good stewardship to the Company and key personnel required to successfully manage the Group for the long term. Provision 7.3 of the Code

The remuneration of the Chairman and MD, Mr Teo Hock Chwee, is based on the terms of the service agreement entered into between Mr Teo Hock Chwee and the Company on 1 May 2008 (as the same may be amended and supplemented by the supplemental letter dated 3 November 2009). The aforesaid service agreement shall continue unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

In determining the remuneration of the Non-executive Directors, the RC ensures that the level of remuneration is appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Non-executive Directors. The RC ensures that Non-executive Directors are not over-compensated to the extent that their independence may be compromised. The Board will, if necessary, consult experts on the remuneration of Non-executive Directors. The Board will recommend the remuneration of the Non-executive Directors for approval at the AGM. Provision 7.2 of the Code

With regard to the remuneration of other key executives, the RC, together with Management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives takes into consideration the Group's performance, as well as the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Group's overall goals and objectives. In addition, the Group is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The RC administers the T T J ESOS. The T T J ESOS was approved by Shareholders at an extraordinary general meeting on 15 January 2010 for an initial duration of up to a maximum period of ten (10) years and renewed at the Company's AGM held on 28 November 2019 for a further duration of ten (10) years upon the expiry of the T T J ESOS on 14 January 2020. No share options were granted under the T T J ESOS for FY2020. The T T J ESOS provides eligible participants who have contributed to the success and development of the Company with an opportunity to participate and also increase the dedication and loyalty of these participants and motivate them to perform better. Further details about the T T J ESOS is set out on pages 41 and 42 of this annual report.

In FY2020, the Company did not use any vesting schedules.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details of remuneration paid to the Directors and the Group's top one (1) key executive in FY2020 are set out below:

Provision 8.1 and 8.3 of the Code

Remuneration Band and Name	Fees	Salary	Bonus	Others	Total
Directors who are paid between S$500,000 to S$600,000					
Mr Teo Hock Chwee	–	88%	11%	1%	100%
Directors who are paid between S$200,000 to S$300,000					
Ms Chiong Su Been	–	87%	3%	10%	100%
Directors who are paid below S$100,000					
Mr Lim Yian Poh(1)	100%	–	–	–	100%
Mr Ling Chien Yien(2)	100%	–	–	–	100%
Mr Leong Yee Yew(3)	100%	–	–	–	100%
Key Executives who are paid between S$200,000 to S$300,000					
Mr Elavarasu Somasundaram	–	82%	7%	11%	100%

Notes:

(1) Mr Lim Yian Poh's total remuneration for FY2020 in the form of Directors' fees amounts to S$52,500.

(2) Mr Ling Chien Yien's total remuneration for FY2020 in the form of Directors' fees amounts to S$47,250.

(3) Mr Leong Yee Yew's total remuneration for FY2020 in the form of Directors' fees amounts to S$47,250.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment. As such, the aggregate amounts of remuneration paid/accrued to Directors and key management personnel for the financial year ended 31 July 2020 are not disclosed in this report but are disclosed in bands of S$100,000. During FY2020, the Company had only one (1) key executive (excluding the Directors and the MD). Provision 8.1 of the Code

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance criteria used to assess the remuneration of Executive Directors and key management personnel is based on the following qualitative and quantitative components comprised of:

1. Leadership
2. Teamwork
3. People development
4. Responsibilities and commitment
5. Profitability performance of the Group

The performance conditions were met in FY2020.

There are no termination or retirement benefits, as well as post-employment benefits that are granted to the Directors and key executives.

None of the employees in the Company or any of its principal subsidiaries whose remuneration exceeds S$100,000 during the year is a substantial shareholder of the Company or an immediate family member of a Director, the MD or a substantial shareholder of the Company. Provision 8.2 of the Code

The Company adopted the T T J ESOS which will provide eligible participants with an opportunity to participate in the equity of the Company so as to motivate them, to higher standards of performance through increased dedication and loyalty, and to give recognition to those who have contributed significantly to the growth and performance of the Group. Further details of the T T J ESOS are set out on pages 41 and 42 of this annual report. Provision 8.3 of the Code

(C) ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

Accountability

The Company announces its financial results on a half-yearly basis and other information via SGXNET in accordance with the rules of the SGX-ST Listing Manual. The Company aims to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

Management provides all members of the Board with management accounts and such explanation and information on a half-yearly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Control

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board determines the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board regularly reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Board is of the opinion that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective.

The Board has also received the following assurance from: Provision 9.2 of the Code

(a) the Group's Chairman and MD and the CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Group's Chairman and MD and other key management personnel who are responsible, that the Group's risk management and internal controls system are adequate and effective.

The Audit Committee reviews the Group's system of internal controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. This ensures that such system is sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks.

Based on the internal controls established and maintained by the Group, work performed by the external auditors as well as the internal auditors, and reviews performed by Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems put in place by Management is adequate and effective to address the financial, operational, compliance and information technology risks of the Group.

The Audit Committee, on behalf of the Board, determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all the significant control policies and procedures and highlight all significant findings to the Directors and the Audit Committee. Provision 9.1 of the Code

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee ("**AC**") comprises Non-executive Independent Directors, Mr Lim Yian Poh as the Chairman, and Mr Ling Chien Yien and Mr Leong Yee Yew as members. Mr Lim Yian Poh has financial management experience and Mr Leong Yee Yew has recent and relevant accounting expertise and experience. Accordingly, the AC is appropriately qualified to discharge its responsibilities. The AC will assist the Board in discharging its responsibility to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group. The AC will provide a channel of communication between the Board, Management and the external auditors of the Group on matters relating to audit. Provision 1.4 and 10.2 of the Code

The Board has approved the written terms of reference of the AC. Specifically, the AC's duties include the following: Provision 1.4 and 10.1 of the Code

(a) review the Group's financial and results of operations and accounting policies;

(b) review the Group's external auditors' and the internal auditors' audit plans, their adequacy, effectiveness, scope of work and the results of the external auditors' examination and the internal auditors' evaluation of the Group's internal accounting control systems; Provision 10.1(e) of the Code

(c) review the Group's annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards International, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval so as to ensure the integrity of the financial statements of the Company; Provision 10.1(a) of the Code

(d) review the financial statements of the Company and the Group before the submission to the Board for approval and prior to the Group's announcement of the results at the end of each reporting period; Provision 10.1(a) of the Code

(e) review and discuss with external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response in relation thereto;

(f) review the co-operation given by the Group's Management and officers to the external auditors;

(g) undertake such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) review and evaluate the Group's administrative, operating and internal accounting controls and procedures;

(i) review the Group's procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto; Provision 10.1(f) of the Code

(j) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding inter alia, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that may impact negatively on the Group; Provision 10.1(f) of the Code

(k) review and approve any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(l) review any potential conflicts of interests;

(m) consider and recommend to the Board proposals to the shareholders on the appointment and re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors and approving the remuneration and terms of engagement of the external auditors; Provision 10.1(d) of the Code

(n) review the appointments of and (on an annual basis) review the remuneration of persons occupying managerial positions who are related to a Director, MD or a substantial shareholder of the Company;

(o) generally undertake such other functions and duties which may be required by statute or the rules of the SGX-ST Listing Manual, and by such amendments made thereto from time to time;

(p) ensure that all internal control weaknesses are satisfactorily and properly rectified;

(q) evaluate the independence of the external auditors; Provision 10.1(e) of the Code

(r) review the adequacy, effectiveness, independence, scope and results of the internal audit function and ensuring that a clear reporting structure is in place between the AC and the internal auditors; Provision 10.1(e) of the Code

(s) review the Group's key financial risk areas; the outcome of the aforesaid reviews which shall be disclosed in the Company's annual report (or in instances where the findings are material, make appropriate disclosures via SGXNET immediately);

(t) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's results of operations and/or financial position;

(u) commission and review the annual internal controls audit until such time the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses; and

(v) review and report to the Board at least annually on the Group's system of internal controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. This ensures that such system is sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks. Provision 10.1(b) of the Code

The AC also reviews the assurance from the Group's Chairman and MD and the CFO on the financial records and financial statements. Provision 10.1(c) of the Code

The AC is authorised to conduct or authorise investigations into any matter within its terms of reference, and has full access to Management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Executive Director or Executive Officer to attend its meetings.

The AC has reviewed the Group's financial reporting function, internal controls and processes and is satisfied with the adequacy and quality of the same. The AC is satisfied with the adequacy of the Group's financial statements and financial reporting resources and the performance of the Group's finance department.

The AC has also reviewed the policy and arrangements by which the employees of the Group and any other persons may, in confidence, raise concerns about the possible improprieties in matters of financial reporting or other matters within the Group, with the objectives of ensuring that arrangements are put in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken as and when the need arises. As at the date of this Annual Report, the Group has put in place a whistle-blowing policy for this purpose. Copies of the "Whistle Blowing" policy have been circulated to the employees and are also available at the Company's registered office. Provision 10.1(f) of the Code

The Group's existing auditors, RSM Chio Lim LLP, have been the external auditors of the Group since 19 August 2002 and Ms Chua Ling Ling is the current audit partner in charge effective from financial year ended 31 July 2018. During FY2020, the aggregate amount of fees paid to the external auditors was S$147,000 (exclusive of GST) with audit related work carried out by the external auditors amounting to fees of S$126,000 and non-audit related work carried out by the external auditors amounting to fees of S$21,000 (exclusive of GST). The AC is satisfied that the external auditors' independence has not been impaired.

The AC also has full access to the external auditors without the presence of Management and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties and other informational sources of the Group as required or desirable to properly discharge its responsibilities.

The AC meets with the external auditors separately, at least once a year, without the presence of the Management. While the AC did not meet with the internal auditor separately without the presence of Management during FY2020, on an as-and-when-required basis, the internal auditor will also have the opportunity to meet up with the AC separately without presence of Management. Provision 10.5 of the Code

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the AC are of the opinion that a suitable auditing firm has been appointed to meet the Group's auditing obligations. The Company thereby complies with Rules 712 and 715 of the Listing Manual of the SGX-ST.

The AC recommends to the Board the nomination of RSM Chio Lim LLP for re-appointment as external auditors at the forthcoming AGM of the Company.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. Provision 10.3 of the Code

Internal Audit

The internal auditors' primary line of reporting is to the AC and the AC Chairman although the internal auditors would also report administratively to the MD. The AC also decides and approves the appointment, termination, evaluation and remuneration of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Group. Provision 10.4 of the Code

The AC also ensures that the internal audit function is independent, effective and adequately resourced and has appropriate standing within the Group.

The Group's internal audit function team is staffed with persons with the relevant qualifications and experience and carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Company has outsourced its internal audit function to Paul Wan & Co. Paul Wan & Co has conducted its internal audit for the Group in FY2020 and reported directly to the AC on its finding. There were no major internal control weaknesses highlighted by Paul Wan & Co for the attention of the AC for FY2020. The AC has reviewed Paul Wan & Co's report on internal controls and processes and is satisfied with the independence, effectiveness and adequacy of the same. The AC will annually assess and ensure the adequacy of the internal audit function.

(D) SHAREHOLDERS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights, and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company facilitates the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders. Provision 11.1 of the Code

The Constitution of the Company currently allows a shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and shareholders who are a "relevant intermediary" (as defined under section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. Provision 11.4 of the Code

As the forthcoming AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), shareholders of the Company will not be able to attend the AGM in person. Under the Order, shareholders who wish to exercise their voting rights must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the forthcoming AGM. Deviated from Provision 11.4 of the Code

The notice of general meetings of shareholders is despatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of shareholders.

All Directors normally attend the general meetings of shareholders. The Chairmen of the AC, RC and NC are normally available at the meeting to answer those questions relating to the work of these Committees. The Company's external auditors will also be present to assist the Directors in addressing queries by shareholders about the conduct of audit and the preparation and content of the auditors' report. The attendance of the Directors of the Company at the Company's general meeting(s) held during FY2019 are reflected in the table below: Provision 11.3 of the Code

Name of Director	General Meeting(s)
Number of meeting(s) held:	**1**
Number of meeting(s) attended:	
Mr Teo Hock Chwee	1
Ms Chiong Su Been	1
Mr Lim Yian Poh	1
Mr Ling Chien Yien	1
Mr Leong Yee Yew	1

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board and Management thereto. These minutes are published on the Company's corporate website as soon as practicable. Provision 11.5 of the Code

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Provision 11.2 of the Code

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Provision 11.6 of the Code

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Rules and the Companies Act, the Board's policy is to ensure that shareholders are informed of all major developments that impact the Group. In disclosing information, the Company will be as descriptive, detailed and forthcoming as possible and avoid boilerplate disclosures.

The Company currently does not have a formalised written investor relations policy but has in place designated investor relations personnel and considers advice from its legal counsel, external investor relations consultants and professionals on appropriate disclosure requirements and regularly conveys pertinent information to shareholders to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Provision 12.2 of the Code

Shareholders may contact the Company with questions and the Company may respond to such questions via the Company's investor relations email at ir@ttj.com.sg.

Provision 12.3 of the Code

Information is communicated to shareholders on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as promptly as possible. The Board has established regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns. Communication is made through:

Provision 12.1 of the Code

- annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual reports include all relevant information about the Group, including future developments and other disclosures required by the Companies Act and the relevant accounting standards;
- half-yearly financial statements containing a summary of the financial information and affairs of the Group for the period;
- notices of and explanatory memoranda for AGMs and extraordinary general meetings;
- press and results briefings for the Group's annual results as well as other briefings, as appropriate;
- press releases on major developments of the Group;
- disclosures to the SGX-ST; and
- the Group's website at www.ttj.com.sg at which shareholders can access information on the Group. The website provides, inter alia, information on the Group's products and the corporate profile of the Group.

The Directors regard general meetings of the shareholders as an opportunity to communicate directly with shareholders and encourage greater shareholder participation. Shareholders have the opportunity to participate effectively in and to vote at general meetings of shareholders to ensure a high level of accountability and to stay informed of the Group's strategy and goals.

Provision 12.1 of the Code

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. The Group identify stakeholders as groups that have an impact, or have the potential to be impacted by the Group's business, as well as external organisations that have expertise in aspects that the Group considers material. The feedback the Group receives from stakeholders helps to determine the Group's material topics and identify focus areas. Stakeholders of the Company include, but are not limited to, customers, employees, suppliers and subcontractors, community and shareholders and investors.

Provision 13.1 of the Code

The Company's strategy and key focus areas in relation to the management of stakeholder relationships during the year will also be set out in the Company's sustainability report which will be published on SGXNET on 4 November 2020. Provision 13.2 of the Code

The Company maintains a current corporate website at www.ttj.com.sg to communicate and engage with stakeholders. Provision 13.3 of the Code

(F) DEALING IN SECURITIES

The Company adopts the following policies in relation to dealings in its securities:

- Prior to 4 March 2020, pursuant to Rule 1207(19)(c), officers are not to deal in its securities during the period commencing two (2) weeks before the announcement of the Group's quarterly financial statements and one (1) month before the announcement of the Group's financial statements for the full year, and ending on the date of the announcement of the relevant results. With effect from 4 March 2020, as the Company is not required to comply with Rule 705(2), the Company ceased quarterly reporting and will only announce its half year and full year financial results. Accordingly, officers are not to deal in its securities during the period commencing one (1) month before the announcement of the Group's financial results for the half year and financial statements for the full year, and ending on the date of the announcement of the relevant results.

- In addition, the Company reminds its officers to observe the laws on insider trading at all times, even when dealing in its securities within the permitted trading period.

- The Company's internal compliance code requires that its officer should not deal in the Company's securities on short term considerations.

The Board confirms that the Company has complied with Rule 1207(19) of the SGX-ST Listing Rules.

(G) MATERIAL CONTRACTS

Save for the service agreement between the Group's Chairman and MD, Mr Teo Hock Chwee, and the Company, there were no other material contracts of the Company or its subsidiary involving the interest of any Director or controlling shareholders subsisting at the end of the reporting year ended 31 July 2020.

(H) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

The Company has not obtained any general mandate pursuant to Rule 920 of the Listing Manual. There were no interested person transactions entered into during the financial year under review (excluding transactions less than S$100,000).

STATUS UPDATE ON SUSTAINABILITY REPORTING

Sustainability Reporting

T T J endeavours to uphold the highest possible standards of sustainable and eco-friendly business practices. We are committed to instilling sustainability in our corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. We prudently balance economic viability with sustainability for future generations.

In 2020, a newly discovered coronavirus emerged and resulted in the COVID-19 pandemic which evolved into a global pandemic. It has impacted the construction industries greatly which affected the construction demands and hence our structural steel opportunities. During these unsettling times, we stay committed to prioritising the safety of our employees and workers. We have implemented strict safety protocols and educated all staff and workers on the necessary measures to ensure that they are well-prepared in keeping themselves safe. In addition, our steel works and manufacturing processes are regularly reviewed to ensure that our processes strictly comply with industrial regulations.

The Group has assigned a sustainability task force to oversee sustainability reporting, to monitor our sustainability performance and the implementation of our sustainability policies and measures. We endeavour to streamline our business operations to improve efficiency and conserve resources.

Below is a summary table of the key topics that are relevant to the Group and our stakeholders.

ECONOMIC	ENVIRONMENTAL	SOCIAL
● Indirect Economic Impacts	● Materials ● Energy ● Water ● Emissions ● Effluents and Waste ● Environmental Compliance ● Supplier Environmental Assessment	● Employment ● Occupational Health and Safety ● Training and Education ● Diversity and Equal Opportunity ● Customer Health and Safety ● Socioeconomic Compliance

More information on the Group’s efforts on sustainability management in FY2020 can be found in the Group’s 2020 Sustainability Report which will be published on 4 November 2020.

FINANCIAL REPORTS

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 July 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Teo Hock Chwee
Chiong Su Been
Lim Yian Poh
Ling Chien Yien
Leong Yee Yew

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	Direct interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**
The Company – T T J Holdings Limited	Number of shares of no par value	
Teo Hock Chwee	179,900,000	179,900,000
Chiong Su Been	1,115,000	1,115,000

	Deemed interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**
The Company – T T J Holdings Limited	Number of shares of no par value	
Teo Hock Chwee	115,000,000	115,000,000

3. Directors' interests in shares and debentures (cont'd)

By virtue of section 7 of the Act, Mr Teo Hock Chwee with interests is deemed to have an interest in the Company and in all the related body corporate of the Company.

The directors' interests as at 21 August 2020 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

The T T J Employee Share Option Scheme (the "Scheme") for selected directors and full-time employees of the Group was approved by shareholders of the Company at an Extraordinary General Meeting in January 2010 and renewed at the Company's Annual General Meeting in November 2019.

The Scheme, which forms an integral component of its compensation plan, is designed to reward and retain eligible participants whose services are vital to its well-being and success. It provides eligible participants who have contributed to the success and development of the Company with an opportunity to participate and also increase the dedication and loyalty of these participants and motivate them to perform better.

Under the rules of the Scheme, selected directors and full-time employees of the Group are eligible to participate in the Scheme. Controlling shareholders or their associates are however not eligible to participate in the Scheme.

The Scheme is administered by the Remuneration Committee whose members are:

Leong Yee Yew (Chairman)
Lim Yian Poh
Ling Chien Yien

The number of options to be offered to a participant shall be determined at the discretion of the Remuneration Committee who shall take into account criteria such as the rank and responsibilities with the Group, performance, years of service and potential for future development of the employee, and the performance of the Group. Of the total number of shares available under the Scheme and the aggregate number of shares which may be offered to each participant, no participant shall be entitled to more than 10% of the shares available under the Scheme.

The total number of options to be granted by the Remuneration Committee in any one reporting year shall not exceed 40% of the total number of options which may be granted under the Scheme.

5. Options (cont'd)

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Lim Yian Poh	(Chairman of Audit Committee)
Ling Chien Yien	(Independent director)
Leong Yee Yew	(Independent director)

The Audit Committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the Audit Committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The Audit Committee has recommended to the Board of Directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next Annual General Meeting of the Company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the Board and the Board, the Audit Committee and the Board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 July 2020.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 23 September 2020, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

Teo Hock Chwee
Director

Chiong Su Been
Director

28 September 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF T T J HOLDINGS LIMITED (REGISTRATION NO: 199204617M)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of T T J Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 July 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 July 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (cont'd)

1. Revenue recognised over time

Please refer to Note 2A on significant accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties, and Note 5 on revenue.

The entity has construction contracts where the revenue from performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. The revenue is recognised over time by using the input method based on the efforts or inputs to the satisfaction of a performance obligation such as costs incurred relative to the total expected inputs to the satisfaction of that performance obligation. Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material and in particular arising from the volatility in market and economic conditions brought on by the COVID-19 pandemic.

We performed audit procedures on individually significant projects, including discussions with project managers on the status and impact of COVID-19 pandemic on the projects to understand the basis for the key assumptions used in forming the revised project completion timelines and the revised estimated contract costs. We evaluated management's assumptions and estimates in the determination of amongst others the stage of completion of a project, estimates of cost to complete, and estimates of variation orders that can be recognised. Where relevant, we agreed to third party contracts for work contracted or to supporting documents. We also recalculated the stage of completion based on the total costs incurred to date compared to the total budgeted costs and performed recomputation on revenue to be recognised for the reporting year.

2. Impairment assessment of investment in subsidiary, trade and other receivables and property, plant and equipment in relation to Waste Management and Treatment Segment ("Segment")

Please refer to Note 2C on critical judgements, assumptions and estimation uncertainties for the measurement of impairment of subsidiaries, allowance for trade and other receivables and impairment of property, plant and equipment, Note 16 for investments in subsidiaries, Note 21 for trade and other receivables, Note 17 for other receivables and Note 14 for property, plant and equipment as at the reporting year end.

T T J Green Energy Pte. Ltd. ("TTJGE") is the investment holding company of T T J Green Energy (M) Sdn. Bhd. ("TTJGEM"), T T J Biomass Pte. Ltd. ("TTJB"), T T J Greenfuel Pte. Ltd. ("TTJGF") and T T J Green Energy (Thailand) Co., Ltd ("TTJGET") (collectively known as "TTJGE Group").

Key audit matters (cont'd)

2. Impairment assessment of investment in subsidiary, trade and other receivables and property, plant and equipment in relation to Waste Management and Treatment Segment ("Segment") (cont'd)

<u>Investment in TTJGE and trade and other receivables from TTJGE Group</u>

The carrying amount of the investment in TTJGE is $225,000. The Company has trade and other receivables amounting $6,351,000, $3,232,000, $3,434,000 and $6,140,000 from TTJGE, TTJB, TTJGF and TTJGET respectively totalling $19,157,000.

For the non-performing subsidiaries or if they have net equity deficit, the Company will have exposure to loss on cost of investment and the expected credit loss on receivables from the subsidiaries. Any impairment losses on the investment in subsidiaries and the expected credit loss on the related receivables have to be recognised in the Company's separate financial statements. Significant judgement are required in estimating the recoverable amounts.

Management made a comparison of carrying value of the investment in TTJGE and trade and other receivables with the Company's share of net assets or liabilities of the respective subsidiary to identify any indicators of impairment.

In addition, management prepared discounted cash flow model for TTJGET and obtained valuation report from an external valuation firm on property held by TTJGF to determine the recoverable amounts within TTJGE Group.

We assessed management's basis to determine potential impairment of the investment and the expected credit loss on related receivables through discussions with management on the prospects and future plans of TTJGE Group, including review of valuation report obtained and review of discounted cash flow prepared by management as detailed below. We have also assessed the adequacy of the disclosures made in the financial statements.

<u>Carrying value of property, plant and equipment in TTJGF</u>

TTJGF is in loss-making position for the reporting year ended 31 July 2020. The carrying amount of property and construction work-in-progress (collectively known as "property") amounted to $15,232,000.

For the purpose of assessment of impairment in relation to the property, management obtained a valuation report from an external valuation firm in September 2020, and determined the fair value of the property using market comparable approach. The valuation of the property is a key audit matter because it involves the use of a range of estimates made by management and the independent valuers. In addition, there was an increase in uncertainty in determining the valuation of the property as at 31 July 2020 arising from the volatility in market and economic conditions brought on by the COVID-19 pandemic.

As part of our audit procedures, we reviewed the valuation report issued by the external valuer and assessed the objectivity and competency of the external valuer. With the assistance of our internal specialist, we held discussions with the external valuer and management to understand and assessed the reasonableness of the valuation method used and assumptions applied in the valuation report including key valuation adjustments made in response to the changes in market and economic conditions brought on by the COVID-19 pandemic and the overall results of the valuations. We have also assessed the adequacy of the disclosures made in the financial statements.

Key audit matters (cont'd)

2. Impairment assessment of investment in subsidiary, trade and other receivables and property, plant and equipment in relation to Waste Management and Treatment Segment ("Segment") (cont'd)

Carrying value of property, plant and equipment in TTJGET

TTJGET is in loss-making position for the reporting year ended 31 July 2020. The carrying amount of property, plant and equipment amounted to $10,888,000.

Management prepared discounted cash flow model to determine the recoverable amount. The value-in-use calculation requires management of the entity to estimate the future cash flows expected as well as a suitable discount rate in order to calculate present value. In estimating the future cash flows, management forecasted the revenue, growth rates, profit margins based on presently available information.

Our audit procedures focused on evaluating and challenging the key assumptions used by management in the impairment review.

We tested management's assumptions used in the value-in-use calculation and challenged management's forecasted revenues, growth rates, profit margins and discount rates based on their historical performance and market factors. This included obtaining an understanding of and assessing management's planned strategies to support the projected revenue growth.

We involved our internal specialists to review key assumptions used in the impairment analysis, in particular the discount rate. We performed sensitivity analysis with regards to the discount rate and growth rates as these are the two significant key assumptions in the impairment model.

Based on our procedures, we noted management's key assumptions were within a reasonable range of our expectations. We have also reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Statement by Directors and annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial statements (cont'd)

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Ling Ling.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2020

Engagement partner - effective from year ended 31 July 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2020

	Notes	Group 2020 $'000	Group 2019 $'000
Revenue	5	77,683	76,562
Cost of sales		(69,754)	(64,521)
Gross profit		7,929	12,041
Interest income	6	200	583
Other income and gains	7	3,202	2,411
Administrative expenses	8	(8,183)	(9,304)
Finance costs	10	(854)	(374)
Other losses	7	(16,846)	(1,156)
(Loss) / profit before tax from continuing operations		(14,552)	4,201
Income tax expense	11	(1,315)	(864)
(Loss) / profit from continuing operations, net of tax		(15,867)	3,337
<u>**Other comprehensive loss:**</u>			
Item that will not be reclassified to profit or loss:			
Fair value changes on equity shares at FVTOCI, net of tax	18	(766)	(34)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(695)	(88)
Other comprehensive loss for the year, net of tax		(1,461)	(122)
Total comprehensive (loss) / income		(17,328)	3,215
(Loss) / profit attributable to owners of the parent, net of tax		(11,259)	3,790
Loss attributable to non-controlling interests, net of tax		(4,608)	(453)
(Loss) / profit net of tax		(15,867)	3,337
Total comprehensive (loss) / income attributable to owners of the parent		(12,720)	3,668
Total comprehensive loss attributable to non-controlling interests		(4,608)	(453)
Total comprehensive (loss) / income		(17,328)	3,215
(Losses) / earnings per share			
(Losses) / earnings per share currency unit		Cents	Cents
Basic and diluted	13	(3.22)	1.08

The accompanying notes form an integral part of these financial statements.

	Notes	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	63,570	72,821	–	–
Right-of-use assets	15	7,817	–	–	–
Investments in subsidiaries	16	–	–	6,145	6,923
Other receivables	17	–	–	26,328	32,758
Other financial assets	18	2,259	2,997	2,259	2,997
Other non-financial assets	19	869	895	–	–
Total non-current assets		74,515	76,713	34,732	42,678
Current assets					
Inventories	20	399	583	–	–
Trade and other receivables	21	14,415	21,129	744	1,544
Contract assets	22	32,572	35,063	–	–
Other non-financial assets	23	458	351	36	28
Cash and cash equivalents	24	36,196	39,329	7,888	13,142
Total current assets		84,040	96,455	8,668	14,714
Total assets		158,555	173,168	43,400	57,392
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	25	22,890	22,890	22,890	22,890
Retained earnings		104,743	117,400	20,127	33,531
Other reserves	26	(1,773)	(312)	(51)	715
Equity, attributable to owners of the parent		125,860	139,978	42,966	57,136
Non-controlling interests		1,405	3,229	–	–
Total equity		127,265	143,207	42,966	57,136
Non-current liabilities					
Deferred tax liabilities	11	1,535	1,367	–	–
Finance leases	27	–	10	–	–
Lease liabilities	28	7,644	–	–	–
Other financial liabilities	29	5,016	6,623	–	–
Total non-current liabilities		14,195	8,000	–	–
Current liabilities					
Income tax payable		1,086	650	292	128
Trade and other payables	30	13,485	19,123	142	128
Finance leases	27	–	13	–	–
Lease liabilities	28	366	–	–	–
Other financial liabilities	29	1,726	1,389	–	–
Contract liabilities	22	432	786	–	–
Total current liabilities		17,095	21,961	434	256
Total liabilities		31,290	29,961	434	256
Total equity and liabilities		158,555	173,168	43,400	57,392

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
CHANGES IN EQUITY

YEAR ENDED 31 JULY 2020

Group	Total equity $'000	Attributable to parent sub-total $'000	Share capital $'000	Retained earnings $'000	Other reserves $'000	Non-controlling interests $'000
Current 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 (Note 31)	2,784	–	–	–	–	2,784
Dividends paid (Note 12)	(1,398)	(1,398)	–	(1,398)	–	–
Closing balance at 31 July 2020	127,265	125,860	22,890	104,743	(1,773)	1,405
Previous year:						
Opening balance at 1 August 2018	139,045	138,791	22,890	116,091	(190)	254
Changes in equity:						
Total comprehensive income / (loss) for the year	3,215	3,668	–	3,790	(122)	(453)
Dividends paid (Note 12)	(2,447)	(2,447)	–	(2,447)	–	–
Acquisition of non-controlling interest without a change in control	(60)	(34)	–	(34)	–	(26)
Issuance of ordinary shares to non-controlling interest in subsidiaries	3,454	–	–	–	–	3,454
Closing balance at 31 July 2019	143,207	139,978	22,890	117,400	(312)	3,229

Company	Total equity $'000	Share capital $'000	Retained earnings $'000	Other reserves $'000
Current 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 12)	(1,398)	–	(1,398)	–
Closing balance at 31 July 2020	42,966	22,890	20,127	(51)
Previous year:				
Opening balance at 1 August 2018	58,509	22,890	34,870	749
Changes in equity:				
Total comprehensive income / (loss) for the year	1,074	–	1,108	(34)
Dividends paid (Note 12)	(2,447)	–	(2,447)	–
Closing balance at 31 July 2019	57,136	22,890	33,531	715

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JULY 2020

	Group	
	2020	**2019**
	$'000	**$'000**
Cash flows from operating activities		
(Loss) / profit before tax	(14,552)	4,201
Adjustments for:		
Interest expense	854	374
Interest income	(200)	(583)
Amortisation of lease premium	26	26
Allowance for impairment on property, plant and equipment	7,596	–
Intangible assets written off	–	283
Depreciation of property, plant and equipment	3,474	3,071
Depreciation of right-of-use assets	629	–
Dividend income	(139)	(123)
Gain on disposal of plant and equipment	(17)	(135)
Loss on disposal of subsidiary	2,253	–
Property, plant and equipment written off	4,206	80
Operating cash flows before changes in working capital	4,130	7,194
Trade and other receivables and contract assets	8,448	2,741
Inventories	191	152
Trade and other payables and contract liabilities	(4,502)	(385)
Net cash flows from operations	8,267	9,702
Income taxes paid	(696)	(2,205)
Income taxes refund	–	136
Net cash flows from operating activities	7,571	7,633
Cash flows from investing activities		
Dividend received	108	78
Purchase of property, plant and equipment	(6,930)	(30,146)
Proceeds from disposal of plant and equipment	31	208
Acquisition of non-controlling interest in a subsidiary	–	(60)
Interest received	200	583
Net cash flows used in investing activities	(6,591)	(29,337)
Cash flows from financing activities		
Increase / (decrease) in bill payables	85	(1,023)
Interest paid	(854)	(374)
Issuance of ordinary shares to non-controlling interests in subsidiaries	–	3,454
Disposal of subsidiary, net of cash	(198)	–
Proceeds from borrowings	–	7,690
Repayment of borrowings	(1,247)	(2,788)
Repayment of finance lease obligations	(11)	(92)
Repayment of lease liabilities – principal	(419)	–
Dividend paid to equity owners	(1,398)	(2,447)
Net cash flows (used in) / from financing activities	(4,042)	4,420
Net decrease in cash and cash equivalents	(3,062)	(17,284)
Cash and cash equivalents, statement of cash flows, beginning balance	39,329	56,601
Net effect of exchange rate changes on cash and cash equivalents	(71)	12
Cash and cash equivalents, statement of cash flows, ending balance (Note 24A)	36,196	39,329

The accompanying notes form an integral part of these financial statements.

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar and they cover the Company (referred to as "parent") and the subsidiaries.

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by Directors.

The Company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are described in the Notes to the financial statements below.

The registered office is: 57 Pioneer Road, Singapore 628508. The Company is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at Note 2C, where applicable.

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Distinct goods or services created over time – For long-term service contracts and projects for constructing, manufacturing or developing an asset the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the input method. For the input method the revenue is recognised based on the efforts or inputs to the satisfaction of a performance obligation such as costs incurred relative to the total expected inputs to the satisfaction of that performance obligation.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Dividend from equity instruments – Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Other income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax.

Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Construction work-in-progress	–	Not depreciated
Freehold land	–	Not depreciated
Freehold property and improvements	–	3.70%
Leasehold lands	–	Over the terms of lease that is 3.33%
Leasehold properties and improvements	–	Over the terms of lease that are from 1.67% to 23.30%
Plant, fixtures and equipment	–	10% to 20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of depreciation are as follows:

Leasehold lands	–	Over the terms of lease that are from 2.83% to 6.49%
Leasehold properties	–	Over the terms of lease that are from 21.82% to 41.38%
Plant, fixtures and equipment	–	24.49% to 57.14%

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Inventories

Inventories are measured at the lower of cost (first in first out method or weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.

4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revenue recognised over time:
The entity has revenue where the performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Judgment is required when selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the Notes 5 and 22 on revenues and contract assets and contract liabilities.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Contract modifications:
A contract with a customer is accounted for as a separate contract if (1) the scope of the contract increases because of the addition of promised goods or services that are distinct and (2) the price of the contract increases by an amount of consideration that reflects the entity's stand-alone selling prices of the additional promised goods or services. In order to faithfully depict the entity's rights and obligations arising from a modified contract, the modifications may be accounted for some prospectively and others on a cumulative catch-up basis. The accounting for the modification depends on whether the additional promised goods or services are distinct. The accounting for contract modification requires judgement. In addition, if the entity has not yet determined the price, management has to estimate the change to the transaction price arising from the contract modification using the variable consideration guidance in the financial reporting standard. Contract modifications may have a significant impact on the entity's ability to record revenue. The related account balances at the end of the reporting year are disclosed in the Notes 5 and 22 on revenues and contract assets and liabilities.

Measurement of impairment of subsidiaries:
Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is $225,000 (2019: $1,003,000).

Allowance for trade receivables and contract assets:
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit losses. Trade receivables that are assessed not to be impaired individually are also assessed for impairment on a collective basis. In measuring the expected credit losses, the management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic decisions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amounts of the specific asset or class of assets at the end of the reporting year affected by the assumption are disclosed in the Notes 21 and 22 on trade receivables and contract assets.

Allowance for other receivables:
The other receivables are subject to the expected credit loss model under the financial instruments. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition with the credit risk at the reporting date. Adjustment to the loss allowance is made for any increase or decrease in credit risk. Where there is a significant increase in credit risk, a loss allowance is recognised based on the lifetime expected credit losses on the amount. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amounts of the specific asset or class of assets at the end of the reporting year affected by the assumption are disclosed in the Notes 17 and 21 on other receivables.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Property, plant and equipment:
An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is $26,741,000 (2019: $3,709,000).

Useful lives of property, plant and equipment:
The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific assets or class of assets at the end of the reporting year affected by the assumption is $13,982,000 (2019: $15,722,000).

Terms of lease of leasehold properties and right-of-use for leasehold land:
The annual rates of depreciation for leasehold properties and right-of-use for leasehold land are charged over the terms of the respective leases. There are leasehold properties (a) with carrying value of $12,486,000 (2019: $12,933,000) with lease term of 30 years and with an option to renew for a further 30 years; (b) carrying value of $985,000 (2019: $1,372,000) with lease term of 3 years and with an option to apply for a further 3 years; and (c) carrying value of $2,955,000 in 2019 with lease term of 4 years and with an option to renew for a further 18 years subject to fulfilling JTC Corporation's fixed investment criteria and JTC Corporation's approval. The leasehold properties have been depreciated on the assumption that the Group will exercise the options to extend the leases by another 30 years, 3 years and 18 years respectively. There is right-of-use for leasehold land with carrying value of $3,744,000 (2019: nil) with remaining lease term of 5 years and with an option to renew for a further 30 years. The right-of-use for leasehold land has been depreciated on the assumption that the Group will exercise the option to extend the lease by another 30 years.

Assessment of impairment of right-of-use asset:
Significant judgement is applied by management when determining impairment of the right-of-use asset. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease income and sub-lease period. Judgement is also involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The amount at the end of the reporting year was $3,550,000.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Mr Teo Hock Chwee, a director and significant shareholder.

3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise. Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances.

3B. Key management compensation

	Group	
	2020	**2019**
	$'000	**$'000**
Salaries and other short-term employee benefits	1,225	1,510

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

	Group	
	2020	**2019**
	$'000	**$'000**
Remuneration of directors of the Company	762	757
Fees to directors of the Company	147	147

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

3C. Other receivables from related parties

Further information about the remuneration of individual directors of the Company are provided in the report on corporate governance.

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

3. Related party relationships and transactions (cont'd)

3C. Other receivables from related parties (cont'd)

The movements in other receivables from related parties are as follows:

	Company Subsidiaries	
	2020	2019
	$'000	$'000
Other receivables:		
At beginning of the year	33,921	17,356
Amounts paid out and settlement of liabilities on behalf of another party	5,703	27,235
Amounts paid in and settlement of liabilities on behalf of the Company	(1,050)	(10,670)
Less: allowance for impairment	(7,762)	–
Disposal of subsidiary	(4,438)	–
At end of the year (Notes 17 and 21)	26,374	33,921

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

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. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results is the major financial indicator: earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA").

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

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

4B. 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					
2020					
Revenue by segment					
Sales to external parties	76,003	1,062	618	–	77,683
Inter-segment sales	–	–	1,527	(1,527)	–
Total revenue	76,003	1,062	2,145	(1,527)	77,683
Recurring EBITDA	5,334	(2,500)	1,426	–	4,260
Allowance for impairment loss on property, plant and equipment	(16)	(7,580)	–	–	(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	(3,535)	(12,473)	1,456	–	(14,552)
Income tax expense					(1,315)
Loss from continuing operations					(15,867)
2019					
Revenue by segment					
Sales to external parties	74,968	726	868	–	76,562
Inter-segment sales	–	–	1,418	(1,418)	–
Total revenue	74,968	726	2,286	(1,418)	76,562
Recurring EBITDA	7,632	(1,770)	1,201	–	7,063
Depreciation of property, plant and equipment	(2,617)	(441)	(13)	–	(3,071)
Finance costs	(160)	(214)	–	–	(374)
Interest income	167	167	249	–	583
Profit / (loss) before tax from continuing operations	5,022	(2,258)	1,437	–	4,201
Income tax expense					(864)
Profit from continuing operations					3,337

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

4C. Assets and reconciliations

	Structural steel $'000	Waste management and treatment $'000	Other $'000	Unallocated $'000	Group $'000
2020					
Total assets for reportable segments	114,865	31,998	11,692	–	158,555
Total Group assets	114,865	31,998	11,692	–	158,555
2019					
Total assets for reportable segments	124,265	31,195	17,708	–	173,168
Total Group assets	124,265	31,195	17,708	–	173,168
Expenditure for non-current assets:					
2020	358	6,572	–	–	6,930
2019	3,647	29,497	2	–	33,146

4D. Liabilities and reconciliations

	Structural steel $'000	Waste management and treatment $'000	Other $'000	Unallocated $'000	Group $'000
2020					
Total liabilities for reportable segments	17,666	10,836	167	–	28,669
Unallocated:					
Income tax payable	–	–	–	1,086	1,086
Deferred tax liabilities	–	–	–	1,535	1,535
Total Group liabilities	17,666	10,836	167	2,621	31,290
2019					
Total liabilities for reportable segments	19,313	8,472	159	–	27,944
Unallocated:					
Income tax payable	–	–	–	650	650
Deferred tax liabilities	–	–	–	1,367	1,367
Total Group liabilities	19,313	8,472	159	2,017	29,961

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

4E. Geographical information

	Revenue	
	2020	2019
	$'000	$'000
Singapore	76,621	75,836
Thailand	1,062	726
Total continuing operations	77,683	76,562

	Non-current assets	
	2020	2019
	$'000	$'000
Singapore	40,570	40,426
Malaysia	20,475	21,745
Thailand	10,888	11,432
India	323	113
Total continuing operations	72,256	73,716

Revenues are attributed to countries on the basis of the project's location, irrespective of the origin of the services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and intangible assets.

4F. Information about major customers

Revenue from major customers, which are individually amounting to 10% or more of the Group's revenue, is derived from the structural steel segment.

	2020	2019
	$'000	$'000
Top 1 customer	19,162	12,361
Top 2 customers	34,396	21,375
Top 3 customers	41,406	30,265

5. Revenue

5A. Revenue from contracts with customer:

	Group	
	2020	2019
	$'000	$'000
Revenue from construction contracts	76,003	74,968
Revenue from waste management and treatment	1,062	726
Dividend income from quoted corporations	139	123
Other revenue	479	745
Total revenue	77,683	76,562

5B. Revenue classified by duration of contract:

	Group	
	2020	2019
	$'000	$'000
Short-term contracts – less than 12 months	2,231	2,358
Long-term contracts – more than 12 months	75,452	74,204
Total revenue	77,683	76,562

5C. Revenue classified by timing of revenue recognition:

	Group	
	2020	2019
	$'000	$'000
Point in time	2,231	2,358
Over time	75,452	74,204
Total revenue	77,683	76,562

6. Interest income

	Group	
	2020	2019
	$'000	$'000
Interest income from financial institutions	200	412
Interest income from non-financial institutions	–	171
Total interest income	200	583

7. Other income and gains and (other losses)

	Group	
	2020	2019
	$'000	$'000
Allowance for impairment on property, plant and equipment	(7,596)	–
Bad debts written off – trade receivables	(901)	(793)
Foreign exchange adjustments (losses) / gains	(622)	91
Gain on disposal of plant and equipment	17	135
Gain on disposal of club membership	–	11
Government grants	1,392	153
Labour income	41	24
Intangible assets written off	–	(283)
Lease termination fee	(1,260)	–
Loss on disposal of subsidiary	(2,253)	–
Inventory written off	(8)	–
Property, plant and equipment written off	(4,206)	(80)
Reversal of impairment loss on trade receivables	–	355
Reversal of custom duty import and goods and services tax accrued	1,122	–
Rental income	12	31
Scrap income	288	702
Supplier rebate	22	714
Other income	308	195
Net	(13,644)	1,255
Presented in profit or loss as:		
Other income and gains	3,202	2,411
Other losses	(16,846)	(1,156)
Net	(13,644)	1,255

8. Administrative expenses

Administrative expenses include the following:

	Group	
	2020	2019
	$'000	$'000
Employee benefits expense (Note 9)	4,811	4,770

9. Employee benefits expense

	Group	
	2020	2019
	$'000	$'000
Short term employee benefits expense	17,861	19,558
Contributions to defined contribution plans	814	855
Total employee benefits expense	18,675	20,413
Allocation of the employee benefits expense:		
Cost of sales	13,864	15,643
Administrative expenses	4,811	4,770
	18,675	20,413

10. Finance costs

	Group	
	2020	2019
	$'000	$'000
Interest expense	361	374
Interest on lease liabilities	493	–
Total finance costs	854	374

11. Income tax

11A. Components of tax expense recognised in profit or loss include:

	Group	
	2020	2019
	$'000	$'000
Current tax expense:		
Current tax expense	941	945
Under adjustments in respect of prior periods	194	8
Subtotal	1,135	953
Deferred tax expense / (income):		
Deferred tax income	(60)	(86)
Under / (over) adjustments in respect of prior periods	240	(3)
Subtotal	180	(89)
Total income tax expense	1,315	864

11. Income tax (cont'd)

11A. Components of tax expense recognised in profit or loss include: (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	**2019**
	$'000	**$'000**
(Loss) / profit before tax	(14,552)	4,201
Income tax (income) / expense at the above rate	(2,474)	714
Expenses not deductible for tax purposes	3,437	403
Enhanced tax deductions and allowances	(6)	(230)
Stepped income tax exemption and tax rebates	(66)	(46)
Effect of different tax rates in different countries	(42)	(10)
Under adjustments to tax in respect of prior periods	434	5
Unrecognised deferred tax assets	–	75
Other items	32	(47)
Total income tax expense	1,315	864

There are no income tax consequences of dividends to owners of the Company.

The major deductible / (not liable to tax) items include the following:

	Group	
	2020	**2019**
	$'000	**$'000**
Allowance for impairment loss on property, plant and equipment	1,291	–
Lease termination fee	214	–
Loss on disposal of subsidiary	383	–
Written off of non-qualifying assets	673	–

11. Income tax (cont'd)

11B. Deferred tax balance in the statement of financial position:

The deferred tax amounts and movements in the year are as follows:

	2020 $'000	2019 $'000
Group		
Deferred tax liabilities:		
Excess of book over tax depreciation on plant and equipment	(1,593)	(1,291)
Tax losses carry forward	–	50
Other timing differences	47	(57)
Exchange differences recognised on translating foreign operations in other comprehensive income	11	6
Unrecognised deferred tax assets	–	(75)
Net balance	(1,535)	(1,367)

	(Expense) / income recognised in profit or loss	
	2020 $'000	2019 $'000
Group		
Deferred tax (liabilities) / assets:		
Excess of book over tax depreciation on plant and equipment	(304)	18
Tax losses carry forward	(50)	51
Other timing differences	99	47
Unrecognised deferred tax assets	75	(75)
Arising from acquisition of subsidiary	–	48
Net balance	(180)	89

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

12. Dividends on equity shares

	Rate per share–cents		Group and Company	
	2020	2019	2020	2019
			$'000	$'000
Final tax exempt (one-tier) dividend paid	0.4	0.7	1,398	2,447

In respect of the current reporting year, the directors propose that a final dividend of 0.4 cents per share with a total of $1,398,000 be paid to shareholders after the Annual General Meeting to be held on 30 November 2020. There are no income tax consequences. This dividend is subject to approval by shareholders at the next Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

13. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2020	2019
	$'000	$'000
Numerators: earnings attributable to equity:		
(Loss) / profit for the year attributable to equity holders	(11,259)	3,790
	'000	'000
Denominators: weighted average number of equity shares:		
Basic	349,500	349,500
	2020	2019
(Losses) / earnings per share - cents	(3.22)	1.08

The weighted average number of equity shares refers to shares in circulation during the reporting period. The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares. The fully diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there were no options granted or outstanding during the reporting year.

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
Group							
Cost:							
At 1 August 2018	690	–	–	10,715	30,305	23,198	64,908
Foreign exchange adjustments	2	115	138	(106)	(103)	124	170
Additions	1,946	2,735	3,274	–	17,552	7,639	33,146
Reclassifications	(1,624)	–	–	–	1,624	–	–
Disposals / written off	–	–	–	–	–	(3,234)	(3,234)
At 31 July 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
Accumulated depreciation and impairment loss:							
At 1 August 2018	–	–	–	981	4,601	16,666	22,248
Foreign exchange adjustments	–	–	3	(9)	(9)	(53)	(68)
Depreciation for the year	–	–	85	203	985	1,798	3,071
Disposals / written off	–	–	–	–	–	(3,082)	(3,082)
At 31 July 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
Carrying value:							
At 1 August 2018	690	–	–	9,734	25,704	6,532	42,660
At 31 July 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

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

Allocation of the depreciation expense and impairment loss:

	Group	
	2020	2019
	$'000	$'000
Cost of sales	2,714	2,255
Administrative expenses	760	816
Other losses	7,596	–
Total	11,070	3,071

As at 31 July 2020, leasehold property amounted to $11,000,000 (2019 : $17,193,000) is not depreciated as it is under development since acquisition.

In 2019, certain items are under finance lease arrangements (see Note 27).

Certain items of property, plant and equipment at a carrying value of $9,522,000 (2019: $10,154,000) are mortgaged or pledged as security for the bank facilities (see Note 29).

The leasehold lands are for the lands for office and factories in Malaysia.

The freehold land is for the land for office and factory in Thailand.

During the reporting year a property and construction work-in-progress under waste management and treatment segment with a carrying amount before impairment of $22,813,000 was subject to an impairment allowance of $7,581,000 due to poor prevailing market condition. The fair value of the property was measured in 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 was based on a valuation made by an external valuation firm based on direct comparison method. The non-recurring fair value measurement is categorised within the fair value hierarchy at Level 3. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

The freehold property as at 31 July 2020 is as follows:

	Location	Description	Approximate Land Area (sq m)/Size
(a)	345 Moo 7, Hua Samrong Sub-district, Chachoengsao Province, Bangkok Thailand 24190	Office and factory	30,798.4

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

The leasehold properties as at 31 July 2020 are as follows:

	Location	Description	Approximate Land Area (sq m)/ Size	Tenure
(a)	57 Pioneer Road Singapore 628508	Office and factory	18,995.3	30 years leasehold commencing from 16 November 1994 and an option to renew for a further period of 30 years
(b)	51 Shipyard Crescent Singapore 627809	Factory	20,000.0	30 years leasehold commencing from 1 January 2005
(c)	PLO 50, Jalan Rumbia 4, Kawasan Perindustrian Tanjung Langsat, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia	Office and factory	49,310.0	60 years leasehold commencing from 24 March 2011
(d)	PLO 522, Jalan Keluli 7, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia	Office and factory	85,990.0	60 years leasehold commencing from 8 October 1997

15. Right-of-use assets

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

	Leasehold lands $'000	Leasehold properties $'000	Plant, fixtures and equipment $'000	Total $'000
Group				
Cost:				
At 1 August 2019 on adoption of SFRS(I) 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
Accumulated depreciation:				
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
Carrying value:				
At 1 August 2019	8,735	587	267	9,589
At 31 July 2020	7,295	332	190	7,817

Allocation of the depreciation expense:

	Group	
	2020 $'000	2019 $'000
Cost of sales	205	–
Administrative expenses	424	–
Total	629	–

15. Right-of-use assets (cont'd)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Leasehold lands	Leasehold properties	Plant, fixtures and equipment
Group			
2020			
Number of right-of-use assets	2	8	4
Remaining term – range (year)	14-35	1-4	1-4
Number of leases with extension options	1	8	–

The leases are for office spaces, production facilities and equipments.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance, and maintenance fees on right-of-use assets are usually required under the lease contracts.

Management has elected to measure right-of-use assets at the amount of the lease liability on adoption of the financial reporting standard on leases (adjusted for any lease prepayments or accrued lease expenses, onerous lease provisions, and leased assets which have subsequently been sub-leased).

16. Investments in subsidiaries

	Company	
	2020	**2019**
	$'000	**$'000**
Movements during the year. At cost:		
At beginning of the year	6,923	6,923
Disposal	(503)	–
Less: allowance for impairment	(275)	–
Cost at the end of the year	6,145	6,923
Total cost comprising:		
Unquoted equity shares at cost	6,420	6,923
Less: allowance for impairment	(275)	–
Total at cost	6,145	6,923

16. Investments in subsidiaries (cont'd)

The listing of and information on the subsidiaries is given below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost of the investment		Effective percentage of equity held	
	2020	2019	2020	2019
	$'000	$'000	%	%
T T J Design and Engineering Pte Ltd [a] Singapore Engineering and construction contractors	5,420	5,420	100	100
T T J Lodge Pte. Ltd. [a] Singapore Dormant	500	500	100	100
T T J Investment Pte. Ltd. [a] Singapore Dormant	–*	–*	100	100
T T J Green Energy Pte. Ltd. [a] Singapore Investment holding	500	500	100	100
Technics Steel Pte. Ltd. [d] Singapore Engineering and construction contractors	–	503	–	51
	6,420	6,923		
Held through T T J Design and Engineering Pte Ltd				
MTTJ Engineering Sdn. Bhd. [b] Malaysia Metal fabrication and general engineering (ASQ PLT Chartered Accountants, Malaysia)	11,138	11,138	100	100
TTJ Design & Engineering (India) Private Limited [c] India Engineering and construction contractors / Operation of testing centre (Suresh Surana & Associates Chartered Accountants)	220	220	99	99

16. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost of the investment		Effective percentage of equity held	
	2020	2019	2020	2019
	$'000	$'000	%	%
Held through T T J Green Energy Pte. Ltd.				
T T J Green Energy (M) Sdn. Bhd. [b] Malaysia Dormant (ASQ PLT Chartered Accountants, Malaysia)	–*	–*	100	100
T T J Biomass Pte. Ltd. [a] Singapore Investment holding	380	380	95	95
T T J Greenfuel Pte.Ltd. [a] Singapore Manufacture and sale of wood pellets and wood chips	12,727	12,727	80	80
Held through T T J Biomass Pte. Ltd.	3,431	3,431	99	99
T T J Green Energy (Thailand) Co., Ltd. [c] Thailand Manufacture and sale of wood pellets (RSM Audit Services (Thailand) Limited, Thailand)				

* amount less than $500

(a) Audited by RSM Chio Lim LLP.

(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(c) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(d) Commencement of liquidation on 28 May 2020.

17. Other receivables, non-current

	Company	
	2020	2019
	$'000	$'000
Loan receivable from subsidiaries	34,090	32,758
Less: allowance for impairment	(7,762)	–
At end of the year	26,328	32,758
Movements during the year:		
At beginning of the year	32,758	7,750
Additions	5,700	24,531
Bad debts written off	(4,368)	–
Less: allowance for impairment	(7,762)	–
Restructuring of prior year's loan	–	597
Reclassified as current	–	(120)
At end of the year	26,328	32,758

The loan receivables of $34,090,000 (2019: $32,758,000) provides that it is with fixed interest of 3.00% (2019: 3.00%) per year. Loan receivables of $34,090,000 (2019: $32,628,000) are not expected to be settled in the foreseeable future, as the repayments are dependent on the cash flows of the subsidiaries. In 2019, loan receivable of $130,000 is repayable by equal monthly instalments of $10,000 from August 2020. This amount was written off during the year.

For other receivables at amortised cost, at each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition with the credit risk at the reporting date. Adjustment to the loss allowance is made for any increase or decrease in credit risk. Where there is a significant increase in credit risk, a loss allowance is recognised based on the lifetime expected credit losses on the amount. A loss allowance balance of $7,762,000 is recognised.

18. Other financial assets, non-current

	Group and Company	
	2020	2019
	$'000	$'000
Investments in equity shares at FVTOCI:		
Quoted equity shares in corporations	2,259	2,997
At end of the year	2,259	2,997
Movements during the year:		
Fair value at beginning of the year	2,997	2,985
Additions	28	46
Decrease in fair value through other comprehensive income	(766)	(34)
Fair value at end of the year	2,259	2,997

18. Other financial assets, non-current (cont'd)

18A. Disclosures relating to investments in equity shares at FVTOCI

The below information gives a summary of the significant sector concentrations within the investment portfolio which are all included under Level 1 securities:

	Group and Company	
	2020	2019
	$'000	$'000
Quoted equity shares in corporations:		
Financial service industry - Singapore	2,014	2,696
Property Industry - Singapore	83	109
Multi Industry - Singapore	162	192
Total investments	2,259	2,997

	Group and Company	
	2020	2019
	%	%
Quoted equity shares in corporations:		
Financial service industry - Singapore	89	90
Property Industry - Singapore	4	4
Multi Industry - Singapore	7	6
Total investments	100	100

Sensitivity analysis: The effect on pre-tax profit or other comprehensive income is not significant.

19. Other non-financial assets, non-current

	Group	
	2020	2019
	$'000	$'000
Lease premium prepayment (Note 19A)	869	895

19. Other non-financial assets, non-current (cont'd)

19A. Lease premium prepayment (cont'd)

	Group	
	2020	2019
	$'000	$'000
At cost:		
At beginning and end of the year	1,016	1,016
Accumulated amortisation:		
At beginning of the year	95	69
Amortisation for the year	26	26
At end of the year	121	95
Balance to be amortised:		
Current portion : Not later than one year (Note 23)	26	26
Non-current portion	869	895
	895	921

The lease premium prepayment is for the foreshore area at 57 Pioneer Road Singapore 628508 and amortised over the period of the lease term on the straight line method. The lease is not transferable and expires in 2054.

The amortisation expense is charged to cost of sales.

20. Inventories

	Group	
	2020	2019
	$'000	$'000
Raw materials	85	337
Consumables and supplies	307	158
Finished goods and goods for resale	7	88
	399	583
Inventories are stated after allowance. Movements in allowance:		
At beginning of the year	27	15
Charged to profit or loss included in cost of sales	6	12
Used	(27)	–
At end of the year	6	27
Raw materials and consumables used	30,132	26,045

There are no inventories pledged as security for liabilities.

21. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade receivables:				
Outside parties	2,268	10,638	4	–
Subsidiaries	–	–	694	380
Retention receivables on construction contracts	8,349	8,967	–	–
Accrued contract revenue	1,642	1,041	–	–
Net trade receivables – subtotal	12,259	20,646	698	380
Other receivables:				
Deposits to secure services	385	464	–	–
Subsidiaries #a	–	–	46	1,163
Other receivables #b	1,835	84	–	1
Less: allowance for impairment	(64)	(65)	–	–
Net other receivables – subtotal	2,156	483	46	1,164
Total trade and other receivables	14,415	21,129	744	1,544

#a In 2019, the above included loans of $1,120,000. (i) Loan of $120,000 is repayable by equal monthly instalments of $10,000 from August 2019. Fixed interest was charged at 3.00% per annum. During the year, $50,000 was repaid and the remaining amount was written off during the year. (ii) Loan of $1,000,000 is repayable by December 2019. Fixed interest was charged at 3.00% per annum. The amount was fully repaid during the year.

#b Included in other receivables is the grant receivable of $1,223,000 from Singapore Government.

	Group	
	2020	2019
	$'000	$'000
Movements in above allowance:		
At beginning of the year	65	539
Reversed for trade receivables to profit or loss included in other income and gains	–	(355)
Used / bad debts written off	–	(111)
Foreign exchange adjustments	(1)	(8)
At end of the year	64	65

The trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period ranging from 12 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. No loss allowance is necessary.

21. Trade and other receivables (cont'd)

There are no collateral held as security and other credit enhancements for the trade receivables held by the Group and the Company.

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Gross amount				
Trade receivables:				
Current	10,444	10,664	373	330
Less than 30 days past due	593	6,170	71	–
31 to 60 days past due	9	544	69	27
61 to 90 days past due	265	709	134	23
Over 91 days past due	948	2,559	51	–
Total	12,259	20,646	698	380

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivables customers is about 30 to 60 days (2019: 30 to 60 days). However, some customers may take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of the reporting year:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Top 1 customer	407	2,689	263	230
Top 2 customers	814	4,395	511	370
Top 3 customers	1,151	5,165	628	380

Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. No loss allowance is necessary.

22. Contract assets and contract liabilities

	Group	
	2020	2019
	$'000	$'000
Contract assets	32,572	35,063
Contract liabilities	(432)	(786)

The contract assets are for entity's rights to consideration for work completed but not billed at the reporting date on the contracts; costs incurred to obtain or fulfil a contract with a customer; costs to obtain contracts with customers; pre-contract costs and setup costs; and the amount of amortisation and any impairment losses recognised in the reporting year. The contract assets are transferred to the receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

Significant changes in contract assets and contract liabilities are explained as follows:

	Group	
	2020	2019
	$'000	$'000
Contract asset reclassified to receivables	33,551	18,214
Revenue recognised that was included in contract liabilities balance at beginning of the year	(842)	(1,336)

Transaction price allocated to the remaining performance obligations (over time method): Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 July 2020 is approximately $164,382,000 (2019: $180,470,000) will be recognised as revenue as the Group continues to perform to complete the contracts, which is expected to occur over the next 2 to 3 years. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

The Group has applied the practical expedient not to disclose information about its remaining performance obligations if:

a) The performance obligation is part of a contract that has an original expected duration for one year or less, or

b) The Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

23. Other non-financial assets, current

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Advance payments	183	41	–	–
Prepayments	249	284	36	28
Lease premium prepayment (Note 19A)	26	26	–	–
	458	351	36	28

24. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Not restricted in use	36,196	39,329	7,888	13,142

The rate of interest for the cash on interest earning balances ranged between 0.14% and 1.97% (2019: 0.10% and 1.96%).

24A. Reconciliation of liabilities arising from financing activities:

			Non-cash changes	
	1 August 2019	Cash flows	Others #a	31 July 2020
	$'000	$'000	$'000	$'000
Borrowings	7,814	(1,247)	(105)	6,462
Finance lease obligations	23	(11)	(12)	–
Lease liabilities	9,589	(419)	(1,160)	8,010
Bills payables	198	85	(3)	280
Total liabilities from financing activities	17,624	(1,592)	(1,280)	14,752

			Non-cash changes	
	1 August 2018	Cash flows	Foreign exchange movement	31 July 2019
	$'000	$'000	$'000	$'000
Borrowings	2,597	4,902	315	7,814
Finance lease obligations	115	(92)	–	23
Bills payables	1,221	(1,023)	–	198
Total liabilities from financing activities	3,933	3,787	315	8,035

#a Included foreign exchange movement and termination of lease arising from the disposal of subsidiary.

25. Share capital

	Number of shares issued '000	Share capital $'000	Treasury shares $'000	Total $'000
Group and Company				
Ordinary shares of no par value:				
At beginning of the year 1 August 2018 and end of the year 31 July 2019 and 31 July 2020	349,500	23,054	(164)	22,890

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

	Number of treasury shares		Fair value	
	2020	2019	2020	2019
	'000	'000	$'000	$'000
At beginning of the year	500	500	118	155
At end of the year	500	500	71	118

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

26. Other reserves

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Foreign currency translation reserve (Note 26A)	(1,722)	(1,027)	–	–
Equity shares at FVTOCI reserve (Note 26B)	(51)	715	(51)	715
Total at end of the year	(1,773)	(312)	(51)	715

All reserves classified on the face of the statements of financial position as retained earnings represent past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

26A. Foreign currency translation reserve

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	(1,027)	(939)
Exchange differences on translating foreign operations	(695)	(88)
At end of the year	(1,722)	(1,027)

The currency translation reserve accumulates all foreign exchange differences.

26B. Equity shares at FVTOCI reserve

	Group and Company	
	2020	2019
	$'000	$'000
At beginning of the year	715	749
Losses on the fair value changes on equity shares at FVTOCI	(766)	(34)
At end of the year	(51)	715

27. Finance leases

	Minimum payments $'000	Finance charges $'000	Present value $'000
Group			
2019			
Minimum lease payments payable:			
Due within one year	15	(2)	13
Due within two to five years	12	(2)	10
Total	27	(4)	23
Net book value of plant and equipment under finance leases			25

In 2019, there were leased assets under finance leases. The lease was on a fixed repayment basis and no arrangement has been entered into for contingent rental payments. The obligation under finance lease was secured by the lessor's charge over the leased assets. The lease term is 5 years. The finance lease was related to subsidiary under liquidation during the year.

The range of fixed rate interest rate paid was 3.30% (2019: 2.80% to 3.30%) per annum.

28. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2020 $'000	2019 $'000
Lease liabilities, current	366	–
Lease liabilities, non-current	7,644	–
Total	8,010	–

Movement of lease liabilities for the reporting year are as follows:

	2020 $'000
Group	
Total lease liabilities recognised at 1 August 2019	9,589
Accretion of interest	493
Lease payments – principal portion paid	(419)
Interest paid	(493)
Termination of lease	(1,141)
Foreign exchange adjustments	(19)
Total lease liabilities at end of reporting year	8,010

28. Lease liabilities (cont'd)

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 31 July 2019 are presented.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 15.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was in the range of 3.65% to 9.40% per year. The right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of lease commitments and lease liability at the date of initial application:

	2020 **$'000**
Group	
Operating lease commitments as at 31 July 2019	16,360
Relief option for short-term leases	(20)
Relief option for low value assets	(4)
Other minor adjustments	(1)
Subtotal – Operating lease liabilities before discounting	16,335
Discounted using incremental borrowing rate	(7,087)
Operating lease liabilities, net	9,248
Reasonably certain extension options	341
Total lease liabilities at 1 August 2019	9,589

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments $'000	**Finance charges $'000**	**Present value $'000**
Group			
2020			
Minimum lease payments payable:			
Due within one year	789	(423)	366
Due within two to five years	2,854	(1,465)	1,389
Due after five years	10,420	(4,165)	6,255
Total	14,063	(6,053)	8,010

Total cash outflows for leases for the year ended 31 July 2020 are shown in the statement of cash flows.

28. Lease liabilities (cont'd)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use assets is already reduced to zero.

At reporting year date there were no commitments on leases which had not yet commenced.

29. Other financial liabilities

	Group	
	2020	2019
	$'000	$'000
Non-current		
Financial instruments with floating interest rates:		
Bank loan 1	2,848	3,618
Bank loan 2	2,168	3,005
Total non-current portion	5,016	6,623
Current		
Financial instruments with floating interest rates:		
Bank loan 1	657	390
Bank loan 2	789	801
Financial instruments with fixed interest rates:		
Trust receipts and bills payable to bank (secured)	280	198
Total current portion	1,726	1,389
Total non-current and current	6,742	8,012
The non-current portion is repayable as follows:		
Due within 2 to 5 years	4,797	5,677
After 5 years	219	946
Total non-current portion	5,016	6,623
The range of floating rate interest rates paid were as follows:		
Bank loans (secured)	4.45% to 5.00%	3.00% to 6.25%
Bank overdraft	–	6.25%
The range of fixed rate interest rates paid were as follows:		
Trust receipts and bills payable to banks (secured)	3.40% to 3.50%	2.90% to 4.06%

29. Other financial liabilities (cont'd)

The bank agreement for the bank loans 1 and 2 and the credit facilities provides among other matters for the following:

1. Corporate guarantee from the Company.
2. A legal mortgage over a freehold land, freehold property and plant and machinery (Note 14).

Bank loan 1 is repayable by monthly instalments over 6 years commencing from January 2020 and bank loan 2 is repayable by monthly instalments over 5 years from May 2019.

Subsequent to the reporting year, six months grace period commencing July 2020 have been granted for the principal bank loan instalments for bank loans 1 and 2.

30. Trade and other payables

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables:				
Outside parties and accrued liabilities	11,508	18,847	117	128
Other payables:				
Deposits received	41	38	–	–
Deferred income #a	1,823	–	–	–
Other payables	113	238	25	–
Other payables – subtotal	1,977	276	25	–
Total trade and other payables	13,485	19,123	142	128

#a Deferred income is related to the grant income from Singapore Government.

31. Disposal of subsidiary

On 28 May 2020, the Group has commenced the winding up process of its 51%-owned direct subsidiary, Technics Steel Pte. Ltd. (“TSPL”) by way of creditors’ voluntary winding up. From that day TSPL has ceased to be a subsidiary of the Group.

The carrying amount of the assets and liabilities of the subsidiary at the date of disposal are as follows:

	2020 **$’000**
Property, plant and equipment	115
Trade and other receivables	298
Other assets	–
Contract assets	192
Cash and cash equivalents	198
Trade and other payables	(1,322)
Finance leases	(12)
Net liabilities disposed of	(531)
Non-controlling interests	2,784
Loss on disposal (Note 7) #a	2,253

#a Included losses previously shared by non-controlling interests, now borned by the Group.

An analysis of the cash and cash equivalents in respect of the disposal of subsidiary was as follow:

	2020 **$’000**
Cash and cash equivalents disposed of	(198)
Net cash outflow	(198)

The results for the reporting year from the subsidiary for the period from the beginning of the reporting year to 28 May 2020, which have been included in the consolidated financial statements, were as follows:

	Period ended 28 May 2020 **$’000**
Revenue	286
Loss from continuing operations, net of tax	(5,290)

32. 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.

Subsequent to the reporting year, 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 7).

No other provision for penalty or other related costs have been made due to the uncertainty on the outcome of this matter.

33. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Commitments to purchase of property, plant and equipment	92	11,584

34. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Not later than one year	–	12
Rental income for the year	12	31

Operating lease income commitments are for rentals receivable for certain office premises. The lease rental income terms were negotiated for a term of one to three years.

35. Financial instruments: information on financial risks

35A. 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:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets:				
Financial assets at amortised cost	50,611	60,458	34,960	47,444
Financial assets that is equity shares at fair value through other comprehensive income	2,259	2,997	2,259	2,997
At end of the year	52,870	63,455	37,219	50,441
Financial liabilities:				
Financial liabilities at amortised cost	26,414	27,158	142	128
At end of the year	26,414	27,158	142	128

Further quantitative disclosures are included throughout these financial statements.

35B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However, these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior staff.

4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

35. Financial instruments: information on financial risks (cont'd)

35C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

35D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade and other receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 24 discloses the maturity of the cash and cash equivalents balances representing amounts with less than 90 days maturity. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

35. Financial instruments: information on financial risks (cont'd)

35E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year $'000	2 – 5 years $'000	Over 5 years $'000	Total $'000
Group				
2020				
Gross borrowings commitments	1,745	5,295	221	7,261
Gross lease liabilities obligations	789	2,854	10,420	14,063
Trade and other payables	11,662	–	–	11,662
	14,196	8,149	10,641	32,986
2019				
Gross borrowings commitments	1,757	6,638	985	9,380
Gross finance lease obligations	15	12	–	27
Trade and other payables	19,123	–	–	19,123
	20,895	6,650	985	28,530

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 90 days (2019: 30 to 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

35. Financial instruments: information on financial risks (cont'd)

35E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year $'000	2 – 5 years $'000	Over 5 years $'000	Total $'000
Company				
2020				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	7,689	8,382	2,015	18,086
2019				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	8,033	10,427	4,063	22,523

	Group	
	2020 $'000	2019 $'000
Bank facilities:		
Undrawn borrowing facilities	21,877	24,550
Unused bank guarantees	15,751	13,563

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

35. Financial instruments: information on financial risks (cont'd)

35F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets with interest:				
Fixed rates	10,953	17,066	38,097	43,282
Floating rates	2,973	3,357	–	–
Total at end of the year	13,926	20,423	38,097	43,282
Financial liabilities with interest:				
Fixed rates	8,290	221	–	–
Floating rates	6,462	7,814	–	–
Total at end of the year	14,752	8,035	–	–

Sensitivity analysis: The effect on pre-tax profit is not significant.

35G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

35. Financial instruments: information on financial risks (cont'd)

35G. Foreign currency risks (cont'd)

Analysis of amounts denominated in non-functional currency:

	Philippines Peso $'000	India Rupee $'000	United States Dollar $'000	Vietnam Dong $'000	Euro Dollar $'000	Singapore Dollar $'000	Brunei Dollar $'000	Total $'000
Group								
2020								
Financial assets:								
Cash	221	–	1,301	–	–	471	–	1,993
Trade and other receivables – third parties	–	–	917	–	–	–	–	917
Total financial assets	221	–	2,218	–	–	471	–	2,910
Financial liabilities:								
Trade and other payables – third parties	15	–	4,560	19	6	470	175	5,245
Trade and other payables – intragroup	–	–	–	–	–	20,879	–	20,879
Borrowings	–	–	–	–	–	48	–	48
Lease liabilities	86	–	–	–	–	–	–	86
Total financial liabilities	101	–	4,560	19	6	21,397	175	26,258
Net financial assets / (liabilities) at end of the year	120	–	(2,342)	(19)	(6)	(20,926)	(175)	(23,348)
2019								
Financial assets:								
Cash	192	–	1,665	–	–	861	–	2,718
Trade and other receivables – third parties	–	25	2,514	–	–	–	–	2,539
Trade and other receivables – intragroup	–	1	–	–	–	–	–	1
Total financial assets	192	26	4,179	–	–	861	–	5,258
Financial liabilities:								
Trade and other payables – third parties	–	–	3,314	3	6	2,447	–	5,770
Trade and other payables – intragroup	–	–	–	–	–	13,608	–	13,608
Borrowings	–	–	73	–	–	24	–	97
Total financial liabilities	–	–	3,387	3	6	16,079	–	19,475
Net financial assets / (liabilities) at end of the year	192	26	792	(3)	(6)	(15,218)	–	(14,217)

35. Financial instruments: information on financial risks (cont'd)

35G. Foreign currency risks (cont'd)

The Company's financial assets and financial liabilities are denominated in its functional currency.

There is exposure to foreign currency risk as part of the Group's normal business.

Sensitivity analysis: The effect on pre-tax profit is not significant.

35H. Equity price risk

There are investments in equity shares. As a result, such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets are disclosed in Note 18.

36. COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of COVID-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown, which have adversely impacted on the business of the Group. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for receivables) and the completeness or valuation of certain assets and liabilities reflected in the financial statements. The management has assessed that the Group will be able to continue as a going concern taking into consideration available resources and will proactively manage the business and take the necessary actions to ensure that its long-term business remain robust.

37. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	Group	
	2020	**2019**
	$'000	**$'000**
Audit fees to the independent auditors of the Company	126	130
Audit fees to the other independent auditors	42	34
Other fees to the independent auditors of the Company	21	36
Other fees to the other independent auditors	9	13

38. 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. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to the financial statements presentation and measurements as disclosed in the Notes relating to leases.

SFRS(I) No.	Title
SFRS(I) 9	Amendments: Prepayment Features with Negative Compensation
SFRS(I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS(I) INT 23	Uncertainty over Income Tax Treatments
SFRS(I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS(I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS(I) 3	Improvements (2017) – Amendments: Business Combinations

SFRS(I) 16 Leases

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2020 by the application of the new standard on leases are disclosed in the relevant notes to the financial statements. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach the comparative Information is not restated and therefore there is no presentation of a third column for the statement of financial position.

39. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 3	Definition of a Business – Amendments	1 Jan 2020
SFRS(I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 Jan 2020
SFRS(I) 16	Amendment to SFRS (I) 16: COVID-19 Related Rent Concessions	1 Jun 2020
SFRS(I) 17	Insurance Contracts	1 Jan 2021

STATISTICS OF SHAREHOLDINGS

AS AT 19 OCTOBER 2020

Number of Issued Shares (excluding Treasury Shares)	:	349,500,000
Number/Percentage of Treasury Shares	:	500,000 (0.14%)
Class of Equity Security	:	Ordinary shares
Voting Rights of Ordinary Shareholders	:	One vote per share
Number of Subsidiary Holdings Held and Percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	59	8.26	39,200	0.01
1,001 - 10,000	291	40.76	1,794,000	0.51
10,001 - 1,000,000	351	49.16	28,275,000	8.09
1,000,001 and above	13	1.82	319,391,800	91.39
Total	714	100.00	349,500,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 19 October 2020, approximately 15.0% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Teo Hock Chwee	179,900,000	51.47
2	Hong Leong Finance Nominees Pte Ltd	50,000,000	14.31
3	CGS-CIMB Securities (Singapore) Pte Ltd	35,534,000	10.17
4	DB Nominees (Singapore) Pte Ltd	30,000,000	8.58
5	DBS Nominees Pte Ltd	6,654,100	1.91
6	HSBC (Singapore) Nominees Pte Ltd	5,015,900	1.44
7	UOB Kay Hian Pte Ltd	4,930,900	1.41
8	Citibank Nominees Singapore Pte Ltd	1,549,800	0.44
9	Raffles Nominees (Pte) Limited	1,284,800	0.37
10	Ng Kwong Chong or Liu Oi Fui Ivy	1,239,000	0.35
11	Chiong Su Been	1,115,000	0.32
12	Elavarasu Somasundaram	1,100,000	0.31
13	Phillip Securities Pte Ltd	1,068,300	0.31
14	Maybank Kim Eng Securities Pte. Ltd	994,900	0.28
15	Teo Teck Heong	965,000	0.28
16	See Beng Lian Janice	730,000	0.21
17	Lim Ah Kaw @ Lim Lan Ching	648,300	0.19
18	Ng Yiaw Heong	601,000	0.17
19	Buddharaju Sriramaraju	600,000	0.17
20	Yee Lat Shing	600,000	0.17
	Total	324,531,000	92.86

SUBSTANTIAL SHAREHOLDERS

as recorded in the Register of Substantial Shareholders as at 19 October 2020

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**
Teo Hock Chwee	179,900,000	51.47	115,000,000	32.90

Note:

Mr Teo Hock Chwee's deemed interest in T T J Holdings Limited arises from the shares held in his securities accounts with sub-depository agents as his nominees.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of T T J Holdings Limited will be held by way of electronic means on 30 November 2020 at 2.30 p.m. for the following purposes:

This notice has been made available on SGXNet and the Company's website, and may be accessed at the URL www.ttj.com.sg.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the reporting year ended 31 July 2020 together with the Statement by Directors and the Auditors' Report. **(Resolution 1)**

2. To declare a final dividend of 0.4 Singapore cent per ordinary share (tax exempt one-tier) for the reporting year ended 31 July 2020. **(Resolution 2)**

3. To re-elect Mr Ling Chien Yien who is retiring pursuant to Regulation 90 of the Constitution of the Company. **(Resolution 3)**

   [See Explanatory Note (i)]

4. That contingent upon the passing of Ordinary Resolution 3 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") which will take effect on 1 January 2022, shareholders to approve Mr Ling Chien Yien's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Ling Chien Yien's retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of this resolution. **(Resolution 4)**

   [See Explanatory Note (i)]

5. That contingent upon the passing of Ordinary Resolution 4 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022, shareholders (excluding directors, the chief executive officer, and their associates) to approve Mr Ling Chien Yien's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Ling Chien Yien's retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of this resolution. **(Resolution 5)**

   [See Explanatory Note (i)]

6. To re-elect Mr Leong Yee Yew who is retiring pursuant to Regulation 90 of the Constitution of the Company. **(Resolution 6)**

   [See Explanatory Note (ii)]

7. That contingent upon the passing of Ordinary Resolution 6 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022, shareholders to approve Mr Leong Yee Yew's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Leong Yee Yew's retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of this resolution. **(Resolution 7)**

   [See Explanatory Note (ii)]

8. That contingent upon the passing of Ordinary Resolution 7 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022, shareholders (excluding directors, the chief executive officer, and their associates) to approve Mr Leong Yee Yew's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Leong Yee Yew's retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of this resolution. **(Resolution 8)**

   [See Explanatory Note (ii)]

9. To approve the payment of Directors' fees of S$147,000 to the Directors of the Company for the reporting year ending 31 July 2021. **(Resolution 9)**

10. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

11. To transact any other business that may be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

12. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications: **(Resolution 11)**

    "Resolved that

    (a) pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue shares ("**Shares**") and convertible securities in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of Shares and convertibles securities to be issued pursuant to this Resolution does not exceed more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares and convertible securities issued other than on a pro-rata basis to existing shareholders must be not more than 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings);

    (b) for the purpose of determining the aggregate number of Shares that may be issued under (a) above, the percentage of issued share capital is based on the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution after adjusting for:

        (i) new Shares arising from the conversion or exercise of convertible securities;

        (ii) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

        (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with (b)(i) and (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this resolution is passed; and

(c) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

13. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications: **(Resolution 12)**

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all powers of the Company to purchase or otherwise acquire Shares, not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST through the ready market or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through 1 or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the number of issued Shares as at the date of passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined) of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 115% of the Average Closing Price of the Shares;

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase or the Off-Market Purchase, as the case may be; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(i) the Directors and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is allowable under the Companies Act.

(ii) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution."

(d) the Directors and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is allowable under the Companies Act.

(e) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iv)]

14. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications: **(Resolution 13)**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant options over Shares ("**Options**") in accordance with the provisions of the "T T J Employee Share Option Scheme" ("**T T J ESOS**") and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of Options under the T T J ESOS, provided that the aggregate nominal amount of shares over which the Committee may grant Options on any date, when added to the nominal amount of Shares issued and issuable in respect of all Options granted under the T T J ESOS (and any other share-based incentive scheme of the Company), shall not exceed 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier"

[See Explanatory Note (v)]

By Order of the Board

Tan Swee Gek

Company Secretary
4 November 2020

Explanatory Note:

(i) Mr Ling Chien Yien, upon re-election, will remain as an Independent Director, the Chairman of the Nominating Committee, a member of the Audit Committee, a member of the Remuneration Committee, and will be considered independent of the Management.

On 6 August 2018, the Singapore Exchange Securities Trading Limited amended the Listing Manual following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Manual for mandatory compliance. On 28 November 2018, the Singapore Exchange Securities Trading Limited issued the Transitional Practice Note 3 to establish transitional arrangements for certain guidelines shifted into the Listing Manual. Pursuant thereto and in respect of Rule 210(5)(d)(iii) of the Listing Manual, to ensure that the independence designation of a Director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Ling Chien Yien's continued appointment as an Independent Director prior to 1 January 2022, as he has served for more than 9 years on the Board of the Company. Rule 210(5)(d)(iii) provides that continued appointment as Independent Director, after an aggregate period of more than 9 years on the Board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding Directors, Chief Executive Officer, and their associates.

(ii) Mr Leong Yee Yew, upon re-election, will remain as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee, a member of the Nominating Committee, and will be considered independent of the Management.

On 6 August 2018, the Singapore Exchange Securities Trading Limited amended the Listing Manual following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Manual for mandatory compliance. On 28 November 2018, the Singapore Exchange Securities Trading Limited issued the Transitional Practice Note 3 to establish transitional arrangements for certain guidelines shifted into the Listing Manual. Pursuant thereto and in respect of Rule 210(5)(d)(iii) of the Listing Manual, to ensure that the independence designation of a Director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Leong Yee Yew's continued appointment as an Independent Director prior to 1 January 2022, as he has served for more than 9 years on the Board of the Company. Rule 210(5)(d)(iii) provides that continued appointment as Independent Director, after an aggregate period of more than 9 years on the Board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding Directors, Chief Executive Officer, and their associates.

(iii) On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a pro rata basis of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus 50% previously (the "**Enhanced Share Issue Limit**").

The Company is proposing to avail itself of these measures and to seek shareholders' approval for a general mandate with an Enhanced Share Issue Limit at the upcoming Annual General Meeting. The Board of Directors is of the view that it would be in the interest of the Company and its shareholders to do so in the event that circumstances evolve before the 2021 AGM amid the COVID-19 situation to such an extent that a 50% limit for pro rata issues is no longer sufficient to meet the Company's needs. If this were to occur and no Enhanced Share Issue Limit were to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders' approval to issue shares above the 50% threshold. The Enhanced Share Issue Limit may be renewed at the 2021 AGM and is only valid until 31 December 2021, by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under that limit.

Ordinary Resolution 11 proposed in item 12 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company up to an amount not exceeding, in total, 100% of the issued share capital of the Company (excluding treasury shares); at the time of passing of this resolution, of which up to 20% may be issued other than on a pro-rata basis to shareholders. For the purpose of determining the aggregate number of shares which may be issued, the percentage of share capital shall be based on the Company's issued share capital (excluding treasury shares) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of convertible securities, (b) new shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and (c) any subsequent consolidation or subdivision of shares. Adjustments in accordance with (a) or (b) above are only to be made in respect of new shares arising from convertible securities, share options or Share awards which were issued and outstanding or subsisting at the time this resolution is passed.

(iv) Ordinary Resolution 12 proposed in item 13 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10 per cent. of the total number of issued Shares excluding any Shares which are held as treasury shares by the Company, at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter to Shareholders dated 4 November 2020.

(v) Ordinary Resolution 13 proposed in item 14 above, if passed, will empower the Directors to grant Options under the T T J ESOS and to allot and issue shares as may be required to be issued pursuant to the exercise of Options under the T T J ESOS, provided that the aggregate nominal amount of shares over which the Committee may grant Options on any date, when added to the number of shares issued and issuable in respect of all Options granted under the T T J ESOS (and any other share-based incentive scheme of the Company), shall not exceed 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date.

Notes:

1) Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting ("**AGM**") are set out in the Company's announcement dated 4 November 2020 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 30 November 2020" which has been uploaded together with this Notice of AGM on SGXNet on the same day. This announcement may also be accessed at the URL www.ttj.com.sg.

   In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member (including CPF or SRS investor) who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register at the URL https://septusasia.com/ttj-agm-registration by 27 November 2020, 2.30 p.m.. Following authentication of his/her/its status as members or CPF or SRS investors, authenticated members and CPF or SRS investors will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 28 November 2020, 2.30 p.m.. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM.

   Members (including CPF or SRS investors) may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted and received by the Company by 23 November 2020, 2.30 p.m.:

   (a) via the pre-registration website at the URL https://septusasia.com/ttj-agm-registration; or

   (b) by email to ttjde@ttj.com.sg.

   Members (including CPF or SRS investors) will need to identify themselves when posing questions by email with the following details:

   (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;

   (b) the member's NRIC/Passport/UEN number;

   (c) the member's contact number and email address; and

   (d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

   The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

   The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members before the AGM.

   Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the AGM.

2) **A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL www.ttj.com.sg and has also been made available on SGXNet.

3) The Chairman of the AGM, as proxy, need not be a member of the Company.

4) The instrument appointing the Chairman of the AGM as proxy must, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

   (a) if in hard copy and sent by post, the proxy form must be deposited with the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or

(b) if by email, the proxy form must be submitted to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, not less than 72 hours before the time appointed for holding the AGM and, in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

5) The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

6) In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the The Central Depository (Pte) Limited to the Company.

7) CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 19 November 2020, 2.30 p.m. in order to allow sufficient time for their relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf not less than 72 hours before the time for holding the AGM.

8) Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("**Relevant Intermediary Participants**"), excluding CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via the "live" webcast or the "live" audio feed; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM.

9) The Annual Report for the financial year ended 31 July 2020 may be accessed at the Company's website at the URL www.ttj.com.sg, and has also been made available on SGXNet.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, submitting any details of Relevant Intermediary Participants in connection with the AGM or submitting any personal data for the purpose of submitting questions in connection with the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) the appointment of the Chairman of the AGM as proxy appointed for the Annual General Meeting (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Mr Ling Chien Yien and Mr Leong Yee Yew are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 November 2020 (“**AGM**”) (collectively, the “Retiring Directors” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	MR LING CHIEN YIEN	**MR LEONG YEE YEW**
Date of Appointment	5 July 1996	11 January 2010
Date of last re-appointment (if applicable)	29 November 2018	29 November 2018
Age	74	77
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“**NC**”) and has reviewed and considered the qualification, work experience and suitability of Mr Ling Chien Yien for re-appointment as an Independent Director of the Company as well as the Chairman of the Nominating Committee and a member of each of the Audit Committee and Remuneration Committee and will be considered independent of the Management. The Board has reviewed and concluded that Mr Ling Chien Yien possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Leong Yee Yew for re-appointment as an Independent Director of the Company as well as the Chairman of the Remuneration Committee and a member ofeach of the Nominating Committee and Audit Committee and will be considered independent of the Management. The Board has reviewed and concluded that Mr Leong Yee Yew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee, a member of each of the Audit Committee and Remuneration Committee	Independent Director, Chairman of the Remuneration Committee and a member of each of the Nominating Committee and Audit Committee

	MR LING CHIEN YIEN	MR LEONG YEE YEW
Professional qualifications and working experience and occupation(s) during the past 10 years	Bachelor of Engineering, University of New South Wales Mr Ling has more than 25 years of mechanical engineering and project management expertise in both public and private sectors. Prior to his retirement in 1996, Mr Ling worked for organisations that included Public Works Department of Singapore, Guthrie Engineering (S) Pte Ltd, ACE Equipment (S) Pte Ltd and a Singapore consortium company, Mainland Investors (Singapore) Pte Ltd from 1970 to 1995.	Master of Business Administration, Strathclyde Business School Fellow Member of the Institute of Chartered Accountants in England and Wales Fellow Member of CPA Australia Fellow Member of the Institute of Singapore Chartered Accountants Mr Leong has more than 17 years of experience in auditing gained from PricewaterhouseCoopers, formerly known as Coopers & Lybrand, in Singapore and London; and Patrick Tay & Co. was also with Marina Centre Holdings Pte Ltd, a subsidiary of Singapore Land Limited since 1985, and was its Company Secretary and Financial Controller until March 2005 when he reached the compulsory retirement age. Please refer to other principal commitments.
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

	MR LING CHIEN YIEN	MR LEONG YEE YEW
Other Principal Commitments* Including Directorships# (for the last 5 years) * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Past (for the past 5 years): Not Applicable Present: T T J Holdings Limited	Past (for the past 5 years): Children's Charities Association of Singapore Zicom Group Limited Present: T T J Holdings Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

	MR LING CHIEN YIEN	MR LEONG YEE YEW
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

	MR LING CHIEN YIEN	MR LEONG YEE YEW
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

	MR LING CHIEN YIEN	MR LEONG YEE YEW
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

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T T J HOLDINGS LIMITED

Company Registration No.: 199204617M
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

This form of proxy has been made available on SGXNet and the Company's website at the URL www.ttj.com.sg.

IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 4 November 2020 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 30 November 2020" which has been uploaded together with the Notice of Annual General Meeting dated 4 November 2020 on SGXNet on the same day. This announcement may also be accessed at the URL www.ttj.com.sg.
2. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 19 November 2020, 2.30 p.m..

I/We ________________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of T T J Holdings Limited (the "**Company**") hereby appoint the Chairman of the Annual General Meeting (the "**Meeting**"), as my/our proxy to attend and vote for me/us on my/our behalf at the Meeting, to be held by way of electronic means on 30 November 2020 at 2.30 p.m., and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against the Resolutions, or to abstain from voting on the Resolutions, to be proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
2.	Adoption of Statement by Directors and Audited Financial Statements for reporting year ended 31 July 2020			
2.	To declare a final dividend of 0.4 Singapore cent per ordinary share (tax exempt one-tier) for the reporting year ended 31 July 2020			
3.	Re-election of Mr Ling Chien Yien as Director			
4.	Approval of Mr Ling Chien Yien's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") which will take effect on 1 January 2022			
5.	Approval of Mr Ling Chien Yien's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates) in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022			
6.	Re-election of Mr Leong Yee Yew as Director			
7.	Approval of Mr Leong Yee Yew's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022			
8.	Approval of Mr Leong Yee Yew's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates) in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022			
9.	Approval of Directors' Fees for the reporting year ending 31 July 2021			
10.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
	Special Business			
11.	Authority to allot and issue new shares			
12.	Renewal of Share Purchase Mandate			
13.	Authority to issue shares under the "T T J Employee Share Option Scheme" ("**T T J ESOS**")			

(Voting will be conducted by poll. Please indicate with a cross [X] in the relevant box provided whether you wish to exercise all your votes for, against or to abstain from the relevant Resolution as set out in the Notice of the Meeting. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant Resolution and/or to abstain from voting in respect of the relevant Resolution, please indicate the number of shares in the relevant boxes provided.)

Dated this __________ day of ________________ 2020

Total number of shares held

____

Signature of Member(s) or Common Seal
Important: Please read notes overleaf

Notes:

1. A member will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

2. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must:

   (a) if in hard copy and sent by post, the proxy form must be deposited with the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or

   (b) if by email, the proxy form must be submitted to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, not less than 72 hours before the time of the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. If sent by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorised in writing and the instrument appointing the Chairman of the AGM as proxy is executed by a corporation must be executed either under its seal or under the hand of an officer or attorney duly authorised in writing. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy; failing which the instrument may be treated as invalid.

   Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

6. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment) (such as in the case where the appointer submits more than one Proxy Form). In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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T T J HOLDINGS LIMITED
Company Registration No.: 199204617M
(Incorporated in the Republic of Singapore)

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