

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 JANUARY 2020

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

I(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	3 months ended			6 months ended		
	31/01/20	31/01/19	Change	31/01/20	31/01/19	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	26,056	14,769	76	42,353	33,768	25
Cost of Sales	(22,554)	(12,182)	85	(36,202)	(27,568)	31
Gross Profit	3,502	2,587	35	6,151	6,200	(1)
Finance Income	59	140	(58)	126	265	(52)
Other Income and Gains	411	497	(17)	466	818	(43)
Administrative Expenses	(2,044)	(2,045)	–	(4,149)	(4,939)	(16)
Finance Costs	(96)	(65)	48	(191)	(121)	58
Other Losses	(8)	–	100	(190)	(14)	1,257
Profit Before Tax From Continuing Operations	1,824	1,114	64	2,213	2,209	–
Income Tax Expense	(992)	(302)	228	(1,232)	(387)	218
Profit From Continuing Operations, Net of Tax	832	812	2	981	1,822	(46)
Other Comprehensive Income:						
Item That Will Not Be Reclassified to Profit or Loss:						
Fair Value Changes on Equity Shares at FVTOCI, Net of Tax	(83)	129	(164)	(106)	(123)	(14)
Item That May Be Reclassified Subsequently to Profit or Loss:						
Exchange Difference on Translating Foreign Operations, Net of Tax	725	(7)	n.m.	262	(348)	n.m.
Other Comprehensive Income / (Losses) for the Period, Net of Tax	642	122	426	156	(471)	(133)
Total Comprehensive Income	1,474	934	58	1,137	1,351	(16)
Profit Attributable to:						
Owners of the Parent, Net of Tax	1,035	923	12	1,361	1,900	(28)
Non-Controlling Interests, Net of Tax	(203)	(111)	83	(380)	(78)	387
Profit Net of Tax	832	812	2	981	1,822	(46)
Total Comprehensive Income Attributable to:						
Owners of the Parent	1,679	1,042	61	1,517	1,429	61
Non-Controlling Interests	(205)	(108)	90	(380)	(78)	387
Total Comprehensive Income	1,474	934	58	1,137	1,351	(16)

n.m. - not meaningful

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 (Cont'd)**

Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit or loss is arrived at after (charging) / crediting the following:

	3 months ended		6 months ended	
	31/01/20	31/01/19	31/01/20	31/01/19
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of lease premium prepayment	(6)	(7)	(13)	(13)
Depreciation of property, plant and equipment	(860)	(540)	(1,781)	(1,323)
Dividend income	–	–	60	53
Foreign exchange gains / (losses)	177	30	(182)	(14)
Gain on disposal of property, plant and equipment	2	130	12	132
Government grants	14	65	72	128
Plant and equipment written off	(8)	–	(8)	–

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/01/20	31/07/19	31/01/20	31/07/19
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	75,917	72,821	–	–
Investments in Subsidiaries	–	–	6,923	6,923
Other Receivables	–	–	35,558	32,758
Other Financial Assets	2,918	2,997	2,918	2,997
Other Non-Financial Assets	881	895	–	–
Total Non-Current Assets	79,716	76,713	45,399	42,678
<u>Current Assets</u>				
Inventories	537	583	–	–
Trade and Other Receivables	16,961	21,129	878	1,544
Contract Assets	38,058	35,063	–	–
Other Non-Financial Assets	765	351	37	28
Cash and Cash Equivalents	36,249	39,329	10,071	13,142
Total Current Assets	92,570	96,455	10,986	14,714
Total Assets	172,286	173,168	56,385	57,392
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	22,890	22,890	22,890	22,890
Retained Earnings	117,363	117,400	32,612	33,351
Other Reserves	(156)	(312)	609	715
Equity, Attributable to Owners of the Parent, Total	140,097	139,978	56,111	56,956
Non-Controlling Interests	2,849	3,229	–	–
Total Equity	142,946	143,207	56,111	56,956
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,370	1,367	–	–
Finance Leases	3	10	–	–
Other Financial Liabilities	5,733	6,623	–	–
Total Non-Current Liabilities	7,106	8,000	–	–
<u>Current Liabilities</u>				
Income Tax Payable	1,524	650	122	128
Trade and Other Payables	18,776	19,123	152	128
Finance Leases	13	13	–	–
Other Financial Liabilities	1,574	1,389	–	–
Contract Liabilities	347	786	–	–
Total Current Liabilities	22,234	21,961	274	256
Total Liabilities	29,340	29,961	274	256
Total Equity and Liabilities	172,286	173,168	56,385	57,212

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

	As at 31/01/20	As at 31/07/19
	S\$'000	S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand	1,587	1,402
Amount repayable after one year	5,736	6,633
	7,323	8,035

Details of any collateral:

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

I(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			
	3 months ended		6 months ended	
	31/01/20	31/01/19	31/01/20	31/01/19
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	1,824	1,114	2,213	2,209
Adjustments for:				
Interest Expenses	96	65	191	121
Interest Income	(59)	(140)	(126)	(265)
Amortisation of Lease Premium Prepayment	6	6	13	13
Depreciation of Property, Plant and Equipment	860	698	1,781	1,323
Dividend Income	–	–	(60)	(53)
Gain on Disposal of Property, Plant and Equipment	–	(130)	(12)	(132)
Plant and Equipment Written off	8	–	8	–
Operating Cash Flows Before Changes in Working Capital	2,735	1,613	4,008	3,216
Trade and Other Receivables and Contract Assets	(652)	3,215	1,037	12,610
Inventories	59	(80)	51	71
Trade and Other Payables and Contract Liabilities	606	(1,576)	(777)	494
Net Cash Flows from Operations	2,748	3,172	4,319	16,391
Income Taxes Paid	(229)	(634)	(358)	(1,106)
Income Taxes Refund	–	3	–	3
Net Cash Flows From Operating Activities	2,519	2,541	3,961	15,288
<u>Cash Flows from Investing Activities</u>				
Advance Payment of Purchase of Property, Plant and Equipment	–	(1,490)	–	(1,490)
Acquisition of Non-Controlling Interest In a Subsidiary	–	–	–	(60)
Dividend Received	–	–	32	32
Interest Received	59	140	126	265
Purchase of Property, Plant and Equipment	(1,874)	(4,003)	(5,008)	(7,799)
Proceeds from Disposal of Property, Plant and Equipment	–	199	21	201
Net Cash Flows Used in Investing Activities	(1,815)	(5,154)	(4,829)	(8,851)
<u>Cash Flows From Financing Activities</u>				
Cash restricted in use	–	–	–	–
Increase/(Decrease) in Bill Payables	75	(531)	(64)	(1,221)
Interest Paid	(96)	(65)	(191)	(121)
Proceeds from Borrowings	–	421	–	421
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	–	3	–	3
Repayment of Borrowings	(314)	(32)	(517)	(65)
Repayment of Finance Lease Obligations	(4)	(39)	(7)	(47)
Dividend Paid to Equity Owners	(1,398)	(2,447)	(1,398)	(2,447)
Net Cash Flows Used in Financing Activities	(1,737)	(2,690)	(2,177)	(3,477)
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,033)	(5,303)	(3,045)	2,960
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	37,260	64,830	39,329	56,601
Effect of Exchange Rate Changes on Cash and Cash Equivalents	22	(34)	(35)	(68)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	36,249	59,493	36,249	59,493
<u>Cash and cash equivalents in the statement of cash flows:</u>				
Cash and cash equivalents per statement of financial position	36,249	54,493	36,249	59,493
Bank overdrafts	–	–	–	–
Cash and cash equivalents for statement of cash flows purpose at end of period	36,249	54,493	36,249	59,493

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Attributable					Non-Controlling Interests
	Total Equity	to Parent Sub-total	Share Capital	Retained Earnings	Other Reserves	
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
Current Year:						
Opening Balance at 1 August 2019	143,207	139,978	22,890	117,400	(312)	3,229
<u>Movements in Equity:</u>						
Total Comprehensive Loss for the Period	(337)	(162)	–	326	(488)	(175)
Closing Balance at 31 October 2019	142,870	139,816	22,890	117,726	(800)	3,054
Total Comprehensive Income for the Period	1,474	1,679	–	1,035	644	(205)
Dividends Paid	(1,398)	(1,398)	–	(1,398)	–	–
Closing Balance at 31 January 2020	142,946	140,097	22,890	117,363	(156)	2,849
Previous Year:						
Opening Balance at 1 August 2018	139,045	138,791	22,890	116,091	(190)	254
<u>Movements in Equity:</u>						
Total Comprehensive Income for the Period	417	387	–	976	(589)	30
Acquisition of Non-Controlling Interest Without a Change in Control	(60)	(34)	–	(34)	–	(26)
Closing Balance at 31 October 2018	139,402	139,144	22,890	117,033	(779)	258
Total Comprehensive Income for the Period	934	1,042	–	924	118	(108)
Dividends Paid	(2,447)	(2,447)	–	(2,447)	–	–
Issuance of Ordinary Shares to Non-Controlling Interest in Subsidiaries	3	–	–	–	–	3
Closing Balance at 31 January 2019	137,892	137,739	22,890	115,510	(661)	153
Company						
	Total Equity	Share Capital	Retained Earnings	Other Reserves		
	SS'000	SS'000	SS'000	SS'000		
Current Year:						
Opening Balance at 1 August 2019	57,136	22,890	33,531	715		
<u>Movements in Equity:</u>						
Total Comprehensive Income for the Period	308	–	331	(23)		
Closing Balance at 31 October 2019	57,444	22,890	33,862	692		
Total Comprehensive Income for the Period	65	–	148	(83)		
Dividends Paid	(1,398)	–	(1,398)	–		
Closing Balance at 31 January 2020	56,111	22,890	32,612	609		
Previous Year:						
Opening Balance at 1 August 2018	58,509	22,890	34,870	749		
<u>Movements in Equity:</u>						
Total Comprehensive Income for the Period	41	–	293	(252)		
Closing Balance at 31 October 2018	58,550	22,890	35,163	497		
Total Comprehensive Loss for the Period	530	–	401	129		
Dividends Paid	(2,447)	–	(2,447)	–		
Closing Balance at 31 January 2019	56,633	22,890	33,117	626		

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no new share issued since 31 October 2019.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 31 January 2020, the Company held 500,000 treasury shares (31 January 2019: 500,000).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 January 2020, the total number of issued shares (excluding treasury shares) was 349,500,000 (31 July 2019: 349,500,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and / or use of treasury shares during the financial period.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed in accordance with Singapore Auditing Standards.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 *Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.*

The Group's accounting policies and methods of computation for the current reporting period are consistent with the audited financial statements for the year ended 31 July 2019.

5 *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.*

There were no changes in the accounting policies and methods of computation as compared to those adopted in the most recently audited financial statements.

6 *Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -*

	Group			
	3 months ended		6 months ended	
	31/01/20	31/01/19	31/01/20	31/01/19
	cents	cents	cents	cents
Basic earnings per share	0.30	0.26	0.39	0.54

Basic earnings per share for the period ended 31 January 2020 and 2019 is calculated by dividing the Group's net profit attributable to owners of the parent over the weighted average number of ordinary shares in issue of 349,500,000 ordinary shares.

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares existing during the respective financial periods.

7 *Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.*

	Group		Company	
	31/01/20	31/07/19	31/01/20	31/07/19
	cents	cents	cents	cents
Net asset value per share	40.08	40.05	16.05	16.35

Net asset value per share is calculated based on the shareholders' equity of the Group / Company as at the end of the financial periods and the issued share capital (excluding treasury shares) of 349,500,000 ordinary shares as at 31 January 2020 and 31 July 2019.

- 8 *A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-*
- a. any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and*
 - b. any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.*

Review of Group performance

For the three months ended 31 January 2020 ("Q2FY2020"), the Group recorded revenue of \$26.1 million, an increase of 76% as compared to \$14.8 million for the previous corresponding period ("Q2FY2019"). The increase was mainly due to the increase in revenue from the structural steel business.

The Group's gross profit margin stood at 13.4% in Q2FY2020. In comparison, the gross profit margin in Q2FY2019 was 17.5% due to better gross margins derived from the projects executed during the reporting period.

Other income and gains decreased from \$0.5 million in Q2FY2019 to \$0.4 million in Q2FY2020. The decrease was mainly due to decreases in gains on disposal of property, plant and equipment and sales of scrap.

Administrative expenses remained at \$2.0 million in both Q2FY2019 and Q2FY2020.

For the half year ended 31 January 2020 ("1HFY2020"), the Group reported a revenue of \$42.4 million, an increase of 25% as compared to \$33.8 million for the previous corresponding period ("1HFY2019"). The increase was mainly due to the increase in revenue from the structural steel business.

The Group's gross profit margin decreased from 18.4% in 1HFY2019 to 14.5% in 1HFY2020. The gross profit margin in 1HFY2019 was higher due to better gross margins derived from the projects executed during the reporting period.

Other income and gains decreased from \$0.8 million in 1HFY2019 to \$0.5 million in 1HFY2020. The decrease was mainly due to decreases in gains on disposal of property, plant and equipment and sales of scrap.

Administrative expenses decreased from \$4.9 million in 1HFY2019 to \$4.1 million in 1HFY2020. The decrease was mainly due to the decreases in staff related costs and donations.

Other losses increased from less than \$0.1 million in 1HFY2019 to \$0.2 million in 1HFY2020. The increase was mainly due to an increase in net foreign exchange loss recorded.

Profit before tax of the Group remained at \$2.2 million in both 1HFY2019 and 1HFY2020.

Review of changes in working capital, assets and liabilities

The movement in the Group's assets and liabilities are as follows:

- (i) Total assets decreased from \$173.2 million as at 31 July 2019 to \$172.3 million as at 31 January 2020. This was mainly due to increases in property, plant and equipment, other non-financial assets and contract assets, partially offset by decreases in trade and other receivables and cash and cash equivalents.
- (ii) Total liabilities decreased from \$30.0 million as at 31 July 2019 to \$29.3 million as at 31 January 2020. This was mainly due to decreases in trade and other payables, contract liabilities and repayment of bank borrowings, partially offset by an increase in income tax payable.

Review of changes in cash flow

The net cash flows of \$4.0 million were generated from operating activities in 1HFY2020 as compared to \$15.3 million in 1HFY2019.

The net cash flows used in investing activities amounted to \$4.8 million in 1HFY2020, compared to \$8.9 million in 1HFY2019. The major investing activities were mainly for the construction work of property in Singapore to enhance the production line for wood pellet manufacturing in 1HFY2020. The investing activities in 1HFY2019 were mainly for the acquisition of property and equipment in Thailand in relation to the Group's waste management and treatment business.

The net cash flows used in financing activities amounted to \$2.2 million in 1HFY2020, compared to \$3.5 million used in 1HFY2019. The lower cash flow used in 1HFY2020 was due to lower payment of dividends and bill payables, partially offset by higher repayment of borrowings.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$36.2 million as at 31 January 2020 as compared to \$59.5 million as at 31 January 2019, representing a decrease of \$23.3 million.

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

No quarterly forecast or prospect statement has been previously disclosed.

10 *A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*

As at 4 March 2020, T T J's projects order book stands at \$139 million with projects expected to be substantially completed between FY2020 and FY2022.

The Building and Construction Authority's ("BCA") outlook on the Singapore construction sector remains bullish for 2020, projecting total construction demand to range between \$28 billion and \$33 billion for 2020. Public sector construction demand is expected to account for 60% of the projected demand, spurred by major infrastructure projects including the Integrated Waste Management Facility, infrastructure works for Changi Airport Terminal 5, as well as the Jurong Region and Cross Island MRT lines. Meanwhile, private sector construction demand, projected to range between \$10.5 billion and \$12.5 billion, will continue to be supported by projects such as the redevelopment of en-bloc sale sites, and recreational developments at Mandai park, Changi Airport net taxiway, and berth facilities at Jurong Port and Tanjong Pagar Terminal.

The Group continues to receive a mix of project enquiries from the public and private sectors, and it plans to carefully evaluate potential projects to manage its risks.

The waste management and treatment business is relatively new and the Group is in the process of developing this business. The recently-upgraded wood pellet manufacturing facility in Thailand has commenced operations in 2QFY2020. The construction of a new-build wood pellet manufacturing plant in Singapore is underway. The Board will continue to update shareholders as and when there are material developments in this business.

11 Dividend

a. Current financial period reported on 31 January 2020

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

Name of Dividend : NA
Dividend Type : NA
Dividend Amount per Share : NA
Tax Rate : NA

b. Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend : NA
Dividend Type : NA
Dividend Amount per Share : NA
Tax Rate : NA

c. Date payable

Not applicable.

d. Books closure date

Not applicable.

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

No dividend has been recommended for the period ended 31 January 2020.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from its shareholders for IPTs.

14 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of SGX-ST

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the financial period ended 31 January 2020 to be false or misleading in any material aspect.

15 *Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of SGX-ST*

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Teo Hock Chwee
Chairman and Managing Director

Chiong Su Been
Executive Director and Chief Financial Officer

4 March 2020
Singapore