

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 JANUARY 2017

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	3 months ended			6 months ended		
	31/01/17	31/01/16	Change	31/01/17	31/01/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	19,979	28,556	(30)	46,501	54,159	(14)
Cost of Sales	(14,737)	(20,954)	(30)	(35,846)	(38,830)	(8)
Gross Profit	5,242	7,602	(31)	10,655	15,329	(30)
Finance Income	193	215	(10)	423	455	(7)
Other Gains	302	894	(66)	718	532	35
Administrative Expenses	(1,740)	(2,267)	(23)	(3,436)	(4,143)	(17)
Finance Costs	-	(2)	(100)	-	(8)	(100)
Other Losses	(61)	(155)	(61)	(61)	(888)	(93)
Profit Before Tax	3,936	6,287	(37)	8,299	11,277	(26)
Income Tax Expense	(859)	(878)	(2)	(1,145)	(1,749)	(35)
Profit Net of Tax	3,077	5,409	(43)	7,154	9,528	(25)
Other Comprehensive Income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange Difference on Translating Foreign Operations, Net of Tax	(388)	1,014	n.m.	(163)	636	n.m.
Available-for-Sale Financial Assets, Net of Tax	239	(157)	n.m.	257	(227)	n.m.
Other Comprehensive (Losses) / Income for the Period, Net of Tax	(149)	857	n.m.	94	409	(77)
Total Comprehensive Income	2,928	6,266	(53)	7,248	9,937	(27)
Profit Attributable to:						
Owners of the Parent, Net of Tax	3,077	5,409	(43)	7,154	9,528	(25)
Non-Controlling Interests, Net of Tax	-*	-*	-	-*	-*	-
	3,077	5,409	(43)	7,154	9,528	(25)
Total Comprehensive Income Attributable to:						
Owners of the Parent	2,928	6,266	(53)	7,248	9,937	(27)
Non-Controlling Interests	-*	-*	-	-*	-*	-
	2,928	6,266	(53)	7,248	9,937	(27)

* amount less than \$500
 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	
	31/01/17	31/01/16	31/01/17	31/01/16
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for impairment on trade receivables - reversal	-	-	10	-
Bad debts written off – trade receivables	-	(155)	-	(155)
Depreciation of investment property	(411)	(617)	(1,028)	(1,233)
Depreciation of property, plant and equipment	(403)	(435)	(830)	(861)
Dividend income	-	4	39	17
Foreign exchange gains / (losses)	8	628	167	(732)
Gain on disposal of property, plant and equipment	2	39	2	39
Government grants	7	9	50	50
Plant and equipment written off	(61)	-	(61)	(1)

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	
	31/01/17	31/07/16	31/01/17	31/07/16
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	18,066	17,592	–	–
Investment Property	–	1,028	–	–
Investments in Subsidiaries	–	–	6,940	6,440
Other Receivables	–	–	750	1,125
Other Financial Assets	2,346	2,072	2,346	2,072
Lease Premium Prepayment	960	973	–	–
Total Non-Current Assets	21,372	21,665	10,036	9,637
<u>Current Assets</u>				
Inventories	372	2,927	–	–
Trade and Other Receivables	41,614	44,757	3,465	2,843
Other Non-Financial Assets	643	527	37	28
Cash and Cash Equivalents	81,912	89,196	41,812	20,942
Total Current Assets	124,541	137,407	45,314	23,813
Total Assets	145,913	159,072	55,350	33,450
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	22,890	22,890	22,890	22,890
Retained Earnings	105,822	104,610	32,073	7,792
Other Reserves	(1,618)	(1,712)	181	(76)
Equity, Attributable to Owners of the Parent, Total	127,094	125,788	55,144	30,606
Non-Controlling Interests	4	4	–	–
Total Equity	127,098	125,792	55,144	30,606
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,114	1,169	–	–
Total Non-Current Liabilities	1,114	1,169	–	–
<u>Current Liabilities</u>				
Income Tax Payable	3,484	5,121	–	11
Trade and Other Payables	11,820	26,029	206	2,833
Other Non-Financial Liabilities	2,397	961	–	–
Total Current Liabilities	17,701	32,111	206	2,844
Total Liabilities	18,815	33,280	206	2,844
Total Equity and Liabilities	145,913	159,072	55,350	33,450

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

Nil.

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	
	31/01/17	31/01/16	31/01/17	31/01/16
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	3,936	6,287	8,299	11,277
Adjustments for:				
Interest Expenses	–	2	–	8
Interest Income	(193)	(215)	(423)	(455)
Depreciation of Property, Plant and Equipment	403	435	830	861
Depreciation of Investment Property	411	617	1,028	1,233
Dividend Income	–	(4)	(39)	(17)
Gain on Disposal of Property, Plant and Equipment	(2)	(39)	(2)	(39)
Plant and Equipment Written off	61	–	61	1
Operating Cash Flows Before Changes in Working Capital	4,616	7,083	9,754	12,869
Trade and Other Receivables	854	(2,436)	2,935	(13,660)
Inventories	656	185	2,556	451
Trade and Other Payables	(11,195)	311	(12,692)	6,937
Net Cash Flows from Operations	(5,069)	5,143	2,553	6,597
Income Taxes Paid	(1,614)	(966)	(2,827)	(1,557)
Income Taxes Refund	–	–	11	–
Net Cash Flows (Used in) / From Operating Activities	(6,683)	4,177	(263)	5,040
<u>Cash Flows from Investing Activities</u>				
Purchase of Property, Plant and Equipment	(951)	(156)	(1,674)	(238)
Purchase of Other Financial Assets	–	(961)	–	(1,344)
Proceeds from Disposal of Property, Plant and Equipment	6	39	6	39
Dividend Received	–	–	21	–
Interest Received	193	215	423	455
Net Cash Flows Used in Investing Activities	(752)	(863)	(1,224)	(1,088)
<u>Cash Flows From Financing Activities</u>				
(Decrease) / Increase in Bill Payables	–	(117)	–	121
Interest Paid	–	(2)	–	(8)
Dividend Paid to Equity Owners	(5,942)	(27,960)	(5,942)	(27,960)
Net Cash Flows Used in Financing Activities	(5,942)	(28,079)	(5,942)	(27,847)
Net Decrease in Cash and Cash Equivalents	(13,377)	(24,765)	(7,429)	(23,895)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	95,328	84,885	89,196	84,110
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(39)	(13)	145	(108)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	81,912	60,107	81,912	60,107

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

Group	Total	Attributable	Share	Retained	Other	Non-
	Equity	to Parent	Capital	Earnings	Reserves	Controlling
	S\$'000	Sub-total	S\$'000	S\$'000	S\$'000	Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Year:						
Opening Balance at 1 August 2016	125,792	125,788	22,890	104,610	(1,712)	4
Movements in Equity:						
Total Comprehensive Income for the Period	4,320	4,320	–	4,077	243	–*
Closing Balance at 31 October 2016	130,112	130,108	22,890	108,687	(1,469)	4
Total Comprehensive Income for the Period	2,928	2,928	–	3,077	(149)	–*
Dividends Paid	(5,942)	(5,942)	–	(5,942)	–	–
Closing Balance at 31 January 2017	127,098	127,094	22,890	105,822	(1,618)	4
Previous Year:						
Opening Balance at 1 August 2015	128,686	128,682	22,890	106,792	(1,000)	4
Movements in Equity:						
Total Comprehensive Income for the Period	3,671	3,671	–	4,119	(448)	–*
Closing Balance at 31 October 2015	132,357	132,353	22,890	110,911	(1,448)	4
Total Comprehensive Income for the Period	6,266	6,266	–	5,409	857	–*
Dividends Paid	(27,960)	(27,960)	–	(27,960)	–	–
Closing Balance at 31 January 2016	110,663	110,659	22,890	88,360	(591)	4
Company						
	Total	Share	Retained	Other		
	Equity	Capital	Earnings	Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000		
Current Year:						
Opening Balance at 1 August 2016	30,606	22,890	7,792	(76)		
Movements in Equity:						
Total Comprehensive Income for the Period	30,116	–	30,098	18		
Closing Balance at 31 October 2016	60,722	22,890	37,890	(58)		
Total Comprehensive Income for the Period	364	–	125	239		
Dividends Paid	(5,942)	–	(5,942)	–		
Closing Balance at 31 January 2017	55,144	22,890	32,073	181		
Previous Year:						
Opening Balance at 1 August 2015	36,983	22,890	14,028	65		
Movements in Equity:						
Total Comprehensive Income for the Period	17,829	–	17,899	(70)		
Closing Balance at 31 October 2015	54,812	22,890	31,927	(5)		
Total Comprehensive Loss for the Period	(349)	–	(192)	(157)		
Dividends Paid	(27,960)	–	(27,960)	–		
Closing Balance at 31 January 2016	26,503	22,890	3,775	(162)		

* amount less than \$500

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 2016.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 31 January 2017, the Company held 500,000 treasury shares (31 January 2016: 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 2017, the total number of issued shares (excluding treasury shares) was 349,500,000 (31 July 2016: 349,500,000).

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

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

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

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

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

Not applicable.

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

The Group's accounting policies and methods of computation for the current reporting period are consistent with the audited financial statements for the year ended 31 July 2016.

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	
	31/01/17	31/01/16	31/01/17	31/01/16
	cents	cents	cents	cents
Basic earnings per share	0.88	1.55	2.05	2.73

Basic earnings per share for the period ended 31 January 2017 and 2016 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	
	31/01/17	31/07/16	31/01/17	31/07/16
	cents	cents	cents	cents
Net asset value per share	36.36	35.99	15.78	8.76

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 2017 and 31 July 2016.

- 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 2017 ("Q2FY2017"), the Group recorded a revenue of \$20.0 million, a decrease of 30% as compared to \$28.6 million for the previous corresponding period ("Q2FY2016"). The decrease was mainly due to the decrease in both structural steel business and dormitory business.

The Group's gross profit margin decreased from 26.6% in Q2FY2016 to 26.2% in Q2FY2017. This was mainly due to a decrease in profits derived from dormitory business as a result of the expiry of tenure for the dormitory at Terusan Lodge I. The impact has been partially alleviated by an increase in margins derived from the projects secured and executed during the reporting period from the structural steel business.

Other gains decreased by 66% from \$0.9 million in Q2FY2016 to \$0.3 million in Q2FY2017. The higher amount recorded in Q2FY2016 was mainly due to a foreign exchange gain.

Review of Group performance (cont'd)

For the half year ended 31 January 2017 (“1HFY2017”), the Group reported a revenue of \$46.5 million, a decrease of 14% as compared to \$54.2 million for the previous corresponding period (“1HFY2016”). The decrease was mainly due to the decrease in both structural steel business and dormitory business.

The Group’s gross profit margin decreased from 28.3% in 1HFY2016 to 22.9% in 1HFY2017. This was mainly due to a decrease in profits derived from dormitory business as a result of the expiry of tenure for the dormitory at Terusan Lodge I.

Other gains increased by 35% from \$0.5 million in 1HFY2016 to \$0.7 million in 1HFY2017. This was mainly due to net foreign exchange gains.

Administrative expenses decreased by 17% from \$4.1 million in 1HFY2016 to \$3.4 million in 1HFY2017. This was mainly due to a decrease in staff related cost.

Other losses decreased from \$0.9 million in 1HFY2016 to \$0.1 million in 1HFY2017. The higher amount recorded in 1HFY2016 was mainly due to net foreign exchange losses.

Profit before tax of the Group was \$8.3 million in 1HFY2017 as compared to \$11.3 million in 1HFY2016. The decrease was mainly resulted by the Group’s lower turnover, lower gross profit margin; and offset by the increase in other gains, decrease in administrative expenses and decrease in other losses as explained above.

Review of changes in working capital, assets and liabilities

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

- (i) Total assets decreased from \$159.1 million as at 31 July 2016 to \$145.9 million as at 31 January 2017. This was mainly due to decreases in cash and cash equivalents, trade and other receivables, inventories and fully depreciated investment property.
- (ii) Total liabilities decreased from \$33.3 million as at 31 July 2016 to \$18.8 million as at 31 January 2017. This was mainly due to decreases in trade and other payables.

Review of changes in cash flow

The net cash flow used in operating activities amounted to \$0.3 million in 1HFY2017 as compared to a net cash flow of \$5.0 million generated in 1HFY2016. The net cash flow used in operating activities was mainly due to the payment to trade and other payables.

The net cash flows used in financing activities amounted to \$5.9 million in 1HFY2017, compared to \$27.8 million in 1HFY2016. The higher cash flow used in 1HFY2016 was mainly due to the payment of dividends.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$81.9 million as at 31 January 2017, representing an increase of \$21.8 million as compared to \$60.1 million as at 31 January 2016.

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

As mentioned in the announcement dated 7 December 2016, it was stated that the non-renewal of the dormitory at Terusan Lodge I is expected to have a material impact on the Group’s financial and operating results for FY2017. As mentioned in paragraph 8 above, the expiry of the tenure for the Terusan Lodge I had a material impact on the Group’s financial and operating results for Q2FY2017. Accordingly, the results announced are in line with the prospects statement previously made.

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 8 March 2017, T T J's projects order book stood at \$59 million which it expects to substantially complete between FY2017 and FY2018. To date, the Group continues to experience a healthy level of enquiries for a mix of public and private sector projects. Going forward, the Group will continue to monitor its costs closely and enhance productivity to remain competitive.

As announced previously, the tenure for the dormitory at Terusan Lodge I expired in January 2017. The non-renewal of the said dormitory lease is expected to have a material impact on the Group's financial and operating results for FY2017.

11 Dividend

(a) Current financial period reported on 31 January 2017

- (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 2017.

- 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 2017 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

8 March 2017
Singapore