



T T J HOLDINGS LIMITED

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

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**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Group		
		6 months ended		Change
		31 January 2022	31 January 2021	
		S\$'000	S\$'000	%
Revenue	6	31,300	23,134	35
Cost of sales		(27,146)	(21,138)	28
Gross profit		4,154	1,996	108
Finance income	7	29	30	(3)
Other income and gains	8	933	3,972	(77)
Administrative expenses	9	(3,027)	(3,141)	(4)
Finance costs	11	(262)	(361)	(27)
Other losses	8	(7)	(1)	n.m.
Profit before tax from continuing operations		1,820	2,495	(27)
Income tax expense	12	(824)	(1,018)	(19)
Profit from continuing operations, net of tax		996	1,477	(33)
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Fair value changes on equity shares at FVTOCI, net of tax		64	427	(85)
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		634	419	51
Other comprehensive income for the period, net of tax		698	846	(17)
Total comprehensive income		1,694	2,323	(27)
Profit attributable to:				
Owners of the parent, net of tax		996	1,617	(38)
Non-controlling interests, net of tax		—	(140)	(100)
Profit, net of tax		996	1,477	(33)
Total comprehensive income attributable to:				
Owners of the parent		1,694	2,463	(31)
Non-controlling interests		—	(140)	(100)
Total comprehensive income		1,694	2,323	(27)

n.m. – not meaningful

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
B. Condensed Interim Statements of Financial Position

		<u>Group</u>		<u>Company</u>	
	<u>Notes</u>	<u>31 January 2022</u>	<u>31 July 2021</u>	<u>31 January 2022</u>	<u>31 July 2021</u>
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	44,543	46,289	–	–
Right-of-use assets	15	7,249	7,327	–	–
Investments in subsidiaries	16	–	–	5,420	5,920
Other receivables		–	–	22,985	16,885
Other financial assets		1,739	3,196	1,739	3,196
Other non-financial assets		829	843	–	–
Total non-current assets		54,360	57,655	30,144	26,001
Current assets					
Inventories		436	498	–	–
Trade and other receivables		24,205	24,169	2,515	2,481
Contract assets		34,716	31,843	–	–
Assets held for sale	17	11,724	11,578	–	–
Other non-financial assets		684	374	39	32
Cash and cash equivalents		29,152	38,030	5,881	5,663
Total current assets		100,917	106,492	8,435	8,176
Total assets		155,277	164,147	38,579	34,177
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital		22,890	22,890	22,890	22,890
Retained earnings		106,581	107,919	14,861	9,480
Other reserves		(895)	(1,131)	406	804
Equity, attributable to owners of the parent		128,576	129,678	38,157	33,174
Non-controlling interests		6	6	–	–
Total equity		128,582	129,684	38,157	33,174
Non-current liabilities					
Deferred tax liabilities		1,172	1,595	–	–
Lease liabilities		7,258	7,305	–	–
Other financial liabilities		–	4,709	–	–
Total non-current liabilities		8,430	13,609	–	–
Current liabilities					
Income tax payable		2,378	1,929	92	110
Trade and other payables		14,313	17,143	330	893
Lease liabilities		399	379	–	–
Other financial liabilities		–	1,357	–	–
Contract liabilities		1,175	46	–	–
Total current liabilities		18,265	20,854	422	1,003
Total liabilities		26,695	34,463	422	1,003
Total equity and liabilities		155,277	164,147	38,579	34,177

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

C. Condensed Interim Statements of Changes in Equity

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 2021	129,684	129,678	22,890	107,919	(1,131)	6
Changes in equity:						
Total comprehensive income for the period	1,694	1,694	–	996	698	–
Transfer upon disposal of other financial assets	–	–	–	462	(462)	–
Dividends paid (Note 13)	(2,796)	(2,796)	–	(2,796)	–	–
Closing balance at 31 January 2022	128,582	128,576	22,890	106,581	(895)	6

Previous year:

Opening balance at 1 August 2020	127,265	125,860	22,890	104,743	(1,773)	1,405
Changes in equity:						
Total comprehensive income / (loss) for the period	2,323	2,463	–	1,617	846	(140)
Dividends paid (Note 13)	(1,398)	(1,398)	–	(1,398)	–	–
Closing balance at 31 January 2021	128,190	126,925	22,890	104,962	(927)	1,265

Company	Total equity \$'000	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000
Current year:				
Opening balance at 1 August 2021	33,174	22,890	9,480	804
Changes in equity:				
Total comprehensive income for the period	7,779	–	7,715	64
Transfer upon disposal of other financial assets	–	–	462	(462)
Dividends paid (Note 13)	(2,796)	–	(2,796)	–
Closing balance at 31 January 2022	38,157	22,890	14,861	406

Previous year:

Opening balance at 1 August 2020	42,966	22,890	20,127	(51)
Changes in equity:				
Total comprehensive income for the period	739	–	312	427
Dividends paid (Note 13)	(1,398)	–	(1,398)	–
Closing balance at 31 January 2021	42,307	22,890	19,041	376

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6 months ended	
	31 January 2022	31 January 2021
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	1,820	2,495
Adjustments for:		
Interest expense	262	361
Interest income	(29)	(30)
Amortisation of lease premium	13	13
Depreciation of property, plant and equipment	1,870	1,685
Depreciation of right-of-use assets	270	266
Dividend income	(67)	(40)
Gain on termination of leases	(25)	—
Loss on disposal of plant and equipment	7	—
Plant and equipment written off	—	1
Operating cash flows before changes in working capital	4,121	4,751
Trade and other receivables and contract assets	(2,790)	(5,748)
Inventories	93	(173)
Trade and other payables and contract liabilities	(1,739)	(2,328)
Net cash flows used in operations	(315)	(3,498)
Income taxes paid	(803)	(669)
Income taxes refund	—	—
Net cash flows used in operating activities	(1,118)	(4,167)
<u>Cash flows from investing activities</u>		
Dividend received	67	1
Purchase of property, plant and equipment	(208)	(1,103)
Proceeds from disposal of plant and equipment	64	—
Proceeds from disposal of other financial assets	1,521	—
Interest received	29	30
Net cash flows from / (used in) investing activities	1,473	(1,072)
<u>Cash flows from financing activities</u>		
Decrease in bill payables	—	(283)
Interest paid	(262)	(361)
Repayment of borrowings	(6,001)	—
Repayment of lease liabilities – principal	(193)	(180)
Dividend paid to equity owners	(2,796)	(1,398)
Net cash flows used in financing activities	(9,252)	(2,222)
Net decrease in cash and cash equivalents	(8,897)	(7,461)
Cash and cash equivalents, statement of cash flows, beginning balance	38,030	36,196
Net effect of exchange rate changes on cash and cash equivalents	19	(26)
Cash and cash equivalents, statement of cash flows, ending balance	29,152	28,709

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022****E. Notes to the Condensed Interim Financial Statements****1. General**

The Company is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 31 January 2022 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities of the Group are disclosed in Note 5.

2. Basis of preparation of the financial statements

The condensed interim financial statements for the six months ended 31 January 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 July 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Related party relationships and transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

4A. Key management compensation

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
Salaries and other short-term employee benefits	688	624

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

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
Remuneration of directors of the Company	457	403
Fees to directors of the Company	73	73

5. Financial information by operating segments

5A. Information about reportable segment profit or loss, assets and liabilities

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.

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

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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

5B. 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					
<u>6 months ended</u>					
<u>31 January 2022</u>					
Revenue by segment					
Sales to external parties	30,632	184	484	—	31,300
Inter-segment sales #a	—	—	8,036	(8,036)	—
Total revenue	30,632	184	8,520	(8,036)	31,300
Recurring EBITDA	4,039	(939)	1,093	—	4,193
Depreciation of property, plant and equipment	(951)	(911)	(8)	—	(1,870)
Depreciation of right-of-use assets	(115)	(123)	(32)	—	(270)
Finance costs	(105)	(146)	(11)	—	(262)
Interest income	17	—	12	—	29
Profit before tax from continuing operations	2,885	(2,119)	1,054	—	1,820
Income tax expense					(824)
Profit from continuing operations					<u>996</u>

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
E. Notes to the Condensed Interim Financial Statements (cont'd)
5. Financial information by operating segments (cont'd)
5B. Profit or loss from continuing operations and reconciliations (cont'd)

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Adjustments and eliminations \$'000	Group \$'000
Continuing operations					
<u>6 months ended</u>					
<u>31 January 2021</u>					
Revenue by segment					
Sales to external parties	23,094	–	40	–	23,134
Inter-segment sales #a	1,201	–	503	(1,704)	–
Total revenue	24,295	–	543	(1,704)	23,134
Recurring EBITDA	5,136	(682)	324	–	4,778
Depreciation of property, plant and equipment	(1,191)	(488)	(6)	–	(1,685)
Depreciation of right-of-use assets	(111)	(123)	(32)	–	(266)
Finance costs	(108)	(242)	(11)	–	(361)
Interest income	11	–	19	–	30
Plant and equipment written off	(1)	–	–	–	(1)
Profit / (loss) before tax from continuing operations	3,736	(1,535)	294	–	2,495
Income tax expense					(1,018)
Profit from continuing operations					<u>1,477</u>

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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

5C. Assets and reconciliations

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Unallocated \$'000	Eliminations \$'000	Group \$'000
<u>31 January 2022</u>						
Total assets for reportable segments #a	127,659	26,072	34,140	–	(32,594)	155,277
Total Group assets	127,659	26,072	34,140	–	(32,594)	155,277
<u>31 July 2021</u>						
Total assets for reportable segments #a	132,976	28,233	29,326	–	(26,388)	164,147
Total Group assets	132,976	28,233	29,326	–	(26,388)	164,147
Expenditure for non-current assets:						
31 January 2022	185	23	–	–	–	208
31 July 2021	274	1,330	18	–	–	1,622

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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

5D. Liabilities and reconciliations

	Structural steel \$'000	Waste management and treatment \$'000	Other \$'000	Unallocated \$'000	Eliminations \$'000	Group \$'000
<u>31 January 2022</u>						
Total liabilities for reportable segments #a	26,997	46,220	514	–	(50,586)	23,145
Unallocated:						
Income tax payable	–	–	–	2,378	–	2,378
Deferred tax liabilities	–	–	–	1,172	–	1,172
Total Group liabilities	26,997	46,220	514	3,550	(50,586)	26,695
<u>31 July 2021</u>						
Total liabilities for reportable segments #a	28,297	46,323	620	–	(44,301)	30,939
Unallocated:						
Income tax payable	–	–	–	1,929	–	1,929
Deferred tax liabilities	–	–	–	1,595	–	1,595
Total Group liabilities	28,297	46,323	620	3,524	(44,301)	34,463

#a Inter-segment sales, assets and liabilities are eliminated on consolidation.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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

5E. Geographical information

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
<u>Revenue</u>		
Singapore	31,261	23,134
Thailand	39	–
Total continuing operations	<u>31,300</u>	<u>23,134</u>

	<u>Group</u>	
	<u>31 January 2022</u>	<u>31 July 2021</u>
	\$'000	\$'000
<u>Non-current assets</u>		
Singapore	36,446	37,692
Malaysia	8,099	8,169
Thailand	7,856	8,337
India	220	261
Total continuing operations	<u>52,621</u>	<u>54,459</u>

6. Revenue

6A. Revenue from contracts with customer:

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
Revenue from construction contracts	30,632	23,094
Revenue from waste management and treatment	184	–
Dividend income from quoted corporations	67	40
Other revenue	417	–
Fees to directors of the Company	<u>31,300</u>	<u>23,134</u>

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

6. Revenue (cont'd)

6B. Revenue classified by duration of contract:

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Short-term contracts – less than 12 months	895	213
Long-term contracts – less than 12 months	30,405	22,921
Total revenue	<u>31,300</u>	<u>23,134</u>

6C. Revenue classified by timing of revenue recognition:

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Point in time	895	213
Over time	30,405	22,921
Total revenue	<u>31,300</u>	<u>23,134</u>

7. Interest income

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest income from financial institution	<u>29</u>	<u>30</u>

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
E. Notes to the Condensed Interim Financial Statements (cont'd)
8. Other income and gains and (other losses)

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
Foreign exchange adjustments losses	66	321
Government grants	274	2,497
Gain on termination of leases	25	–
Loss on disposal of plant and equipment	(7)	–
Plant and equipment written off	–	(1)
Reversal of custom duty import and goods and services tax accrued	–	359
Scrap income	298	626
Other income	270	169
Net	<u>926</u>	<u>3,971</u>
Presented in profit or loss as:		
Other income and gains	933	3,972
Other losses	(7)	(1)
Net	<u>926</u>	<u>3,971</u>

9. Administrative expenses

Administrative expenses include the following:

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	\$'000	\$'000
Employee benefits expense (Note 10)	<u>1,861</u>	<u>1,680</u>

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
E. Notes to the Condensed Interim Financial Statements (cont'd)
10. Employee benefits expense

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Short term employee benefits expense	7,726	7,491
Contributions to defined contribution plans	336	324
Total employee benefits expense	<u>8,062</u>	<u>7,815</u>
Allocation of the employee benefits expense:		
Cost of sales	6,201	6,135
Administrative expenses	<u>1,861</u>	<u>1,680</u>
	<u>8,062</u>	<u>7,815</u>

11. Finance costs

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest expense	56	147
Interest on lease liabilities	206	214
Total finance costs	<u>262</u>	<u>361</u>

12. Income tax
12A. Components of tax expense recognised in profit or loss include:

	<u>Group</u> <u>6 months ended</u>	
	<u>31 January 2022</u>	<u>31 January 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Current tax expense :</u>		
Current tax expense	805	1,014
Under adjustments in respect of prior periods	–	4
Subtotal	<u>805</u>	<u>1,018</u>
<u>Deferred tax expense :</u>		
Deferred tax expense	19	–
Subtotal	<u>19</u>	<u>–</u>
Total income tax expense	<u>824</u>	<u>1,018</u>

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

13. Dividends on equity shares

	<u>Rate per share – cents</u>			
	<u>31 January 2022</u>	<u>31 January 2021</u>	<u>31 January 2022</u>	<u>31 January 2021</u>
			\$'000	\$'000
<u>Group and Company</u>				
Final tax exempt				
(one-tier)				
dividend paid	<u>0.8</u>	<u>0.4</u>	<u>2,796</u>	<u>1,398</u>

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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
<u>Group</u>							
<u>Cost:</u>							
At 1 August 2020	5,619	2,804	3,480	10,366	45,879	27,518	95,666
Foreign exchange adjustments	—	(172)	(213)	(19)	(56)	(413)	(873)
Additions	1,330	—	—	—	102	190	1,622
Reclassifications	(6,949)	—	—	—	6,949	—	—
Transfer to assets held for sale (Note 17)	—	—	—	(6,379)	(4,604)	(2,193)	(13,176)
Disposals / written off	—	—	—	—	—	(350)	(350)
At 31 July 2021	—	2,632	3,267	3,968	48,270	24,752	82,889
Foreign exchange adjustments	—	(37)	(46)	50	75	(23)	19
Additions	23	—	—	—	—	185	208
Disposals / written off	—	—	—	—	—	(300)	(300)
At 31 January 2022	23	2,595	3,221	4,018	48,345	24,614	82,816

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

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

	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
<u>Group</u>							
<u>Accumulated depreciation and impairment loss:</u>							
At 1 August 2020	1,388	–	216	1,348	12,344	16,800	32,096
Foreign exchange adjustments	–	(5)	(21)	(11)	(19)	(197)	(253)
Depreciation for the year	–	–	129	142	1,130	1,941	3,342
Reclassifications	(1,388)	–	–	–	1,388	–	–
Impairment loss	–	104	40	–	2,053	948	3,145
Transfer to assets held for sale (Note 17)	–	–	–	(389)	(281)	(712)	(1,382)
Disposals / written off	–	–	–	–	–	(348)	(348)
At 31 July 2021	–	99	364	1,090	16,615	18,432	36,600
Foreign exchange adjustments	–	(1)	(5)	14	16	8	32
Depreciation for the year	–	–	60	40	956	814	1,870
Disposals / written off	–	–	–	–	–	(229)	(229)
At 31 January 2022	–	98	419	1,144	17,587	19,025	38,273
<u>Carrying value:</u>							
At 1 August 2020	4,231	2,804	3,264	9,018	33,535	10,718	63,570
At 31 July 2021	–	2,533	2,903	2,878	31,655	6,320	46,289
At 31 January 2022	23	2,497	2,802	2,874	30,758	5,589	44,543

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
E. Notes to the Condensed Interim Financial Statements (cont'd)
15. Right-of-use assets

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

	Leasehold <u>lands</u> \$'000	Leasehold <u>properties</u> \$'000	Plant, fixtures and <u>equipment</u> \$'000	<u>Total</u> \$'000
<u>Group</u>				
<u>Cost:</u>				
At 1 August 2020	7,650	434	267	8,351
Foreign exchange adjustments	—	(9)	(1)	(10)
Additions	—	8	48	56
Remeasurement	—	(7)	—	(7)
Disposals / written off	—	—	(21)	(21)
At 31 July 2021	7,650	426	293	8,369
Foreign exchange adjustments	—	—	—	—
Additions	—	40	261	301
Disposals / written off	—	(32)	(246)	(278)
At 31 January 2022	7,650	434	308	8,392
<u>Accumulated depreciation:</u>				
At 1 August 2020	355	102	77	534
Foreign exchange adjustments	—	(2)	—	(2)
Additions	355	99	76	530
Disposals / written off	—	—	(20)	(20)
At 31 July 2021	710	199	133	1,042
Foreign exchange adjustments	—	(1)	—	(1)
Additions	178	54	38	270
Disposals / written off	—	(27)	(141)	(168)
At 31 January 2022	888	225	30	1,143
<u>Carrying value:</u>				
At 1 August 2020	7,295	332	190	7,817
At 31 July 2021	6,940	227	160	7,327
At 31 January 2022	6,762	209	278	7,249

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

16. Investments in subsidiaries

	<u>Company</u>	
	<u>31 January 2022</u>	<u>31 July 2021</u>
	\$'000	\$'000
<u>Total cost comprising:</u>		
Unquoted equity shares at cost	5,920	6,420
Allowance for impairment	(500)	(500)
Total at cost less impairment	<u>5,420</u>	<u>5,920</u>
<u>Movements during the period / year:</u>		
At beginning of the period / year	5,920	6,145
Reduction of share capital	(500)	–
Less: allowance for impairment	–	(225)
At end of the period / year	<u>5,420</u>	<u>5,920</u>
<u>Movements in allowance for impairment:</u>		
At beginning of the period / year	500	275
Impairment loss included in other losses	–	225
At end of the period / year	<u>500</u>	<u>500</u>

17. Assets held for sale

	<u>Group</u>	
	<u>31 January 2022</u>	<u>31 July 2021</u>
	\$'000	\$'000
<u>Group</u>		
Assets held for sale:		
Leasehold land at net book value (Note 14)	5,990	5,990
Leasehold property and improvements at net book value (Note 14)	4,323	4,323
Plant, fixtures and equipment at net book value (Note 14)	1,481	1,481
Foreign exchange adjustments	(70)	(216)
At end of the period / year	<u>11,724</u>	<u>11,578</u>

The above assets are presented as held for sale following the decision of management to sell certain property, plant and equipment of a subsidiary as these assets have not been used for operations. Management intends to dispose these assets to provide additional working capital for the Group. On 8 June 2021, the Group had, through its subsidiary, entered into a sale and purchase agreement with the purchaser for an aggregate consideration of RM41,700,000 (approximately S\$13,377,000). The sale is expected to be completed in current reporting year.

On 9 September 2021, the Group's subsidiary entered into supplemental agreements for the early handover of the assets held for sale on 15 October 2021.

**Condensed Interim Financial Statements
 For the Six Months ended 31 January 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

18. Financial instruments

18A. 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 period / year:

	<u>Group</u>		<u>Company</u>	
	<u>31 January 2022</u>	<u>31 July 2021</u>	<u>31 January 2022</u>	<u>31 July 2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	53,357	62,199	31,381	25,029
Financial assets that is equity shares at fair value through other comprehensive income	1,739	3,196	1,739	3,196
At end of the period / year	<u>55,096</u>	<u>65,395</u>	<u>33,120</u>	<u>28,225</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	21,970	30,893	330	893
At end of the period / year	<u>21,970</u>	<u>30,893</u>	<u>330</u>	<u>893</u>

Financial assets that is equity shares at fair value through other comprehensive income is categorised within the fair value hierarchy at Level 1.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2

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.

- (i) Please refer to Section A – Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income; and
- (ii) Please refer to Section E – Notes to the Condensed Interim Financial Statements – Notes 6 to 12.

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.

Please refer to Section B - Condensed Interim Statements of Financial Position.

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

	31 January 2022 S\$'000	31 July 2021 S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand:		
- Other financial liabilities – current liabilities	–	1,357
Amount repayable after one year:		
- Other financial liabilities – non-current liabilities	–	4,709
	–	6,066
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand:		
- Lease liabilities – current liabilities	399	379
Amount repayable after one year:		
- Lease liabilities – non-current liabilities	7,258	7,305
	7,657	7,684
Total	7,657	13,750

Details of any collateral:

As at 31 July 2021, 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. The secured borrowings were fully repaid during current reporting period.

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

Please refer to Section D – Condensed Interim Consolidated Statement of Cash Flows.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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.**

Please refer to Section C – Condensed Interim Statements of Changes in Equity.

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

There is no new share issued since 31 July 2021.

During the financial year, the Company did not purchase any shares under the share buyback mandate. As at 31 January 2022, the Company held 500,000 treasury shares (31 January 2021: 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 2022, the total number of issued shares (excluding treasury shares) was 349,500,000 (31 July 2021: 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.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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 2021.

- 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	
	6 months ended	
	31 January 2022	31 January 2021
	cents	cents
Basic earnings per share	0.28	0.46

Basic earnings per share for the period ended 31 January 2022 and 31 January 2021 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.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**
F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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 January 2022	31 July 2021	31 January 2022	31 July 2021
	cents	cents	cents	cents
Net asset value per share	36.79	37.10	10.92	9.49

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 2022 and 31 July 2021.

- 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:-*
- 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*
 - 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's performance

For the six months ended 31 January 2022 ("1HFY2022"), the Group reported a revenue of \$31.3 million, an increase of 35% as compared to \$23.1 million for the previous corresponding period ended 31 January 2021 ("1HFY2021"). The increase was mainly due to the increase in revenue from the structural steel business.

Revenue from the structural steel business increased to \$30.6 million in 1HFY2022 as compared to \$23.1 million in 1HFY2021. The lower revenue in 1HFY2021 was attributable to the post-Circuit Breaker measures implemented which only permitted slow and gradual resumption of business operations.

The revenue generated by the waste management and treatment business was \$0.2 million in 1HFY2022. In 1HFY2021, this segment did not generate revenue as the Group has temporarily stopped the operations at its Thailand factory since July 2020. The segment revenue remained relatively low as the COVID-19 pandemic continued to depress demand and average selling prices during the reporting period.

The Group's gross profit margin increased from 8.6% in 1HFY2021 to 13.3% in 1HFY2022. The higher gross profit margin in the current reporting period was due to better gross margins derived from the projects executed.

Finance income remained at less than \$0.1 million in both 1HFY2021 and 1HFY2022.

Other income and gains decreased by 77% from \$4.0 million in 1HFY2021 to \$1.0 million in 1HFY2022. The decrease was mainly due to decreases in government grants received and scrap income, and a non-recurring reversal of custom duty import and goods and services tax.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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. (cont'd)*

Review of Group's performance (cont'd)

Administrative expenses decreased slightly by 4% from \$3.1 million in 1HFY2021 to \$3.0 million in 1HFY2022.

Finance costs decrease by 27% from \$0.4 million in 1HFY2021 to \$0.3 million in 1HFY2022. The lower finance costs in 1HFY2022 was mainly due to the decrease in interest on borrowings as a result of the early repayment of the borrowings in the current reporting period.

The Group's profit before tax was \$1.8 million in 1HFY2022 as compared \$2.5 million in 1HFY2021. The decrease was mainly due to the decrease in other income and gains, partially offset by the increase in gross profit.

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 \$164.1 million as at 31 July 2021 to \$155.3 million as at 31 January 2022. The decrease was mainly due the decrease in cash and cash equivalents as a result of the repayment of borrowings and payment of dividend.
- (ii) Total liabilities decreased from \$34.5 million as at 31 July 2021 to \$26.7 million as at 31 January 2022. The decrease was mainly due to repayment of borrowings.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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. (cont'd)*

Review of changes in cash flow

The net cash flows used in operating activities amounted to \$1.1 million in 1HFY2022 as compared to \$4.2 million in 1HFY2021.

The net cash flows from investing activities amounted to \$1.5 million in 1HFY2022 as compared to net cash flows of \$1.1 million used in investing activities 1HFY2021. The net cash flows from investing activities was mainly contributed by the proceeds from disposal of other financial assets. In 1HFY2021, the net cash flows used in investing activities was mainly for the purchase of property, plant and equipment.

The net cash flows used in financing activities amounted to \$9.3 million in 1HFY2022 as compared to \$2.2 million in 1HFY2021. The net cash flows used in financing activities in 1HFY2022 was mainly due to the repayment of borrowings and payment of dividend. The financing activities in 1HFY2021 was mainly for the payment of dividend.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$29.2 million as at 31 January 2022 as compared to \$28.7 million as at 31 January 2021, representing an increase of \$0.5 million.

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

No yearly forecast or prospect statement has been previously disclosed.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

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.

Industry Outlook

Singapore's economy expanded by 7.6% in 2021, rebounding from the 4.1% contraction in 2020. The construction sector expanded by 20.1%, a turnaround from the 38.4% contraction in 2020, supported by both public and private sector construction works. For 2022, the Ministry of Trade and Industry ("MTI") has maintained GDP growth forecast at "3.0% to 5.0%" in 2022.¹

Singapore's high vaccination rate and steady rollout of booster shots should facilitate further progressive easing of domestic and border restrictions, alleviating labour shortages in sectors that are reliant on migrant workers. Activity in the construction sector will continue to recover on this progressive easing of border restrictions. On the other hand, new work permit policies for foreign workers in the construction sector aim at increasing productivity and reducing manpower needs have been announced at the recent Singapore Budget.² Therefore, on the path to recovery, labour shortages are likely to persist in the short term and the output of the construction sector is expected to remain below pre-pandemic levels throughout 2022.¹

The domestic construction sector is also expected to face higher material costs in 2022, largely from persistent supply chain bottlenecks, alongside rising energy prices due to geopolitical tensions, which have exacerbated global inflationary pressures.^{1,3}

Meanwhile the Building and Construction Authority ("BCA") projects the total construction demand (i.e. the value of construction contracts to be awarded) in 2022 to be between S\$27 billion and S\$32 billion. 60% of this is expected to be from the public sector supported by projects in healthcare developments and infrastructure works such as the Cross Island MRT Line (Phase 1). Over the medium-term, BCA expects the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026.⁴

Order Book and Outlook

As at 7 March 2022, T T J has an order book of \$110 million, which it expects to substantially complete between FY2022 and FY2024, subject to the domestic COVID-19 situation and prevailing Safe Management Measures.

Although Singapore's border measures have eased, the supply of foreign workers remains somewhat unstable. The Group, however, has adequate workers to support and execute the projects in its existing order book.

The outlook for the waste management and treatment business remains clouded by the prolonged impact of COVID-19 and the new Omicron variant.

¹ <https://www.mti.gov.sg/Newsroom/Press-Releases/2022/02/MTI-Maintains-2022-GDP-Growth-Forecast-at-3.0-to-5.0-per-cent>

² Singapore Budget 2022, <https://www.mof.gov.sg/singaporebudget>

³ <https://www.businesstimes.com.sg/energy-commodities/high-material-prices-to-remain-a-drag-on-singapore-construction-this-year-report>

⁴ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2022/01/26/sustained-construction-demand-in-2022-supported-by-public-sector-projects>

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

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. (cont'd)

Order Book and Outlook (cont'd)

With inflation, and now the impact of the Russian-Ukraine conflict on steel and other commodity prices, the Group expects its margins to come under pressure going forward. Recent Budget 2022 measures to raise foreign worker levy rates and minimum qualifying salary for EP- and S-pass holders are also expected to impact operations.

The Group will monitor operating conditions closely amid this geopolitical and economic landscape, and adapt its strategies accordingly. It will continue to be prudent in terms of cash conservation and cash flow management to ensure its operations remain sustainable in this challenging environment.

11 Dividend

a. Current financial period reported on 31 January 2022

- (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 2022.

**Condensed Interim Financial Statements
For the Six Months ended 31 January 2022**

F. Information Required by Listing Rule Appendix 7.2 (cont'd)

- 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** *Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)*

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 2022 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
Executive Chairman

Chiong Su Been
Executive Director and Chief Financial Officer

7 March 2022
Singapore