T T J HOLDINGS LIMITED

ANNUAL REPORT **2014**

STRUCTURES THAT SHAPE THE FUTURE

CONTENTS

Business Overview

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.

The Group has two core businesses comprising its Structural Steel business and Dormitory business.

Structural Steel Business

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 in Pioneer Road has a waterfront loading area which enables the loading of heavy materials and large assemblies onto barges for transport by sea.

The Group is S1-graded[1] by the Singapore Structural Steel Society and has a combined annual production capacity of 42,000 tonnes for normal structural steel at its two fabrication facilities in Singapore and Johor, Malaysia. Testament to its strong commitment to quality, T T J is ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 certified.

Over the years, T T J has built up substantial experience and expertise which have equipped it to deliver highly sophisticated structural steel solutions. Its solutions are used in diverse industries ranging from commercial building construction and offshore oil and gas to industrial plants as well as in iconic landmarks such as 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, amongst others.

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.

Dormitory Business

T T J also operates a dormitory in Singapore that provides a stable and recurring income stream for the Group. Located at 5A Jalan Papan, Terusan Lodge I has a capacity of approximately 5,300 persons.

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

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

CHAIRMAN'S MESSAGE

"The Group will continue to actively pursue opportunities and submit bids for tenders both in the private and public sectors spanning a mix of commercial, industrial and institutional projects."

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the 12 months ended 31 July 2014 ("FY2014"). This year marks the 33rd year of T T J in the structural steel business and we are at an exciting juncture in terms of the development of property and infrastructure in Singapore. New industrial, commercial, residential and transportation projects have been earmarked by the Singapore government for development in the next 10 to 20 years, providing visibility into T T J's long term prospects. As one of the largest structural steel fabricators in Singapore with a reputation as a leading structural steel specialist, we are ready to make full use of these opportunities ahead of us.

We continue to build on our strengths in the industrial sector in FY2014, having completed projects like the Lanxess Compass Project, Nalco Eastern Hemisphere Core Plant and the Methionine Plant on Jurong Island, as well as the Liquefied Natural Gas Train 9 Project for Petroliam Nasional Berhad (Petronas) in Malaysia.

For FY2014, the Group achieved a revenue of $134.7 million, a 6% increase compared to FY2013's revenue of $127.4 million. This is due to the increase in both T T J's Structural Steel and Dormitory businesses. Our Structural Steel business revenue grew 3% to $115.3 million in FY2014 from $111.9 million in FY2013 mainly due to contribution from a number of completed and ongoing major projects in the Group's portfolio. At the same time, revenue from T T J's Dormitory business increased 19.5% to $18.0 million in FY2014 due to a rise in rental rates during the year.

Underpinned by this, gross profit rose 32% to $37.0 million in FY2014 with an increase in gross profit margin due to higher margins recorded in the Group's Dormitory business and a marginal improvement in its Structural Steel business.

Corresponding to this, I am very pleased to report our net profit increased an impressive 47% to $21.8 million during the year.

In addition to our robust set of results, the Group's order book stood at $119.0 million as at 20 October 2014.

Further building up its track record in the sector, the Group clinched several large-scale commercial projects during the year. One of our more significant wins was the contract to supply, fabricate, and install superstructure steel structure works for Tanjong Pagar Centre, a landmark project set to be the tallest building in Singapore at 290 metres. We also secured contracts to fabricate and install structural steel for Mediapolis @ one-north, slated to be Singapore's new media hub; DUO, a mixed-use development at Rochor Road/Beach Road/Ophir Road; fixed gangways at Changi Airport Terminals 1 and 2; Tampines Town Hub, a project which comprises combined recreational, sporting, community and culture facilities under one roof; as well as to supply kingposts for the new State Courts complex at Havelock Square.

Outlook and Prospects

While FY2014 has been a good year for T T J, we note that costs are rising due to a hike in foreign worker levy and general inflationary pressure.

The competitive environment has become increasingly keen and the Group expects FY2015 to be a challenging year. Nevertheless, the Group will continue to actively pursue opportunities and submit bids for tenders both in the private and public sectors spanning a mix of commercial, industrial and institutional projects. The key growth drivers for these developments will stem from Singapore's expected population growth and the government's continued drive to enhance the living environment for its citizens as well as improve the country's infrastructure to stay competitive.

On Jurong Island, a number of upcoming projects have been announced such as an interagency Safety & Risk Management Centre (SRMC) to manage system-level risks for the petrochemicals industry and an LPG terminal venture to bring in an alternative feedstock for naphtha-fuelled crackers[1]. Also in the project pipeline is a second solution styrene-butadiene rubber (S-SBR) plant and, potentially, a styrene-isoprene-styrene (SIS) plant, both by Japan's Zeon Chemicals[2].

For 2015 and 2016, total construction demand is projected to be healthy at between $25–34 billion[3]. Given the labour supply constraints imposed by the government, these projects are expected to be rolled out at a measured pace.

Transportation projects are one of the major construction growth areas with the government planning to double the railway network by 2030 at a cost of over $60 billion. Several projects which we are currently anticipating include MRT projects: Thomson-East Coast Line and Changi Depot expansion, Cross Island Line and Jurong Region Line as well as the upcoming Eastern Region Line[4].

In relation to our Dormitory business, T T J participates actively in tendering for new dormitories, and though we would like to see this business grow, we will only do so at the right price.

Appreciation

Once again, I am thankful for the support you have shown the Group over the years, which has allowed us to thrive as a business. To thank you for your support and confidence in the Group, I am pleased to recommend a first and final cash dividend of 1.4 Singapore cents per share for FY2014, equivalent to a dividend payout ratio of 22.5%, which will be paid on 19 December 2014, subject to approval by shareholders at our AGM.

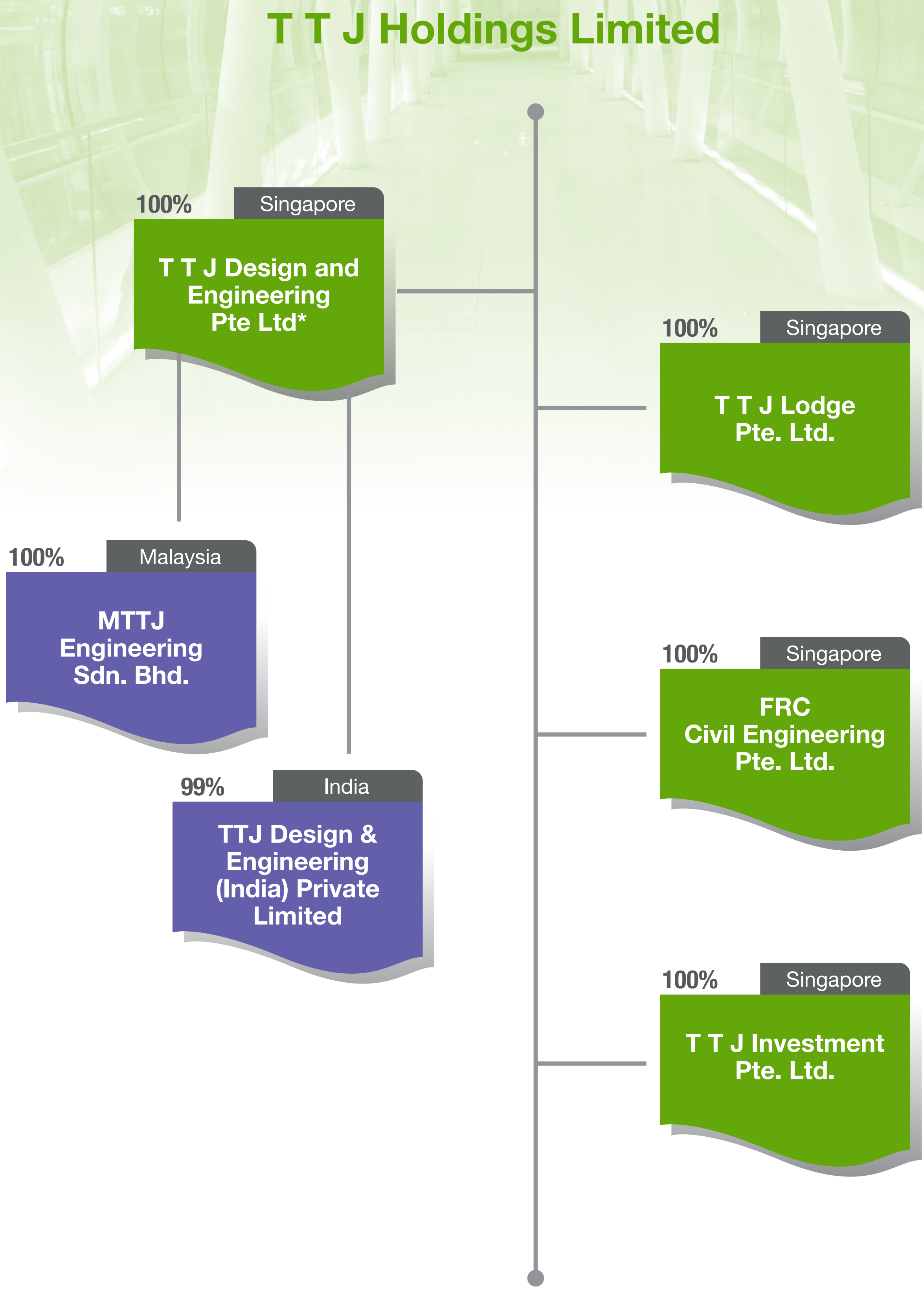
To our business partners, thank you for your trust in us and we will continue to work hard in partnership with you to achieve shared business goals. To our management and staff, your hard work and tenacity have helped grow this business and I am very grateful.

Finally, to my fellow Board members, thank you for your counsel, passion and commitment, and I look forward to harnessing the new opportunities and overcoming the new challenges that lie ahead. See you at the AGM!

Teo Hock Chwee
Chairman and Managing Director

[1] Business Times "2 more projects launched on Jurong Island", 15 May 2014
[2] Business Times "Japan's Zeon Chemicals to invest $450 million more on Jurong Island", 12 May 2014
[3] BCA Press Release "Construction Demand for 2014 to remain strong", 9 January 2014
[4] Straits Times "Work on Thomson Line gets in full swing", 28 June 2014

CORPORATE STRUCTURE

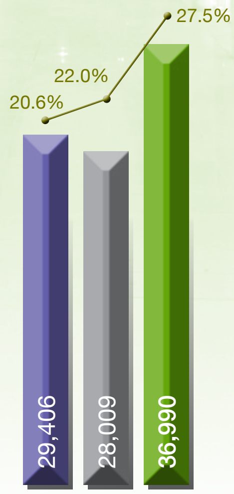


* The Group also has a Representative Office in Vietnam via our wholly owned subsidiary T T J Design and Engineering Pte Ltd

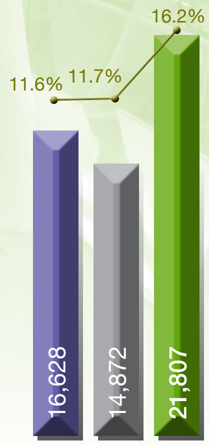
FINANCIAL HIGHLIGHTS AT A GLANCE

Revenue ($'000)

Gross Profit ($'000) and Margin (%)

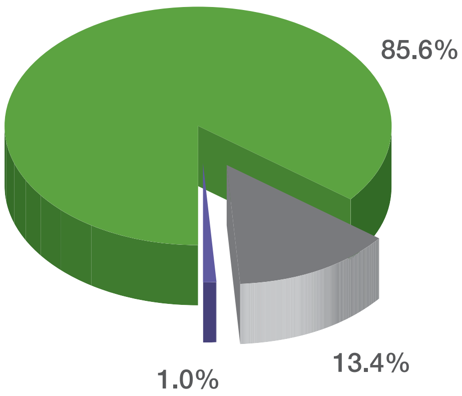


Net Profit ($'000) and Margin (%)



FY2012 FY2013 FY2014

FY2014 Revenue by Business Segment (%)

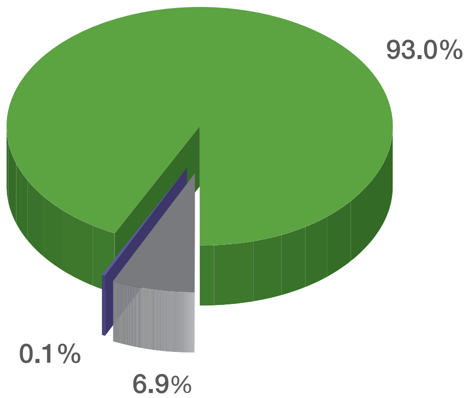


Structural Steel

Dormitory

Other

FY2014 Revenue by Geographical Market (%)



Singapore

Malaysia

India

OPERATING & FINANCIAL REVIEW

FY2014 in Review

Income Statement: Marked improvement in earnings

For the 12 months ended 31 July 2014 ("FY2014"), the Group reported a 6% increase in revenue to $134.7 million, as compared to $127.4 million in the previous financial year.

Revenue growth in FY2014 originated from both its Structural Steel business and Dormitory business. Revenue from the Group's Structural Steel business grew 3% to $115.3 million in FY2014 from $111.9 million in FY2013, mainly due to the substantial completion of contract works for a number of major industrial projects.

At the same time, revenue from T T J's Dormitory business increased 19.5% to $18.0 million in FY2014 from $15.1 million in FY2013 due to a rise in rental rates.

Supported by an improved revenue, gross profit of the Group rose 32% to $37.0 million in FY2014 with an increase in gross profit margin by 5.5 percentage points to 27.5% from 22.0% the year before. This was largely due to the higher margins recorded in the Group's Dormitory business and the marginal improvement in its Structural Steel business during the year.

Other credits increased by 8% from $1.8 million in FY2013 to $2.0 million in FY2014 due mainly to the reversal of allowance for impairment on trade receivables of $0.1 million. At the same time, administrative expenses of the Group increased by 4% from $11.7 million in FY2013 to $12.2 million in FY2014 due to an increase in staff related costs.

In contrast, finance costs decreased by 50%, from $0.4 million in FY2013 to $0.2 million in FY2014 resulting from the settlement of bank borrowings and lower utilisation of banking facilities during the year.

As compared to $0.1 million in FY2013, other charges recorded by the Group in FY2014 amounted to $0.3 million, which was mainly due to plant and equipment written off; an allowance for impairment of trade; and other receivables and bad debts written off.

In view of the above, the Group reported an improved profit before tax of $26.6 million in FY2014 as compared to $17.9 million in FY2013.

Financial Position and Cash Flows: Strong Financial Performance; Healthy Financial Position

During the year, T T J continued to maintain its strong financial performance with the Group's total assets rising 6.5% to $148.0 million in FY2014 from $138.9 million in FY2013. This was attributable to an increase in cash and cash equivalents and an increase in inventories, and offset by a decrease in trade and other receivables. As at 31 July 2014, total liabilities of the Group stood at $29.2 million, a 25.4% decrease from $39.1 million a year ago, mainly due to the repayment of bank borrowings and a decrease in trade and other payables.

At the same time, shareholders' equity improved 19.0% year-on-year to $118.7 million as at 31 July 2014, mainly due to an increase in the Group's retained earnings.

The Group further improved its healthy cash position during the year with net cash flows from operating activities rising 67.6% to $29.5 million in FY2014 from $17.6 million in FY2013.

FY2014 also saw the Group's net cash outflows in investing activities amount to $2.8 million, an increase of over 3.5 times mainly due to the increase in purchase of plant and equipment and other financial assets.

At the same time, the Group's net cash outflows in financing activities amounted to $10.4 million in FY2014, a 62.5% increase from $6.4 million in FY2013, mainly due to repayment of bank borrowings and payment of dividend.

Notwithstanding this, the Group's cash and cash equivalents remained at a strong $57.8 million as at 31 July 2014, representing an increase of $16.2 million, or 38.9%, compared to $41.6 million the year before.

Per Share Data

Based on a weighted average number of ordinary shares in issue of 349,800,000 in FY2014, the Group recorded a 46.6% increase in Earnings Per Share to 6.23 cents compared to 4.25 cents in FY2013, while Net Asset Value per share rose to 33.94 cents as at 31 July 2014 from 28.52 cents a year ago.

From 0.9 cents in FY2013, the Group raised its dividend per share to 1.4 cents in FY2014.

Segment Review

Revenue by Business Segment

In FY2014, the Group's Structural Steel business and Dormitory business contributed 85.6% and 13.4%, or $115.3 million and $18.0 million respectively to Group revenue. The remaining 1.0%, or $1.4 million, was derived from the Group's other business segment comprising mainly its training centre in India.

Revenue by Geographical Market

The Group derived $125.2 million and $9.3 million from Singapore and Malaysia, representing 93.0% and 6.9% of its FY2014 revenue respectively. The remaining 0.1% of its revenue was derived from India.

Key Projects: Ongoing and in the Pipeline

As at 20 October 2014, the Group has an order book of $119.0 million which it expects to deliver between FY2015 and FY2016.

Projects	Type
National Art Gallery	Roof and tree-like structures
Tuas West MRT Extension Depot	Building
MRT Downtown Line 2 and 3	Civil defence shelter doors
Tanjong Pagar Centre	Building
Mediapolis @ one-north	Building
DUO	Building
Yishun Community Hospital	Building
State Courts complex at Havelock Square	Kingposts
Changi Airport Terminals 1 and 2	Gangways
Tampines Town Hub	Building

BOARD OF DIRECTORS

Teo Hock Chwee

Chairman and Managing Director

Mr Teo, founder of the Group, has over 44 years of working experience of which almost 40 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 and the management of its dormitory business. At only 20 years of age, he formed a partnership trading under the name of Teo Contractor to engage in 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 33 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 CFO

Ms Chiong joined the Group in 2005 bringing with her vast experience in accounting and finance. She is responsible for the full spectrum of financial and taxation functions in the Group. 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, and from 1997 to 1999, she worked as an accounts executive for Sri Hartamas Buildings Sdn. Bhd. 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. Currently, he sits on the board of CASA Holdings Limited and 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 was appointed as a member of the advisory committee to the Singapore Food Manufacturers' Association in 2009. 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, and was its Company Secretary and Financial Controller until March 2005 when he reached the compulsory retirement age. Mr Leong currently sits on the Board of Zicom Group Limited, a company listed on the Australian Stock Exchange, and is co-opted a Member of the Board of Directors of the Children's Charities Association in 2012, prior to which he was the Honorary Treasurer for four years. 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 and the Institute of Singapore Chartered Accountants.

Elavarasu Somasundaram
Head of Operations

Mr Somasundaram is responsible for the overall operation department, project management and the business development of the Group. He joined the Group in 1992 and has, to date, 22 years of working experience with the Group, out of which 15 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 in India in 1988.

Hiroshi Utada
Head of Business Development

Mr Utada joined the Group in 2008 to head our marketing department and manages the marketing for domestic and overseas business development and corporate planning works. Prior to joining the Group, he held the position of managing director at TT Corporation (2005 to 2006) and NHJ Limited (2002 to 2005) in Japan respectively. From 1989 to 2002, Mr Utada was with Sojitz Corporation (both Japan and Singapore branches, formerly known as Nichimen Corporation), one of the leading general trading companies in Japan, where he was mainly involved in the steel trading and steel business for the construction industry before being tasked to develop Nichimen's steel business in this region. Mr Utada holds a Bachelor Degree in Economics from Yamaguchi University, Japan.

CORPORATE SOCIAL RESPONSIBILITY

At one of the various events held at T T J's Terusan Lodge I

With Corporate Social Responsibility ("CSR") becoming an integral part of the corporate world today, T T J is committed to achieving growth and progress in an economically, socially and environmentally responsible manner while balancing the diverse interests of our stakeholders, including employees, the community, customers and shareholders.

Commitment to Employees

Health & Safety

Having been awarded bizSAFE STAR certification by the Workplace Safety & Health Council, T T J continued to uphold our stellar workplace health and safety track record. We continued to conduct rigorous internal safety and training orientations for all new operational staff, part of a training programme that is made compulsory to help employees understand T T J's operations in a disciplined and standardised way. In addition, we also send existing staff for safety training courses on a regular basis as well as hold situational planning to fine-tune standard operating procedures in the event of an emergency. An example of this was a fire drill we conducted during the year that involved over 250 staff. In addition, our Terusan Lodge I dormitory also held a separate large-scale fire drill with approximately 3,000 occupants participating.

Training

Work ethics is a very important part of T T J's corporate culture and we continue to positively engage all of our employees to enhance workplace effectiveness and productivity and, just as importantly, workplace well-being. As part of these efforts, we send our staff for a leadership training retreat regularly to hone their capabilities and increase operational effectiveness at T T J. We are committed to providing our employees a meaningful career and opportunities for advancement at T T J, and as such, we also send them for regular skills upgrading programmes.

Employees Welfare

Our T T J Family Day is an annual highlight. We also organise company trips overseas to foster teamwork, closer working relationships and as a gesture of appreciation to our employees.

In FY2014, a staff fitness centre was set up to encourage better health and fitness amongst our collegues. In addition, professional fitness instructors were engaged to lead employees in Zumba dancing, and badminton and table tennis games were organised regularly. With over 40,000 songs loaded, a newly-installed Karaoke system has become a hit with staff.

Commitment to Community

Giving back to the community is very much part of the corporate culture at T T J and we believe that businesses should take a more proactive approach to augment the lives of people around us.

In FY2014, the T T J team was happy to volunteer our time and resources to spread cheer to children from low-income families at the Snow City Ice-cream Making Workshop. We also distributed hampers to households of elderly folks living in the central region of Singapore during Chinese New Year. In addition to these charity platforms, we also celebrated the Dumpling Festival with senior citizens living at the St. John's Home for Elderly Persons. As with past years, we carried on our tradition of organising a May Day celebration for the foreign workers residing at our dormitory, Terusan Lodge I, complete with performances by a variety of ethnic groups, lucky draws and various team building competitions. We also have celebrations during Chinese New Year, Deepavali and Christmas with them where we give away festive goodies. All these celebrations are a part of our commitment to integrate foreign workers into our culture and to make them feel at home in Singapore.

Commitment to Customers

Delivering quality work and customer satisfaction are two of the most important aspects of our work. Our excellent and proven track record has often led to referrals, new contacts and long-term working relationships.

T T J has won many awards for its work. In FY2014, we were awarded the Merit Award (Community or Residential Structures) by the Singapore Structural Steel Society ("SSSS") for our Dawson Sky Bridges project. In past years, we have won the SSSS Steel Design Award for the Henderson Waves and The Helix, both of which made it to the Forbes list of "The World's Most Incredible Bridges".

Safety comes first at T T J as many of our clients' projects are in the oil and gas, marine, petrochemical and power industries, as well as projects for the airport and MRT lines. These are sectors that require the utmost attention to safety, track record, quality and reliability – traits which T T J surpass. In line with the steel industry's efforts to increase quality standards and traceability of steel sources, all our steel products are certified and approved by BCA. In addition, the Group has processes in place that allow for quick tracking and verification of steel products such as struts and beams.

Commitment to Shareholders

Investor Relations

Information is of vital importance and we endeavour to aid our shareholders and potential investors to understand our business better as part of our corporate governance and transparency efforts. We disclose all relevant information in a transparent and timely manner while adhering closely to compliance rules. As part of keeping our shareholders and investors updated, we maintain an up-to-date investor relations section on our corporate website with financial and operational information including latest announcements, press releases and corporate materials. Our website also has a dedicated IR contact email address – ir@ttj.com.sg.

Our Annual General Meeting is also an important platform to meet with shareholders and clear any doubts or questions they may have about our business. In addition to our Board of Directors, members of our senior management team are also present to attend to shareholders' queries.

T T J's FY2014 results briefing for analysts and investors

At one of T T J's Zumba dance sessions conducted by professional instructors

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

Auditors
RSM Chio Lim LLP
8 Wilkie Road, #04-08, Wilkie Edge
Singapore 228095
Partner-in-charge: Paul Lee Seng Meng
Effective from year ended 31 July 2011

Share Registrar
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Registered Office
57 Pioneer Road
Singapore 628508

Corporate Website
www.ttj.com.sg

Company Registration Number
199204617M

The Board of Directors and Management are committed to maintaining a high standard of corporate governance by complying with the principles and guidelines of the revised Code of Governance 2012 (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 2013 and ended on 31 July 2014 ("FY2014") and provides the rationale for areas where the Company has deviated from the Code.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

In FY2014, the Board of Directors (the "Board") 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. 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'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 company to meet its objectives;

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

(c) review management performance;

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

(e) set the company'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. 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 control.

The Board currently holds at least four (4) scheduled meetings each year. It also holds additional meetings at such other times as may be necessary to address any specific significant matters that may arise. The agenda for meetings is prepared in consultation with the Group's Chairman and Managing Director ("MD"). Standing items include the management report, financial reports, strategic matters, governance, business risk issues and compliance. Executive Officers 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.

Board and Board Committee Meetings held in FY2014

For FY2014, the Board held six (6) meetings and the attendance of each Director at the Board and Board Committee meetings is as follows:

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)	6	6	4[(1)]	4[(1)]	1	1	2[(1)]	2[(1)]
Chiong Su Been (Executive Director and CFO)	6	6	4[(1)]	4[(1)]	1[(1)]	1[(1)]	2[(1)]	1[(1)]
Lim Yian Poh (Lead Independent Director)	6	6	4	4	1	1	2	2
Ling Chien Yien (Independent Director)	6	6	4	4	1	1	2	2
Leong Yee Yew (Independent Director)	6	6	4	4	1	1	2	2

Note:

(1) Attendance by invitation.

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 quarterly and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends.

On 30 November 2011, the shareholders of the Company approved the Company'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 6 months.

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 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.

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 Company'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. In addition, 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 receive 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.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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. The Board and the Nomination Committee (hereinafter referred to as "NC") consider a Director to be "independent" if he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Directors' independent business judgement with a view to 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 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.

Mr Lim Yian Poh and Mr Ling Chien Yien have served on the Board since 1996 and their independence has been subject to particularly rigorous review. The Board notes that Mr Lim Yian Poh and Mr Ling Chien Yien should be considered independent because they have been active during Board discussion 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 and Mr Ling Chien Yien have a wealth of experience from which the Management is happy to tap on (please refer to page 8 of this Annual Report for a more detailed write-up on the extensive experience and wealth of knowledge of Mr Lim Yian Poh and Mr Ling Chien Yien which the Group continues to leverage on) and they or their immediate family members have no business relationship at all with any of the other directors and they do not hold any shares in the Company. As such, the Board has established that both directors remain independent in character and judgement and there were no relationships with 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 continual basis, review the need for progressive refreshing of its Board.

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

- The Board and its Board Committees should comprise a sufficient number of Directors to fulfill its responsibilities and who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. 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 judgment 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 the management team through a robust exchange of ideas and views to help shape the Company'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 executive management in meeting the Group's agreed goals and objectives and ensuring that the strategies proposed by the executive 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 Directors' Report.

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 page 8 of this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Report. None of the Directors hold shares in the subsidiary of the Company.

Chairman and MD

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Group's Chairman and MD, Mr Teo Hock Chwee, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

The Chairman's role is to:

(a) lead the Board to ensure its effectiveness on 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 list of all the duties and responsibilities of a Chairman.

The Board has not appointed any Non-executive Chairman at this point. In view of the key position played by the Group's Chairman and MD, the Board has appointed Mr Lim Yian Poh as the Lead Independent Director to ensure that a channel of communication is always available to shareholders where they have concerns and for contact through normal channels of the Group's Chairman and MD or the Chief Financial Officer ("CFO") has failed to resolve or inappropriate. 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 and MD is the same person.

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.

All major decisions like substantial acquisitions, material contracts, acquisitions of banking facilities made by Chairman and MD are under the purview of review by the Audit Committee. His 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: There should be a formal and transparent process for the appointment and re-appointment of directors to 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 NC are all independent. The NC considers that the appointment of Mr Teo as a member is necessary in view of his close knowledge of the operation team members especially in the case of appointing Executive Officers, and his appointment will not compromise the independence of the NC.

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

(a) To make recommendations to the Board on the appointment of new Executive and Non-executive Directors, including making recommendations on the composition and progressive renewal of the Board and 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.

(b) To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.

(c) 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.

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

(e) 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 Company 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.

(f) To make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of seventy (70) years, where appropriate.

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

(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 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.

(j) To review of training and professional development programs for the Board.

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 existing Board's strength, capabilities and the existing Directors' contribution of skills, knowledge and experience 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 shall be released via SGXNET. In the event of cessation of appointment of any director or executive officer, the NC will conduct 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.

The NC has in place internal guidelines to address the conflict of competing time commitments of Directors serving on multiple boards. If a Director is on the board of other companies, the NC shall consider whether he/she has been able to devote adequate time and attention to the affairs of the Company. 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.

The current board members generally have not more than three directorships in other listed companies, which, in the opinion of the NC, means that they have sufficient energy and time to focus on the affairs of the Company. As such, the NC has currently not set a limit on the number of directors' directorships in other listed companies. The NC will however not rule out the requirement to set limits subsequently on its 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 Company and that they are able to satisfy their duties as directors to the Company.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. The Company's Articles and Association 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 Articles of Association 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 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 are set out below:

Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Listed Company	
			Present	Past Preceding 3 years
Teo Hock Chwee	28 August 1992	Not applicable[1]	T T J Holdings Limited	Nil
Chiong Su Been[2]	7 April 2008	30 November 2012	T T J Holdings Limited	Nil
Lim Yian Poh	5 July 1996	30 November 2012	T T J Holdings Limited Zicom Group Limited CASA Holdings Limited	Nil
Ling Chien Yien	5 July 1996	29 November 2013	T T J Holdings Limited	Nil
Leong Yee Yew[3]	11 January 2010	29 November 2013	T T J Holdings Limited Zicom Group Limited	Nil

Notes:

(1) In accordance with the Company's Articles of Association, the Group's Chairman and MD, Mr Teo Hock Chwee, is not subject to retirement by rotation while he is the Managing Director of the Company and continues to hold that position, and he shall not be taken into account in determining the rotation of retirement of Directors.

(2) Ms Chiong Su Been was last re-elected on 30 November 2012, therefore in accordance with the Company's Articles of Association, she will be subject to re-election at this forthcoming AGM.

(3) Mr Leong Yee Yew, having reached 70 years of age, will therefore in accordance with section 153(6) of the Companies Act (Cap. 50) of Singapore, be subject to re-election at this forthcoming AGM.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by the directors to the effectiveness of the Board.

The NC has established a process for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of 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, Board performance in relation to discharging its principal responsibilities. 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. Given the relatively small size of the Board, the Board and the NC are of the opinion that there is no need at present to conduct a separate formal assessment of the Board Committees other than the assessments being carried out in respect of individual Directors and the Board.

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 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.

With respect to FY2014 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.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors receive a regular supply of complete, adequate information in a timely manner from Management about the Group and 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 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 Company'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 the Company Secretary. The Company Secretary administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Articles of Association and relevant rules and regulations, including requirements of the Companies Act and the Singapore Exchange Securities Trading Limited ("SGX-ST") are complied with. The Company Secretary ensures that good information flows within the Board and its Board Committees and between Management and Non-executive Directors, advises the Board on all governance matters, as well as facilitates orientation and assists with professional development as required.

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

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

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

(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:

- 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. Director 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 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 and benefits-in-kind should be covered;

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

(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.

(v) the Executive Directors' and key management personnel's contracts of service contain fair and reasonable termination clauses which are not overly generous.

If necessary, the RC should seek expert advice inside and/or outside the Company on remuneration of all Directors.

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

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more for this purpose.

A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The Group's remuneration policy is to provide compensation packages appropriate to attract, retain and motivate the Directors and key personnel required to run the Group successfully.

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.

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 Company's performance, 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 Company's overall goals and objectives. None of the employees in the Company or any of its principal subsidiaries whose remuneration exceed S$150,000 during the year is a relative of a Director or Substantial Shareholder of the Company or any of its principal subsidiaries.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Details of remuneration paid to the Directors and the Company's top three (3) key executives[(1)] are set out below:

Remuneration Band and Name	Fees	Salary	Bonus	Others	Total
Directors who are paid between S$2,300,000 to S$2,400,000					
Mr Teo Hock Chwee	–	18%	81%	1%	100%
Directors who are paid between S$250,000 to S$350,000					
Ms Chiong Su Been	–	46%	46%	8%	100%
Directors who are paid below S$100,000					
Mr Lim Yian Poh[(2)]	100%	–	–	–	100%
Mr Ling Chien Yien[(3)]	100%	–	–	–	100%
Mr Leong Yee Yew[(4)]	100%	–	–	–	100%
Key Executives who are paid between S$250,000 to S$350,000					
Mr Hiroshi Utada	–	67%	7%	26%	100%
Mr Elavarasu Somasundaram	–	50%	40%	10%	100%
Mr Low Chee Yeen[(5)]	–	55%	6%	39%	100%

Notes:

(1) The Company only have three key executives in FY2014.

(2) Mr Lim Yian Poh's total remuneration for FY2014 in the form of Directors' fees amounts to S$50,000.

(3) Mr Ling Chien Yien's total remuneration for FY2014 in the form of Directors' fees amounts to S$45,000.

(4) Mr Leong Yee Yew's total remuneration for FY2014 in the form of Directors' fees amounts to S$45,000.

(5) Mr Low Chee Yeen has resigned from his employment and left the Group on 31 July 2014.

The detailed breakdown of the remuneration of the top executives of the Group is not disclosed in this Annual Report due to confidentiality and avoidance of poaching of the Company's staff. The Company is not disclosing the remuneration of the Executive Directors to the nearest thousand but in bands of S$100,000 for similar reasons.

(C) ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Our Company announces its financial results on a quarterly basis and other information via SGXNET in accordance with the requirement of SGX-ST. 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 monthly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management and Internal Control

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees the management in the design, implementation and monitoring of the 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 reviews regularly the adequacy and effectiveness of the Company'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 the Group's Chairman and MD and the CFO:

(a) 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 Company's risk management and internal controls system are 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 the management is adequate and effective to address financial, operational and compliance risks of the Group.

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.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") comprises of Independent Non-executive 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 their responsibilities. The AC will assist the Board in discharging their 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 Company. The AC will provide a channel of communication between the Board, Management and the external auditors of the Group on matters relating to audit.

The Board has approved the written terms of reference of the AC. Specifically, the AC's duties include the following:

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

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

(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, 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;

(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;

(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;

(f) review the co-operation given by the Company'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;

(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;

(k) review and ratify 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 on 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;

(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;

(r) review the adequacy and effectiveness of the internal audit function and ensuring that a clear reporting structure is in place between the AC and the internal auditors;

(s) review the Company's key financial risk areas; the outcome of the aforesaid reviews 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 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.

The AC is authorised to investigate 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 management to attend its meetings.

The AC has reviewed the Company'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 accounts 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 Company 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 Company has put in place the 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.

The Group's existing auditors, RSM Chio Lim LLP, have been the external auditors of the Group since 19 August 2002 and Mr Paul Lee Seng Meng is the current audit partner in charge effective from year ended 31 July 2011. During FY2014, the aggregate amount of fees paid to the external auditors was S$152,000 (exclusive of GST) with audit related work carried out by the external auditors amounting to fees of S$118,000 and non-audit related work carried out by the external auditors amounting to fees of S$34,000 (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 Company as required or desirable to properly discharge its responsibilities. The AC has full discretion to invite any Director or executive officer to its meetings and has the authority to conduct or authorise investigations into any matters within its scope of responsibilities.

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 Company's auditing obligations. The Company 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.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal auditors' primary line of reporting is to the AC Chairman although the internal auditors would also report administratively to the MD. The AC approves the hiring, removal, evaluation and compensation 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 Company's documents, records, properties and personnel, including access to the AC.

The AC also ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

The internal audit function 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 FY2014 and reported directly to the Audit Committee on its finding. There were no major internal control weaknesses highlighted by Paul Wan & Co. for the attention of Audit Committee for FY2014. The Audit Committee has reviewed Paul Wan & Co.'s report on internal controls and processes and is satisfied with the adequacy of the same. The Audit Committee will annually assess and ensure the adequacy of the internal audit function.

(D) SHAREHOLDERS

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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 ensures that shareholders have 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.

Whilst the Company currently does not allow corporations which provide nominee or custodial services to appoint more than two (2) proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies, the Company has allowed such shareholder(s) who hold shares through such corporation to attend its general meetings as observer(s).

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

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

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:

- annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the Annual Report includes all relevant information about the Group, including future developments and other disclosures required by the Companies Act and the relevant accounting standards;
- quarterly 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 analyst briefings for the Group's half-yearly and 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*, products information and profile of the Group.

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.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of the shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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. The Directors regard general meeting of the shareholders as an opportunity to communicated directly with shareholders and encourage greater shareholder participation.

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 fourteen (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 general meetings of shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees 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.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and makes these minutes available to shareholders upon their request.

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

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting to avoid "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

(E) DEALING IN SECURITIES

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

- Officers are not to deal in its securities during the period commencing two (2) weeks and one (1) month before the announcement of the Group's financial statements for quarterly and for the full year respectively, 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.

(F) 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 2014.

(G) 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. Save for the on-going interested person transactions disclosed below, no other interested person transaction was entered into during the financial year under review (excluding transactions less than S$100,000):

Name of interested person and nature of transactions	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000)
Provision of transport and crane services by Hup Hin Transport Co Pte Ltd to the Group[(1)]	S$2,929,000

Note:

(1) Chwee Cheng & Sons Pte Ltd is the controlling shareholder of Tat Hong Holdings Ltd and became a controlling shareholder of the Company with effect from 2 April 2012 under the definition of the SGX-ST Listing Rules. Hup Hin Transport Co Pte Ltd is a subsidiary of the Tat Hong Holdings Ltd. Following the sale of Hup HinTransport Co Pte Ltd by Tat Hong Holdings Ltd on 31 July 2014, Hup Hin Transport Co Pte Ltd has been ceased to be an interested person as defined in the SGX-ST Listing Rules.

The above transactions were conducted on an arm's length basis. We intend to continue to conduct such transactions with Hup Hin Transport Co Pte Ltd.

FINANCIAL REPORTS

The directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the reporting year ended 31 July 2014.

1 Directors at Date of Report

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

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

2 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 any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except as mentioned below.

3 Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the reporting year had no interests in the share capital of the Company and related corporations 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:

	Number of shares of no par value		
	Direct interest		
Name of directors	As at 1 August 2013	As at 31 July 2014	As at 21 August 2014
Teo Hock Chwee	137,500,000	157,500,000	157,500,000
Chiong Su Been	1,115,000	1,115,000	1,115,000

	Number of shares of no par value		
	Deemed interest		
Name of director	As at 1 August 2013	As at 31 July 2014	As at 21 August 2014
Teo Hock Chwee	97,000,000	77,000,000	77,000,000

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

4 Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5 Options to Take Up Unissued Shares

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.

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 Scheme, selected directors and full-time employees of the Group are eligible to participate in the Scheme. Controlling shareholders of 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.

However, during the reporting year, no option to take up unissued shares of the Company or any subsidiary was granted.

6 Share Options

During the reporting year, there were no shares of the Company or any subsidiary 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 of the Company or any subsidiary under option.

7 Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

8 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 carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the consolidated financial statements of the Group and the financial statements of the Company prior to their submission to the directors of the Company for adoption; and
- the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

The Audit Committee also undertook a review of all non-audit services provided by RSM Chio Lim LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

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

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

9 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 Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 July 2014.

10 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 25 September 2014, 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

3 October 2014

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 July 2014 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the reporting year then ended; and

(b) at the date of this 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.

On Behalf of the Directors

Teo Hock Chwee
Director

Chiong Su Been
Director

3 October 2014

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 2014, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore 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 statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

3 October 2014

Partner-in-charge of audit: Paul Lee Seng Meng
Effective from year ended 31 July 2011

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2014

	Notes	Group 2014 $'000	Group 2013 $'000
Revenue	5	134,679	127,388
Cost of Sales		(97,689)	(99,379)
Gross Profit		36,990	28,009
Other Items of Income			
Interest Income	6	267	219
Other Credits	7	1,978	1,832
Other Items of Expense			
Administrative Expenses	8	(12,170)	(11,747)
Finance Costs	10	(182)	(367)
Other Charges	7	(325)	(87)
Profit Before Tax from Continuing Operations		26,558	17,859
Income Tax Expense	11	(4,751)	(2,987)
Profit from Continuing Operations, Net of Tax		21,807	14,872
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax		250	(14)
Available-for-Sale Financial Assets, Net of Tax			
– Fair Value Gains / (Losses)		79	(26)
– Reclassification		(11)	–
Other Comprehensive Income / (Loss) for the Year, Net of Tax:		318	(40)
Total Comprehensive Income		22,125	14,832
Profit Attributable to Owners of the Parent, Net of Tax		21,806	14,871
Profit Attributable to Non-Controlling Interests, Net of Tax		1	1
Profit Net of Tax		21,807	14,872
Total Comprehensive Income Attributable to Owners of the Parent		22,124	14,831
Total Comprehensive Income Attributable to Non-Controlling Interests		1	1
Total Comprehensive Income		22,125	14,832
Earnings Per Share			
Earnings per Share Currency Unit		**Cents**	**Cents**
Basic and Diluted	13	6.23	4.25

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	14	21,865	21,818	–	–
Investment Property	15	5,963	8,430	–	–
Investments in Subsidiaries	16	–	–	6,440	6,440
Other Receivables	17	–	–	2,062	–
Other Financial Assets	18	1,866	481	1,085	208
Total Non-Current Assets		29,694	30,729	9,587	6,648
Current Assets					
Inventories	19	5,806	2,764	–	–
Trade and Other Receivables	20	53,975	62,560	11,774	1,283
Other Assets	21	403	469	28	22
Cash and Cash Equivalents	22	58,082	42,386	12,781	19,843
Total Current Assets		118,266	108,179	24,583	21,148
Total Assets		147,960	138,908	34,170	27,796
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Parent					
Share Capital	23	22,998	22,998	22,998	22,998
Retained Earnings		96,137	76,379	8,913	3,005
Other Reserves	25	(397)	385	76	524
Equity, Attributable to Owners of the Parent		118,738	99,762	31,987	26,527
Non-Controlling Interests		3	2	–	–
Total Equity		118,741	99,764	31,987	26,527
Non-Current Liabilities					
Deferred Tax Liabilities	11	1,395	1,363	–	–
Finance Leases	27	–	89	–	–
Other Financial Liabilities	26	–	2,838	–	–
Total Non-Current Liabilities		1,395	4,290	–	–
Current Liabilities					
Income Tax Payable		4,391	3,075	2	21
Trade and Other Payables	28	21,677	25,947	2,181	1,248
Finance Leases	27	–	57	–	–
Other Financial Liabilities	26	720	4,876	–	–
Other Liabilities	29	1,036	899	–	–
Total Current Liabilities		27,824	34,854	2,183	1,269
Total Liabilities		29,219	39,144	2,183	1,269
Total Equity and Liabilities		147,960	138,908	34,170	27,796

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JULY 2014

Group	Total Equity $'000	Attributable to Parent Sub-total $'000	Share Capital $'000	Retained Earnings $'000	Other Reserves (Note 25) $'000	Non-Controlling Interests $'000
Current Year:						
Opening Balance at 1 August 2013	99,764	99,762	22,998	76,379	385	2
Movements in Equity:						
Total Comprehensive Income for the Year	22,125	22,124	–	21,806	318	1
Transfer of Share-Based Payments Reserve to Retained Earnings (Note 25B)	–	–	–	1,100	(1,100)	–
Dividends Paid (Note 12)	(3,148)	(3,148)	–	(3,148)	–	–
Closing Balance at 31 July 2014	118,741	118,738	22,998	96,137	(397)	3
Previous Year:						
Opening Balance at 1 August 2012	87,544	87,542	23,054	64,307	181	2
Movements in Equity:						
Total Comprehensive Income for the Year	14,832	14,831	–	14,871	(40)	1
Acquisition of Non-Controlling Interests without a Change in Control	–	1	–	1	–	(1)
Purchase of Treasury Shares (Note 23)	(56)	(56)	(56)	–	–	–
Share-Based Payments (Note 24)	244	244	–	–	244	–
Dividends Paid (Note 12)	(2,800)	(2,800)	–	(2,800)	–	–
Closing Balance at 31 July 2013	99,764	99,762	22,998	76,379	385	2

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

Company	Total Equity $'000	Share Capital $'000	Retained Earnings $'000	Other Reserves (Note 25) $'000
Current Year:				
Opening Balance at 1 August 2013	26,527	22,998	3,005	524
Movements in Equity:				
Total Comprehensive Income for the Year	8,608	–	8,549	59
Transfer of Share-Based Payments Reserve to Retained Earnings (Note 25B)	–	–	507	(507)
Dividends Paid (Note 12)	(3,148)	–	(3,148)	–
Closing Balance at 31 July 2014	31,987	22,998	8,913	76
Previous Year:				
Opening Balance at 1 August 2012	25,192	23,054	1,765	373
Movements in Equity:				
Total Comprehensive Income for the Year	4,057	–	4,040	17
Purchase of Treasury Shares (Note 23)	(56)	(56)	–	–
Share-Based Payments (Note 24)	134	–	–	134
Dividends Paid (Note 12)	(2,800)	–	(2,800)	–
Closing Balance at 31 July 2013	26,527	22,998	3,005	524

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 JULY 2014

	Group	
	2014	2013
	$'000	$'000
Cash Flows From Operating Activities		
Profit Before Tax	26,558	17,859
Adjustments for:		
Interest Expense	182	367
Interest Income	(267)	(219)
Depreciation of Investment Property	2,467	2,468
Depreciation of Property, Plant and Equipment	1,882	1,810
Dividend Income	(19)	–
Gain on Disposal of Available-for-Sale Financial Assets	(62)	(30)
Gain on Disposal of Plant and Equipment	(29)	(79)
Plant and Equipment Written Off	148	14
Share-Based Payments	–	244
Operating Cash Flows before Changes in Working Capital	30,860	22,434
Cash Restricted in Use Over Three Months	477	293
Trade and Other Receivables	8,936	2,729
Inventories	(3,041)	(2,329)
Trade and Other Payables	(4,366)	(1,942)
Net Cash Flows from Operations	32,866	21,185
Income Taxes Paid	(3,496)	(3,781)
Income Taxes Refund	103	156
Net Cash Flows From Operating Activities	29,473	17,560
Cash Flows From Investing Activities		
Cash Restricted in Use Over Three Months	2	–
Purchase of Property, Plant and Equipment (Note 22B)	(1,875)	(1,028)
Purchase of Other Financial Assets	(2,196)	(1,155)
Proceeds from Disposal of Property, Plant and Equipment	29	734
Proceed from Disposal of Other Financial Assets	957	678
Interest Received	267	219
Net Cash Flows Used In Investing Activities	(2,816)	(552)
Cash Flows From Financing Activities		
Repayments of Borrowings	(3,252)	(451)
Decrease in Bills Payables	(3,691)	(2,215)
Finance Leases Repayments	(143)	(541)
Interest Paid	(182)	(367)
Dividend Paid to Equity Owners	(3,148)	(2,800)
Purchase of Treasury Shares	–	(56)
Net Cash Flows Used in Financing Activities	(10,416)	(6,430)
Net Increase in Cash and Cash Equivalents	16,241	10,578
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	41,599	30,908
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(68)	113
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 22A)	57,772	41,599

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 dollars 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.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

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 in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are 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, including income, expenses and cash flows are eliminated on consolidation. The consolidated financial statements include the income and expenses of a subsidiary from the date the entity gains control until the date when the entity ceases to control the subsidiary. Income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

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 available-for-sale financial assets in accordance with FRS 39.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Rental revenue 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 is recognised using the effective interest method. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts (see below).

Construction Contracts – Revenues and Results

When the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method except where this would not be representative of the stage of completion. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The work-in-progress projects have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

2. SUMMARY OF 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 agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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.

Share-Based Compensation

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares. This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

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 difference, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Foreign 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 consolidated 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 the 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 entity.

Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis 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:

Leasehold properties and improvements	–	Over the terms of lease that are from 1.67% to 3.33%
Leasehold land	–	Over the terms of lease that is 3.33%
Plant, fixtures and equipment	–	10% to 33.3%

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

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. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and 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.

Investment Property

Investment property is property owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs, the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once yearly by management. The annual rate of depreciation is 13% over the terms of the lease.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company'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.

Business Combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Non-Controlling Interests

The non-controlling interests in the net assets and net results of consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. 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.

2. SUMMARY OF 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 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.

Inventories

Inventories are measured at the lower of cost (first in first out 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.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading available-for-sale financial assets reserve. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against available-for-sale financial assets reserve and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair Value Measurement

Fair value is taken to be 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 (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value Measurement (Cont'd)

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

Equity

Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Allowance for doubtful trade accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Construction contracts:
On construction contracts, revenues are recorded on the stage of completion basis. The stage of completion is determined by dividing the cumulative costs incurred as at the end of reporting year by the sum of incurred costs and anticipated costs for completing a contract. The stage of completion is then applied to the contract value to determine the cumulative revenue earned. This method of revenue recognition requires management to prepare cost estimates to complete contracts in progress, and in making such estimates, judgements are required to evaluate contingencies such as potential variances in scheduling, cost of materials, labour costs and productivity, the impact of change orders or liability claims. All known or anticipated losses based on these estimates are provided for in their entirety without regard to the stage of completion. Estimated revenues on contracts include future revenues from claims when such additional revenues can be reliably established. These estimates are based on management's business practices as well as its historical experience, and management regularly reviews underlying estimates of project profitability. The related amounts are disclosed in Notes 5 and 20A.

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for 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 class of assets at the end of the reporting year affected by the assumption is $6,422,000 (2013: $6,661,000).

Term of lease of leasehold property:
The annual rates of depreciation for leasehold properties are charged over the terms of the respective leases. There is leasehold property with carrying value of $5,474,000 (2013: $5,609,000) with a lease term of 30 years and with an option to renew for a further 30 years. The leasehold property has been depreciated on the assumption that the Group will exercise the option to extend the lease by another 30 years.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The ultimate controlling party is Mr Teo Hock Chwee.

3.1 Related companies:

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed 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.

3.2 Related parties other than related companies:

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 are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise. The transactions were not significant.

3.3 Key management compensation:

	2014 $'000	2013 $'000
Salaries and other short-term employee benefits	3,782	2,989
Share-based payments	–	244
	3,782	3,233

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

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3.3 Key management compensation (cont'd):

	2014 $'000	2013 $'000
Remuneration of directors of the Company	2,716	1,958
Fees to directors of the Company	140	140
	2,856	2,098

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

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

3.4 Other receivables from and other payables to related parties:

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.

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

	Company Subsidiaries	
	2014 $'000	2013 $'000
Other receivables:		
Balance at beginning of the year	971	10,768
Amounts paid out and settlement of liabilities on behalf of another party	8,633	4
Amounts paid in and settlement of liabilities on behalf of the Company	(3,588)	(9,801)
Balance at end of the year	6,016	971

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 FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management purposes the reporting entity is organised in two primary strategic operating segments. The Group's principal segments relate to those of a structural steel specialists and provision of service dormitories for foreigners. 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 defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (Cont'd)

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 summary of 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.

4B. Profit or Loss from Continuing Operations and Reconciliations

	Structural steel $'000	Dormitory $'000	Other $'000	Adjustments and eliminations $'000	Group $'000
Continuing Operations					
2014					
Revenue by Segment					
Sales to external parties	115,250	18,037	1,392	–	134,679
Inter-segment sales	–	1,144	2,981	(4,125)	–
Total revenue	115,250	19,181	4,373	(4,125)	134,679
Recurring EBITDA	16,455	13,599	768	–	30,822
Depreciation	(1,697)	(2,571)	(81)	–	(4,349)
Finance costs	(182)	–	–	–	(182)
Interest income	54	48	165	–	267
Profit before tax from continuing operations	14,630	11,076	852	–	26,558
Income tax expenses					(4,751)
Profit from continuing operations					21,807

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Profit or Loss from Continuing Operations and Reconciliations (Cont'd)

	Structural steel $'000	Dormitory $'000	Other $'000	Adjustments and eliminations $'000	Group $'000
Continuing Operations					
2013					
Revenue by Segment					
Sales to external parties	111,852	15,096	440	–	127,388
Inter-segment sales	–	927	2,625	(3,552)	–
Total revenue	111,852	16,023	3,065	(3,552)	127,388
Recurring EBITDA	11,267	10,888	130	–	22,285
Depreciation	(1,674)	(2,577)	(27)	–	(4,278)
Finance costs	(367)	–	–	–	(367)
Interest income	71	31	117	–	219
Profit before tax from continuing operations	9,297	8,342	220	–	17,859
Income tax expenses					(2,987)
Profit from continuing operations					14,872

4C. Assets and Reconciliations

	Structural steel $'000	Dormitory $'000	Other $'000	Unallocated $'000	Group $'000
2014					
Total assets for reportable segments	111,964	15,028	20,912	–	147,904
Unallocated:					
Tax recoverable	–	–	–	56	56
Total Group assets	111,964	15,028	20,912	56	147,960
2013					
Total assets for reportable segments	99,963	18,343	20,541	–	138,847
Unallocated:					
Tax recoverable	–	–	–	61	61
Total Group assets	99,963	18,343	20,541	61	138,908
Expenditure for non-current assets:					
2014	2,105	3	80	–	2,188
2013	905	5	204	–	1,114

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4D. Liabilities and Reconciliations

	Structural steel $'000	Dormitory $'000	Other $'000	Unallocated $'000	Group $'000
2014					
Total liabilities for reportable segments	17,122	4,056	2,255	–	23,433
Unallocated:					
Income tax payable	–	–	–	4,391	4,391
Deferred tax liabilities	–	–	–	1,395	1,395
Total Group liabilities	17,122	4,056	2,255	5,786	29,219
2013					
Total liabilities for reportable segments	29,613	3,729	1,364	–	34,706
Unallocated:					
Income tax payable	–	–	–	3,075	3,075
Deferred tax liabilities	–	–	–	1,363	1,363
Total Group liabilities	29,613	3,729	1,364	4,438	39,144

4E. Geographical Information

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the services.

	Revenue	
	2014 $'000	2013 $'000
Singapore	125,236	126,148
Malaysia	9,298	800
India	145	440
Total continuing operations	134,679	127,388

	Non-current assets other than financial instruments	
	2014 $'000	2013 $'000
Singapore	14,194	16,810
Malaysia	13,392	13,193
India	242	245
Total continuing operations	27,828	30,248

Revenues are attributed to countries on the basis of the project's location. The non-current assets are analysed by the geographical area in which the assets are located.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

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.

	2014 $'000	2013 $'000
Top 1 customer	14,396	24,969
Top 2 customers	28,508	44,964
Top 3 customers	NA	61,315

NA – not applicable

5. REVENUE

	Group	
	2014 $'000	2013 $'000
Amount recognised from construction contracts	115,250	111,852
Rental and service income - dormitories	18,037	15,096
Others	1,392	440
	134,679	127,388

6. INTEREST INCOME

	Group	
	2014 $'000	2013 $'000
Interest income	267	219

7. OTHER CREDITS AND (OTHER CHARGES)

	Group 2014 $'000	Group 2013 $'000
Allowance for impairment on other receivables	(77)	–
Allowance for impairment on trade receivables – (loss) / reversal	(36)	148
Bad debts written off trade receivables	(25)	(19)
Back charges to subcontractors	385	41
Foreign exchange adjustments losses	(26)	(54)
Gain on disposal of available-for-sale financial assets	51	30
Gain on available-for-sale financial assets reclassified from equity to profit or loss as a reclassification adjustment, net	11	–
Gain on disposal of property, plant and equipment	29	79
Government grants	161	119
Inventories written off	(13)	–
Plant and equipment written off	(148)	(14)
Rental income	33	42
Scrap income	999	892
Other income	309	481
Net	1,653	1,745
Presented in profit or loss as:		
Other Credits	1,978	1,832
Other Charges	(325)	(87)
Net	1,653	1,745

8. ADMINISTRATIVE EXPENSES

The major component mainly consist of employee benefits expense.

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2014 $'000	2013 $'000
Employee benefits expense	25,287	23,103
Contributions to defined contribution plans	988	960
Share-based payments (Note 25B)	–	244
Total employee benefits expense	26,275	24,307
The employee benefits expense is charged as follows:		
Cost of sales	17,370	15,761
Administrative expenses	8,905	8,546
Total employee benefits expense	26,275	24,307

10. FINANCE COSTS

	Group	
	2014 $'000	2013 $'000
Interest expense	182	367

11. INCOME TAX

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

	Group	
	2014 $'000	2013 $'000
Current tax expense:		
Current tax expense	4,796	2,999
Over adjustments in respect of prior periods	(82)	(4)
Subtotal	4,714	2,995
Deferred tax expense:		
Deferred tax expense	23	114
Under / (over) adjustments in respect of prior periods	14	(122)
Subtotal	37	(8)
Total income tax expense	4,751	2,987

11. INCOME TAX (CONT'D)

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

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is situated. 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% (2013: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2014 $'000	2013 $'000
Profit before tax	26,558	17,859
Income tax expense at the above rate	4,515	3,036
Not deductible items	671	534
Enhanced tax deductions and allowances	(313)	(330)
Deferred tax assets not provided for	–	(6)
Tax exemptions and tax rebates	(120)	(140)
Effect of different tax rates in different countries	35	30
Over adjustments to tax in respect of prior periods	(68)	(126)
Other minor items less than 3% each	31	(11)
Total income tax expense	4,751	2,987

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

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

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

	Statements of financial position		Net change recognised in profit or loss	
Group	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Deferred tax (liabilities) / assets:				
Excess of net book value of plant and equipment over tax values	(1,458)	(1,471)	(21)	(102)
Other timing differences	58	74	(16)	100
Foreign exchange adjustment differences	5	34	–	–
Net total of deferred tax liabilities	(1,395)	(1,363)	(37)	(2)
Less: Deferred tax assets not provided for	–	–	–	(6)
Net total of deferred tax liabilities	(1,395)	(1,363)	(37)	(8)

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

	Group and Company	
	2014 $'000	2013 $'000
Final tax exempt (one-tier) dividend paid of 0.9 cents (2013: 0.8 cents) per share	3,148	2,800

In respect of the current reporting year, the directors propose that a final dividend of 1.4 cents per share with a total of $4,897,000 be paid to shareholders after the Annual General Meeting to be held on 28 November 2014. 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 the 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	
	2014 $'000	2013 $'000
Numerators: earnings attributable to equity:		
Profit for the year attributable to equity holders	21,806	14,871
	'000	'000
Denominators: weighted average number of equity shares		
Basic	349,800	349,981
Earnings per share - cents	6.23	4.25

The weighted average number of equity shares refers to shares in circulation during the reporting period. It is after the neutralisation of 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 financial year.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Constructions work-in-progress $'000	Leasehold properties and improvements $'000	Leasehold land $'000	Plant, fixtures and equipment $'000	Total $'000
Cost:					
At 1 August 2012	85	13,669	4,908	19,640	38,302
Foreign exchange adjustments	–	(11)	(4)	(11)	(26)
Additions	136	150	–	828	1,114
Reclassification	(221)	83	–	138	–
Disposals	–	(106)	–	(1,089)	(1,195)
At 31 July 2013	–	13,785	4,904	19,506	38,195
Foreign exchange adjustments	–	(42)	(41)	(61)	(144)
Additions	–	769	–	1,419	2,188
Disposals	–	–	–	(521)	(521)
At 31 July 2014	–	14,512	4,863	20,343	39,718
Accumulated depreciation:					
At 1 August 2012	–	2,809	459	11,838	15,106
Foreign exchange adjustments	–	(2)	(2)	(12)	(16)
Depreciation for the year	–	274	100	1,436	1,810
Disposals	–	(106)	–	(417)	(523)
At 31 July 2013	–	2,975	557	12,845	16,377
Foreign exchange adjustments	–	(3)	(4)	(26)	(33)
Depreciation for the year	–	310	97	1,475	1,882
Disposals	–	–	–	(373)	(373)
At 31 July 2014	–	3,282	650	13,921	17,853
Net book value:					
At 1 August 2012	85	10,860	4,449	7,802	23,196
At 31 July 2013	–	10,810	4,347	6,661	21,818
At 31 July 2014	–	11,230	4,213	6,422	21,865

The depreciation expense is charged as follows:

	Group 2014 $'000	Group 2013 $'000
Cost of sales	1,527	1,494
Administrative expenses	355	316
Total	1,882	1,810

The leasehold land is for the land in Malaysia for a factory.

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The property, plant and equipment are not pledged as security for liabilities.

The leasehold properties as at 31 July 2014 are as follows:

	Location	Description	Approximate Land Area (sq m)/ Size	Tenure
(a)	57 Pioneer Road Singapore 628508	Office and factory	17,000	30 years leasehold commencing from 16 November 1994 and an option to renew for a further period of 30 years
(b)	PLO 522, Jalan Keluli 7, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia	Office and factory	86,198	60 years leasehold commencing 8 October 1997

15. INVESTMENT PROPERTY

	Group	
	2014 $'000	2013 $'000
At cost:		
At beginning and end of the year	18,916	18,916
Accumulated depreciation:		
At beginning of the year	10,486	8,018
Depreciation for the year	2,467	2,468
At end of the year	12,953	10,486
Net book value:		
At beginning of the year	8,430	10,898
At end of the year	5,963	8,430
Fair value for disclosure purposes only:		
Fair value at end of the year (Level 3)	22,272	22,880

15. INVESTMENT PROPERTY (CONT'D)

The investment property is described as follows:

Location	Description	Approximate Land Area (sq m)/ Size	Tenure
Terusan Lodge I 5A Jalan Papan, Singapore 619406	Dormitory	20,291	14 January 2008 to 12 January 2017

The fair value of the investment property for disclosure purpose was measured in July 2014. The fair value is based on a valuation made by management at least once yearly. There has been no change to the valuation technique during the year. 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.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

Valuation technique for recurring fair value measurement: Discounted cash flow method

Significant unobservable inputs and range:

1. Estimated discount rate using post-tax rate that reflect current market assessments at the risks specific to the property.
   11.1% (2013: 11.1%).
2. Growth rates based on industry growth forecasts. Changes in rental rates and occupancy rates are based on past practices and expectations of future changes in the market.
   -8.0% to 4.0% (2013: -10.0% to 5.0%).
3. Cash flow forecasts derived from the most recent financial budgets and plans approved by management.
   2.5 years (2013: 3.5 years).

Inter-relationship between key unobservable inputs and fair value measurement:

The estimated fair value would increase (decrease) if:
1. Expected market rental growth was higher (lower)
2. The occupancy rate was higher (lower)

	Group 2014 $'000	Group 2013 $'000
Rental and service income from investment property	18,037	14,915
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	5,084	4,823

15. INVESTMENT PROPERTY (CONT'D)

The depreciation expense is charged under cost of sales.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

The investment property is leased out under operating leases. Also see Note 35 on operating lease income commitments.

The investment property is not pledged as security for liabilities.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Unquoted equity shares, at cost	6,440	6,440
Net book value of subsidiaries	98,444	83,265

The subsidiaries held by the Company and the Group are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Cost in Books of Company		Effective Percentage of Equity Held	
	2014 $'000	2013 $'000	2014 %	2013 %
T T J Design and Engineering Pte Ltd [(a)] Singapore Engineering and construction contractors	5,420	5,420	100	100
FRC Civil Engineering Pte. Ltd. [(a)] Singapore Lodging and boarding houses and other investment holding company	520	520	100	100
T T J Lodge Pte. Ltd. [(a)] Singapore Operation of dormitory	500	500	100	100
T T J Investment Pte. Ltd. [(a)] Singapore Dormant	–*	–*	100	100
	6,440	6,440		

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Cost in Books of Company 2014 $'000	Cost in Books of Company 2013 $'000	Effective Percentage of Equity Held 2014 %	Effective Percentage of Equity Held 2013 %
Held through T T J Design and Engineering Pte Ltd				
MTTJ Engineering Sdn. Bhd. [(b)]	4,709	2,758	100	100
Malaysia				
Metal fabrication and general engineering				
(SQM Chartered Accountants, Malaysia)				
TTJ Design & Engineering (India) Private Limited [(c)]	220	220	99	99
India				
Engineering and construction contractors / Operation of testing centre				
(Suresh Surana & Associates Chartered Accountants)				

* 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.

17. OTHER RECEIVABLES, NON-CURRENT

	Company 2014 $'000	Company 2013 $'000
Loan receivable from subsidiary (Note 3)	2,062	–
Movements during the year:		
Balance at beginning of the year	–	–
Additions	3,000	–
Settlements	(188)	–
Reclassified as current	(750)	–
Balance at end of the year	2,062	–

The agreement for the loan receivable provides that it is with fixed interest of 2.35% and is repayable by equal quarterly instalments over 4 years from March 2014. The carrying amount is a reasonable approximation of fair value (Level 3). The amount was not past due.

18. OTHER FINANCIAL ASSETS

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Investments available-for-sale at fair value through other comprehensive income:				
Quoted investment in gold certificates	781	273	–	–
Quoted equity shares in corporations	1,085	208	1,085	208
Balance at end of the year	1,866	481	1,085	208
Movements during the year:				
Fair value at beginning of the year	481	–	208	–
Additions	2,212	1,155	1,713	839
Disposals	(895)	(648)	(895)	(648)
Gain on disposal included in profit or loss under other credits	(11)	–	(11)	–
Increase / (decrease) in fair value through other comprehensive income	79	(26)	70	17
Fair value at end of the year	1,866	481	1,085	208

The fair value of the investments is based on bid prices in an active market at the end of the reporting year.

18A. Disclosures relating to investments

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

	2014 $'000	2013 $'000	2014 %	2013 %
Group				
Quoted investment in gold certificates - Singapore	781	273	42	57
Quoted equity shares in corporations				
Financial services industry - Singapore	982	–	53	–
Property industry - Singapore	103	208	5	43
Total investments	1,866	481	100	100
Company				
Quoted equity shares in corporations				
Financial services industry - Singapore	982	–	91	–
Property industry - Singapore	103	208	9	100
Total investments	1,085	208	100	100

Sensitivity analysis: The effect is not significant.

19. INVENTORIES

	Group 2014 $'000	Group 2013 $'000
Raw materials	598	813
Consumables	296	279
Fabricated materials	4,912	1,672
	5,806	2,764
Included in cost of sales:		
Raw materials and consumable used	33,707	41,456

There are no inventories pledged as security for liabilities.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables:				
Outside parties	11,369	10,672	–	–
Less: allowance for impairment	(36)	–	–	–
Subsidiaries (Note 3)	–	–	1,258	298
Accrued contract revenue	4,849	2,121	–	–
Subtotal	16,182	12,793	1,258	298
Construction contracts:				
Due from customers on construction contracts (Note 20A)	17,332	40,816	–	–
Retention monies on construction contracts (Note 20A)	13,371	8,577	–	–
Subtotal	30,703	49,393	–	–
Other receivables:				
Subsidiaries (Note 3) #a	–	–	3,954	971
Deposits to secure services	369	252	–	–
Other receivables #b	6,742	61	6,562	14
Less: allowance for impairment	(77)	–	–	–
Tax recoverable	56	61	–	–
Subtotal	7,090	374	10,516	985
Total trade and other receivables	53,975	62,560	11,774	1,283

#a Includes loans of $3,930,000 (2013: $950,000) with fixed interest ranging from 2.10% to 2.35% (2013: with floating interest rate ranging from 2.12% to 2.13%). The loans are repayable on demand except for $750,000 (2013: $Nil) which is repayable by equal quarterly instalments. These amounts are not past due.

#b Includes refundable tender deposits of $6,543,000 (2013: $Nil).

20. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Movements in above allowance:				
Balance at beginning of the year	–	315	–	–
Charge / (reversed) for trade receivable to profit or loss included in other charges / (credits)	36	(148)	–	–
Charge for other receivable to profit or loss included in other charges	77	–	–	–
Used / bad debts written off	–	(167)	–	–
Balance of end of the year	113	–	–	–

20A. Contracts Work-In-Progress Comprises:

	Group 2014 $'000	Group 2013 $'000
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date on uncompleted contracts	113,836	167,202
Less progress payments received and receivable to date	(97,540)	(127,285)
Net amount due from contract customers at end of the year	16,296	39,917
Included in the accompanying statements of financial position as follows:		
As an asset under trade receivables (Note 20)	17,332	40,816
As a liability under other liabilities (Note 29)	(1,036)	(899)
	16,296	39,917
Construction contract retention receivables as an asset under trade receivables (Note 20)	13,371	8,577
Accrued contract revenue (Note 20)	4,849	2,121

It is impracticable to estimate the amount expected to be realised or settled over one year.

21. OTHER ASSETS

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Advance payments	11	147	–	–
Prepayments	385	314	28	22
Others	7	8	–	–
	403	469	28	22

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Not restricted in use	57,772	41,599	12,781	19,843
Restricted in use #	310	787	–	–
Cash at end of the year	58,082	42,386	12,781	19,843
Interest earning balances	33,230	29,155	12,337	19,549

\# This is for amounts held by bankers for bank facilities.

The rate of interest for the cash on interest earning balances is ranged between 0.11% and 2.00% (2013: 0.15% and 1.20%).

22A. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows:

	Group	
	2014 $'000	2013 $'000
Amount as shown above	58,082	42,386
Cash restricted in use over 3 months	(310)	(787)
Cash and cash equivalents for statement of cash flows purpose at end of the year	57,772	41,599

22B. Non-cash transactions:

There were acquisitions of certain assets under property, plant and equipment with a total cost of $313,000 (2013: $86,000) acquired by means of vendor payables.

23. SHARE CAPITAL

Group and Company	Number of shares issued '000	Share capital $'000	Treasury shares $'000	Total $'000
Ordinary shares of no par value:				
Balance at beginning of the year 1 August 2012	350,000	23,054	–	23,054
Treasury shares purchased #a	(200)	–	(56)	(56)
Balance at end of the year 31 July 2013 and 31 July 2014	349,800	23,054	(56)	22,998

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.

#a There were no treasury shares acquired during the reporting year. As at the end of the reporting year the treasury shares have a market value of $72,000 (2013: $57,000).

23. SHARE CAPITAL (CONT'D)

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).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2014 $'000	2013 $'000
Net debt:		
All current and non-current borrowings including finance leases	720	7,860
Less cash and cash equivalents	(58,082)	(42,386)
Net cash	(57,362)	(34,526)
Adjusted capital:		
Equity	118,741	99,764
Net capital	118,741	99,764
Debt-to-capital ratio	N.M.	N.M.

N.M.: Not Meaningful

The Group is in a net cash position at the end of the reporting year. The debt-to-net capital ratio may not provide a meaningful indicator of the risk from borrowings.

In order to maintain its listing on the Singapore Exchange Securities Trading Limited, the Company 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 it will automatically continue to satisfy that requirement, as it did throughout the 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.

24. SHARE-BASED PAYMENTS

In prior reporting years, the controlling shareholder who is also a director of the Company, entered into an Incentive Shares Transfer Agreement (“ISTA”) with selected employees, for the purpose of transferring for nil cash consideration an aggregate of 5,500,000 ordinary shares to encourage their future continuous commitment towards the Group. Each of the selected employees was required to hold his or her current appointment in the Group (or such other appointments or positions in the Group as the Directors may deem advisable from time to time) up to and including the date falling three years after the Listing date on 1 April 2010. In the event that the employee ceased his/her employment with the Group within the vesting period for any whatsoever reason, the employee was required to transfer the shares back to the controlling shareholder for nil cash consideration, unless otherwise agreed by the controlling shareholder at his sole discretion.

The fair value of the employee services to be rendered was determined by reference to the fair value of the shares on the date of grant, which was the price per share offered to the public at the initial public offering (excluding the impact of any non-marketing vesting conditions). The share price offered at the initial public offering was 20 cents per share. The fair value was charged to profit or loss over the vesting period in accordance with the ISTA with the corresponding increase in equity.

The vesting period has expired in the reporting year ended 31 July 2013.

25. OTHER RESERVES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Foreign currency translation reserve (Note 25A)	(439)	(689)	–	–
Share-based payments reserve (Note 25B)	–	1,100	–	507
Available-for-sale financial assets reserve (Note 25C)	42	(26)	76	17
Total at end of the year	(397)	385	76	524

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

25A. Foreign Currency Translation Reserve

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
At beginning of the year	(689)	(675)	–	–
Exchange differences on translating foreign operations	250	(14)	–	–
At end of the year	(439)	(689)	–	–

The currency translation reserve accumulates all foreign exchange differences.

25. OTHER RESERVES (CONT'D)

25B. Share-Based Payments Reserve

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
At beginning of the year	1,100	856	507	373
Share-based payments recognised in profit or loss (Note 24)	–	244	–	134
Transferred to retained earnings	(1,100)	–	(507)	–
At end of the year	–	1,100	–	507

The share-based payments reserve represented the fair value of 5,500,000 ordinary shares charged to profit or loss over the vesting period of the ISTA. The corresponding expensed amounts were included in employee benefits expense (Note 9).

25C. Available-for-Sale Financial Assets Reserve

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
At beginning of the year	(26)	–	17	–
Gains / (losses) on remeasuring available-for-sale financial assets	79	(26)	70	17
Reclassification adjustments for gains included in profit or loss – realised on disposal	(11)	–	(11)	–
At end of the year	42	(26)	76	17

The available-for-sale financial assets reserve arises from the annual remeasurement of the available-for-sale financial assets. It is not distributable until it is released to profit or loss on the disposal of the investments.

26. OTHER FINANCIAL LIABILITIES

	Group	
	2014 $'000	2013 $'000
Non-Current:		
Bank loans (secured) (Note 26B)	–	2,838
Non-current, total	–	2,838
Current:		
Bank loans (secured) (Note 26B)	–	466
Bills payable to banks (secured) (Note 26A)	720	4,410
Current, total	720	4,876
Total	720	7,714
The non-current portion is repayable as follows:		
Due within 2 to 5 years	–	2,134
Due after 5 years	–	704
Total non-current portion	–	2,838

The floating interest rate paid for bank loans in the reporting year ended 31 July 2013 was at 5.42%. The fixed interest rate paid for bills payable to banks is ranging from 2.6% to 6.6% (2013: 1.3% to 7.1%).

26A. Bills Payable (Secured)

The bank agreements for the credit facilities provide among other matters for the following:

1. Repayable on demand.
2. Corporate guarantee from the Company.

26B. Bank Loans (Secured)

The bank agreements for the bank loan provided among other matters for the following:

1. A legal mortgage over the Group's leasehold properties.
2. Corporate guarantee from the Company.
3. The bank loan was repayable by equal monthly instalments over twelve years from October 2008.

The bank loan was fully settled and the legal mortgage over the Group's leasehold properties was discharged during the reporting year.

27. FINANCE LEASES

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2013			
Minimum lease payments payable:			
Due within one year	70	(13)	57
Due within 2 to 5 years	98	(9)	89
Total	168	(22)	146
Net book value of plant and equipment under finance leases			617

There were leased assets under finance leases. The average lease term was 3 to 5 years. In the reporting year ended 31 July 2013, the rate of interest for finance leases was ranged from 3.7% to 7.1% per year. All leases were on a fixed repayment basis and no arrangements had been entered into for contingent rental payments. There was an exposure to fair value interest risk because the interest rates were fixed at the contract date. The obligations under finance leases were secured by the lessor's charge over the leased assets.

All finance leases were fully paid during the reporting year.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables:				
Outside parties and accrued liabilities	17,603	22,288	2,181	1,248
Other payables:				
Deposits received	3,413	3,338	–	–
Other payables	661	321	–	–
Subtotal	4,074	3,659	–	–
Total trade and other payables	21,677	25,947	2,181	1,248

29. OTHER LIABILITIES

	Group	
	2014 $'000	2013 $'000
Due to customers on construction contracts (Note 20A)	1,036	899

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

30A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Financial assets:				
Cash and cash equivalents	58,082	42,386	12,781	19,843
Loans and receivables	53,919	62,499	13,836	1,283
Available-for-sale financial assets	1,866	481	1,085	208
At end of the year	113,867	105,366	27,702	21,334
Financial liabilities:				
Other financial liabilities measured at amortised cost	720	7,860	–	–
Trade and other payables measured at amortised cost	21,677	25,947	2,181	1,248
At end of the year	22,397	33,807	2,181	1,248

Further quantitative disclosures are included throughout these financial statements.

30B. 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 risk 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. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

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

30C. Fair value 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 both 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.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30D. 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 consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments 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 credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 22 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 60 days (2013: 30 to 60 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables:				
31 - 60 days	486	1,610	–	–
61 - 90 days	15	1,200	–	–
More than 90 days	419	411	–	–
Total	920	3,221	–	–

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables:				
More than 180 days	36	–	–	–
Total	36	–	–	–

The allowance which is disclosed in Note 20 on trade receivables is based on individual accounts totalling $36,000 (2013: NIL) that are determined to be impaired at the end of the reporting year. These are not secured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30D. Credit Risk on Financial Assets (Cont'd)

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

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Top 1 customer	3,394	2,828	861	205
Top 2 customers	4,745	4,587	1,142	289
Top 3 customers	5,827	5,611	1,258	298

30E. Liquidity Risk – Financial Liabilities Maturity Analysis

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

Group	Less than 1 year $'000	1 – 5 years $'000	Over 5 years $'000	Total $'000
2014				
Gross borrowings commitments	720	–	–	720
Trade and other payables	21,677	–	–	21,677
At end of the year	22,397	–	–	22,397
2013				
Gross borrowings commitments	5,040	2,520	725	8,285
Gross finance lease obligations	70	98	–	168
Trade and other payables	25,947	–	–	25,947
At end of the year	31,057	2,618	725	34,400

The Company's financial liabilities which consist of trade and other payables with the undiscounted cash flows amounted to $2,181,000 (2013: $1,248,000) have a contractual maturity within one year.

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

Financial guarantee contracts – For financial guarantee contracts the maximum earliest period in which the guarantee amounts can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity Risk – Financial Liabilities Maturity Analysis (Cont'd)

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	Less than 1 year $'000	1 – 5 years $'000	Over 5 years $'000	Total $'000
2014				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	10,429	15,517	–	25,946
2013				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	13,633	18,784	725	33,142

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 settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 90 days (2013: 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.

Bank facilities	Group 2014 $'000	Group 2013 $'000
Undrawn borrowing facilities	38,055	42,073
Unused bank guarantees	18,075	18,177

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.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30F. Interest Rate Risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rates. The interest from financial assets including cash balances is not significant.

The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Financial assets with interest:				
Fixed rates	23,547	29,015	18,329	19,549
Floating rates	9,683	140	–	950
At end of the year	33,230	29,155	18,329	20,499
Financial liabilities with interest:				
Fixed rates	720	4,556	–	–
Floating rates	–	3,304	–	–
At end of the year	720	7,860	–	–

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

30G. Foreign Currency Risk

Analysis of amounts denominated in non-functional currency:

Group	Malaysian Ringgit $'000	United Arab Emirates Dirham $'000	United States Dollar $'000	Vietnam Dong $'000	Euro Dollar $'000	Singapore Dollar $'000	Total $'000
2014							
Financial assets							
Cash	524	266	2,964	13	–	122	3,889
Loans and receivables	–	239	7	–	–	–	246
Total financial assets	524	505	2,971	13	–	122	4,135
Financial liabilities							
Borrowings	–	–	–	–	–	549	549
Trade and other payables	–	–	787	–	445	339	1,571
Total financial liabilities	–	–	787	–	445	888	2,120
Net financial assets / (liabilities) at end of the year	524	505	2,184	13	(445)	(766)	2,015

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30G. Foreign Currency Risk (Cont'd)

Group	Malaysian Ringgit $'000	United Arab Emirates Dirham $'000	United States Dollar $'000	Vietnam Dong $'000	Euro Dollar $'000	Singapore Dollar $'000	Total $'000
2013							
Financial assets							
Cash	2,097	271	1,835	29	–	171	4,403
Loans and receivables	401	244	7	–	–	–	652
Total financial assets	2,498	515	1,842	29	–	171	5,055
Financial liabilities							
Trade and other payables	–	–	2,765	–	3	350	3,118
Total financial liabilities	–	–	2,765	–	3	350	3,118
Net financial assets / (liabilities) at end of the year	2,498	515	(923)	29	(3)	(179)	1,937

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.

30H. Equity Price Risk

There are investments in equity shares and gold certificates. As a result, such investments are exposed to changes in market price risk. The fair values of these assets as at the end of the reporting year are disclosed in Note 18.

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

31. INTERESTED PERSON TRANSACTIONS

The Company did not obtain any general mandate pursuant to Rule 920 of the Listing Manual. The following is the aggregate value of transactions of the Group with interested persons:

	Aggregate value of all interested persons transactions (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	
Name of Interested Persons and Transactions	**2014 $'000**	**2013 $'000**
Hup Hin Transport Co Pte Ltd[1]		
Transport and crane services	2,929[2]	3,777

Note:

[1] Chwee Cheng & Sons Pte Ltd is a substantial shareholder of Tat Hong Holdings Ltd. Hup Hin Transport Co Pte Ltd is a subsidiary of the Tat Hong Holdings Ltd.

[2] Following the sale of Hup Hin Transport Co Pte Ltd by Tat Hong Holdings Ltd on 31 July 2014, Hup Hin Transport Co Pte Ltd ceased to be an interested person.

32. ITEMS IN PROFIT OR LOSS

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges (credits):

	Group	
	2014 $'000	**2013 $'000**
Audit fees to the independent auditors of the Company	118	114
Audit fees to the other independent auditors	18	19
Other fees to the independent auditors of the Company	34	27
Other fees to the other independent auditors	6	7

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	
	2014 $'000	**2013 $'000**
Commitments to purchase of property, plant and equipment	603	718

34. OPERATING LEASE PAYMENT COMMITMENTS

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

	Group	
	2014 $'000	2013 $'000
Not later than one year	3,023	1,997
Later than one year and not later than five years	5,049	1,117
Later than five years	8,448	8,164
	16,520	11,278
Rental expenses for the year	2,595	2,301

Operating lease payments represent rentals by the Company's subsidiaries for certain of office premises and dormitory blocks included in Notes 14 and 15. The lease rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

The rental expense is charged as follows:

	Group	
	2014 $'000	2013 $'000
Cost of sales	2,493	2,151
Administrative expenses	102	150
Total	2,595	2,301

35. OPERATING LEASE INCOME COMMITMENTS

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

	Group	
	2014 $'000	2013 $'000
Not later than one year	14,976	14,710
Later than one year and not later than five years	1,506	285
	16,482	14,995
Rental income for the year	18,024	15,119

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

36. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised)
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

37. FUTURE CHANGES IN FINANCIAL REPORTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRSs	Improvements to FRSs (January 2014)	1 July 2014
FRSs	Improvements to FRSs (February 2014)	1 July 2014
FRS 19	Amendments to FRS19: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)	1 Jan 2014
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)	1 Jan 2014
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112	1 Jan 2014
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.

STATISTIC OF SHAREHOLDINGS

AS AT 17 OCTOBER 2014

Number of Issued Shares (excluding Treasury Shares)	:	349,800,000
Number/Percentage of Treasury Shares	:	200,000 (0.06%)
Class of Equity Security	:	Ordinary shares
Voting Rights of Ordinary Shareholders	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	–	–	–	–
1,000 – 10,000	249	43.76	1,343,000	0.38
10,001 – 1,000,000	303	53.25	31,500,000	9.01
1,000,001 and above	17	2.99	316,957,000	90.61
Total	569	100.00	349,800,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 17 October 2014, approximately 16.7% 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	137,500,000	39.31
2	Hong Leong Finance Nominees Pte Ltd	50,000,000	14.29
3	Maybank Nominees (S) Pte Ltd	30,000,000	8.58
4	HSBC (Singapore) Nominees Pte Ltd	25,930,000	7.41
5	CIMB Securities (Singapore) Pte Ltd	19,522,000	5.58
6	Maybank Kim Eng Securities Pte Ltd	19,303,000	5.52
7	TH Investments Pte Ltd	13,863,000	3.96
8	Phillip Securities Pte Ltd	6,363,000	1.82
9	Citibank Nominees Singapore Pte Ltd	2,930,000	0.84
10	Ng Kwong Chong	2,059,000	0.59
11	Ng Chwee Cheng	1,698,000	0.48
12	Loh Tee Yang	1,574,000	0.45
13	DBS Nominees Pte Ltd	1,562,000	0.45
14	Hiroshi Utada	1,250,000	0.36
15	Koh Chin Hwa	1,188,000	0.34
16	Chiong Su Been	1,115,000	0.32
17	Elavarasu Somasundaram	1,100,000	0.31
18	DBS Vickers Securities (S) Pte Ltd	1,000,000	0.29
19	Teo Teck Heong	1,000,000	0.29
20	Lim Heok Eng	956,000	0.27
	Total	319,913,000	91.46

STATISTIC OF SHAREHOLDINGS
AS AT 17 OCTOBER 2014

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 17 October 2014)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Teo Hock Chwee	137,500,000	39.31	97,000,000	27.73
TH Investment Pte Ltd[(1)]	13,863,000	3.96	40,107,000	11.47
Chwee Cheng & Sons Pte Ltd[(1)]	–	–	53,970,000	15.43

Notes:

(1) Chwee Cheng & Sons Pte Ltd is the holding company of TH Investment Pte Ltd and accordingly, Chwee Cheng & Sons Pte Ltd is deemed to have an interest in the shares held by TH Investment Pte Ltd.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of T T J Holdings Limited will be held at 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095 on 28 November 2014 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the reporting year ended 31 July 2014 together with the Directors' Report and the Auditors' Report of the Company. **(Resolution 1)**

2. To declare a first and final dividend of 1.4 Singapore cent per ordinary share (tax exempt one-tier) for the reporting year ended 31 July 2014. **(Resolution 2)**

3. To re-appoint Mr Leong Yee Yew retiring under Section 153(6) of the Companies Act, Chapter. 50, to hold office from the date of this Annual General Meeting until the Next Annual General Meeting of the Company. **(Resolution 3)**

   [See Explanatory Note (i)]

4. To re-elect Ms Chiong Su Been retiring pursuant to Article 90 of the Articles of Association of the Company. **(Resolution 4)**

   [See Explanatory Note (ii)]

5. To approve the payment of Directors' fees of S$147,000 to the Directors of the Company for the reporting year ending 31 July 2015. **(Resolution 5)**

6. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

   "Resolved that

   (a) pursuant to Section 161 of the Companies Act, Cap. 50 (the "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 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 50% of the total number of issued shares (excluding treasury shares), 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);

(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) 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 outstanding or subsisting at the time of the passing of this Resolution, 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; 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." **(Resolution 7)**

[See Explanatory Note (iii)]

9. To consider and, if thought fit, pass the following ordinary resolution with or without any modifications:

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50) (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; 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 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 after the relevant five-day period; 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

(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." **(Resolution 8)**

[See Explanatory Note (iv)]

By Order of the Board

Tan Swee Gek
Company Secretary

6 November 2014

Explanatory Note:

(i) The effect of the Ordinary Resolution 3 above, pursuant to the requirements of Section 153(6) of the Companies Act, is to re-appoint the Director of the Company who is over 70 years of age.

Mr Leong Yee Yew, upon re-appointment 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.

(ii) Ms Chiong Su Been, upon re-election will remain as the Group's CFO and Executive Director.

(iii) The Ordinary Resolution 7 proposed in item 7 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, 50% 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 which are outstanding or subsisting at the time this Ordinary Resolution is passed and (c) any subsequent consolidation or subdivision of shares.

(iv) The Ordinary Resolution proposed in item 8 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 6 November 2014.

Notes:

1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 57 Pioneer Road,Singapore 628508 at least 48 hours before the time of the Annual General Meeting.

T T J HOLDINGS LIMITED

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

IMPORTANT:

1. For investors who have used their CPF monies to buy ordinary shares in the capital of T T J Holdings Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
Annual General Meeting

I/We ______________________________ (Name)

of ______________________________ (Address)

being a member/members of TTJ Holdings Limited (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

failing which, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the first Annual General Meeting of the Company, to be held at 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095 on 28 November 2014 at 2.30 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions Relating To:	For	Against
	Ordinary Business		
1.	Adoption of Directors' Reports and Audited Financial Statements for reporting year ended 31 July 2014		
2.	To declare a first and final dividend of 1.4 Singapore cent per ordinary share (tax exempt one-tier) for the reporting year ended 31 July 2014		
3.	Re-appointment of Mr Leong Yee Yew as Director		
4.	Re-election of Ms Chiong Su Been as Director		
5.	Approval of Directors' Fees for the reporting year ending 31 July 2015		
6.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors		
	Special Business		
7.	Authority to allot and issue new shares		
8.	Renewal of Share Purchase Mandate		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this ____________ day of ____________ 2014.

Total number of Shares held

____
Signature of Member(s) or Common Seal

Important: Please read notes overleaf

Notes:

1. 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 130A of the Companies Act, Cap. 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, 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 a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 57 Pioneer Road, Singapore 628508 at least 48 hours before the time of the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. 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 of proxy; failing which the instrument may be treated as invalid.

8. 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. 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 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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

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No. 57 Pioneer Road Singapore 628508
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