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**RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 2013**

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The Board of Directors of T T J Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to the query raised by Singapore Exchange Limited (“**SGX**”) on the announcement of the financial results for the first quarter ended 31 October 2013 released on 12 December 2013:

**SGX Query**

The Company stated in the announcement that “For the first quarter ended 31 October 2013 (“**1QFY2014**”), the Group reported revenue of \$32.1 million, a decline of 26% as compared to \$43.2 million for the previous corresponding period (“**1QFY2013**”). The decrease was mainly due to lower sales recorded in the structural steel business and offset by the increase in revenue from the dormitory business.”

Please elaborate on the reasons for

- (i) the lower sales in the structural steel business; and
- (ii) the increase in revenue from the dormitory business

**Company’s Response**

**(i) Reasons for the lower sales in the structural steel business**

The Group recognises revenue based on percentage-of-completion method for its structural steel business. The recognition of revenue is subject to the commencement and progression of each project as per such project’s schedule. The differing projects’ schedules contributed to a variance in the results of the Group in the short term.

The nature of the Group’s structural steel business is also project based and such projects are non-recurring, as such the revenue and profit of the business will tend to fluctuate and is dependent on the value, size and margins of the various projects that it has secured.

**(ii) Reason for the increase in revenue from the dormitory business**

The increase in the Group’s dormitory business is mainly due to a marginal increase in rental rate, thereby increasing the revenue of the dormitory business.

**By Order of the Board**

Teo Hock Chwee  
Chairman and Managing Director

18 December 2013

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