

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2013

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Change
	3 months ended 31/10/13	3 months ended 31/10/12	
	S\$'000	S\$'000	%
Revenue	32,129	43,208	(26)
Cost of Sales	(23,994)	(36,995)	(35)
Gross Profit	8,135	6,213	31
Other Items of Income			
Finance Income	51	35	46
Other Credits	424	492	(14)
Other Items of Expense			
Administrative Expenses	(2,783)	(2,880)	(3)
Finance Costs	(57)	(105)	(46)
Other Charges	(2)	(12)	(83)
Profit Before Tax	5,768	3,743	54
Income Tax Expense	(1,125)	(542)	108
Profit Net of Tax	4,643	3,201	45
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange Difference on Translating Foreign Operations, Net of Tax	283	273	4
Available-for-Sale Financial Assets, Net of Tax	15	-	100
Other Comprehensive Profit for the Period, Net of Tax	298	273	9
Total Comprehensive Income	4,941	3,474	42
Profit / (Loss) Attributable to:			
Owners of the Parent	4,643	3,202	45
Non-Controlling Interests	-*	(1)	100
	4,643	3,201	45
Total Comprehensive Income Attributable to:			
Owners of the Parent	4,941	3,475	42
Non-Controlling Interests	-*	(1)	100
	4,941	3,474	42

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

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

Allowance for impairment on trade receivables – reversal	-	62
Depreciation of investment property	(617)	(617)
Depreciation of property, plant and equipment	(464)	(445)
Foreign exchange losses	(2)	(12)
Gain on disposal of available-for-sale financial assets	12	-
Gain on disposal of property, plant and equipment	-	35
Government grants	51	72

* amount less than \$500

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/10/13	31/07/13	31/10/13	31/07/13
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	22,432	21,818	–	–
Investment Property	7,813	8,430	–	–
Investments in Subsidiaries	–	–	6,440	6,440
Other Financial Assets	1,112	481	845	208
Total Non-Current Assets	31,357	30,729	7,285	6,648
<u>Current Assets</u>				
Inventories	2,720	2,764	–	–
Trade and Other Receivables	66,880	62,560	4,220	1,283
Other Assets	441	469	14	22
Cash and Cash Equivalents	41,310	42,386	22,231	19,843
Total Current Assets	111,351	108,179	26,465	21,148
Total Assets	142,708	138,908	33,750	27,796
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	22,998	22,998	22,998	22,998
Retained Earnings	81,022	76,379	8,559	3,005
Other Reserves	683	385	546	524
Equity, Attributable to Owners of the Parent, Total	104,703	99,762	32,103	26,527
Non-Controlling Interests	2	2	–	–
Total Equity	104,705	99,764	32,103	26,527
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,366	1,363	–	–
Finance Leases	–	89	–	–
Other Financial Liabilities	2,710	2,838	–	–
Total Non-Current Liabilities	4,076	4,290	–	–
<u>Current Liabilities</u>				
Income Tax Payable	3,205	3,075	7	21
Trade and Other Payables	28,829	25,947	1,640	1,248
Finance Leases	–	57	–	–
Other Financial Liabilities	597	4,876	–	–
Other Liabilities	1,296	899	–	–
Total Current Liabilities	33,927	34,854	1,647	1,269
Total Liabilities	38,003	39,144	1,647	1,269
Total Equity and Liabilities	142,708	138,908	33,750	27,796

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

	As at 31/10/13	As at 31/07/13
	S\$'000	S\$'000
<u>Secured</u>		
Amount repayable in one year or less, or on demand	597	4,933
Amount repayable after one year	2,710	2,927
	3,307	7,860

Details of any collateral:

The Group's borrowings are secured by the legal mortgage on Group's leasehold properties and certain items of plant and machinery; and covered by corporate guarantee by the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	3 months ended 31/10/13 S\$'000	3 months ended 31/10/12 S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	5,768	3,743
Adjustments for:		
Interest Expenses	57	105
Interest Income	(51)	(35)
Depreciation of Property, Plant and Equipment	464	445
Depreciation of Investment Property	617	617
Gain on Disposal of Property, Plant and Equipment	–	(35)
Gain on Disposal of Available-for-Sale Financial Assets	(12)	–
Share-Based Payments	–	91
Operating Cash Flows before Changes in Working Capital	6,843	4,931
Trade and Other Receivables	(3,995)	2,029
Inventories	45	(72)
Trade and Other Payables	3,289	(224)
Net Cash Flows from Operations	6,182	6,664
Income Taxes Paid	(1,043)	(1,051)
Income Taxes Refund	55	114
Net Cash Flows From Operating Activities	5,194	5,727
<u>Cash Flows from Investing Activities</u>		
Purchase of Property, Plant and Equipment	(1,051)	(168)
Purchase of Other Financial Assets	(715)	–
Proceeds from Disposal of Property, Plant and Equipment	–	369
Proceeds from Disposal of Other Financial Assets	111	–
Interest Received	51	35
Net Cash Flows (Used in) / From Investing Activities	(1,604)	236
<u>Cash Flows From Financing Activities</u>		
Repayment of Borrowings	(113)	(115)
Decrease in Bill Payables	(4,285)	(1,358)
Finance Lease Repayments	(143)	(409)
Interest Paid	(57)	(105)
Net Cash Flows Used in Financing Activities	(4,598)	(1,987)
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,008)	3,976
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	41,599	30,908
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(68)	(107)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	40,523	34,777
<u>Cash and Cash Equivalents in the Statement of Cash Flows:</u>		
Cash and cash equivalents per statement of financial position	41,310	36,020
Bank overdrafts	–	(163)
Cash restricted in use over three months	(787)	(1,080)
Cash and cash equivalents for statement of cash flows purpose at end of period	40,523	34,777

Non-cash transactions:

During the period, there were acquisitions of property, plant and equipment with a total cost of \$72,000 (2013: \$115,000) acquired by means of vendor payables.

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

STATEMENTS OF CHANGES IN EQUITY

	Total Equity S\$'000	Attributable to Parent Sub-total S\$'000	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves S\$'000	Non- Controlling Interests S\$'000
Group						
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 Period	4,941	4,941	–	4,643	298	–*
Closing Balance at 31 October 2013	104,705	104,703	22,998	81,022	683	2
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 Period	3,474	3,475	–	3,202	273	(1)
Share-based Payments	91	91	–	–	91	–
Closing Balance at 31 October 2012	91,109	91,108	23,054	67,509	545	1
Company						
Current Year:						
Opening Balance at 1 August 2013	26,527	22,998	3,005	524		
Movements in Equity:						
Total Comprehensive Income for the Period	5,576	–	5,554	22		
Closing Balance at 31 October 2013	32,103	22,998	8,559	546		
Previous Year:						
Opening Balance at 1 August 2012	25,192	23,054	1,765	373		
Movements in Equity:						
Total Comprehensive Loss for the Period	(17)	–	(17)	–		
Share-based Payments	50	–	–	50		
Closing Balance at 31 October 2012	25,225	23,054	1,748	423		

* amount less than \$500

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

There is no new share issued since 31 July 2013.

During the financial period, the Company did not purchase any shares under the share buyback mandate. As at 31 October 2013, the Company held 200,000 treasury shares (31 October 2012 : Nil).

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

As at 31 October 2013, the total number of issued shares (excluding treasury shares) was 349,800,000 (31 July 2013: 349,800,000).

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

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

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

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

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

Not applicable.

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

The Group's accounting policies and methods of computation for the current reporting period are consistent with the audited financial statements for the year ended 31 July 2013.

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

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

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

	Group	
	3 months ended 31/10/13	3 months ended 31/10/12
	cents	cents
Basic earnings per share	1.33	0.91

Basic earnings per share for the period ended 31 October 2013 and 2012 is calculated by dividing the Group's net profit attributable to owners of the parent over the weighted average number of ordinary shares in issue of 349,800,000 and 350,000,000 ordinary shares respectively.

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

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

	Group		Company	
	31/10/13	31/07/13	31/10/13	31/07/13
	cents	cents	cents	cents
Net asset value per share	29.93	28.52	9.18	7.58

Net asset value per share is calculated based on the shareholders' equity of the Group / Company as at the end of the financial periods and the issued share capital (excluding treasury shares) of 349,800,000 ordinary shares as at 31 October 2013 and 349,800,000 ordinary shares as at 31 July 2013.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group performance

For the 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.

Despite the lower revenue, the Group's profitability improved with gross profit margin rising from 14.4% in 1QFY2013 to 25.3% in 1QFY2014. This healthy improvement was mainly due to an increase in the Group's dormitory business as well as an increase in margins derived from the projects secured and executed during the reporting period.

Review of Group performance (cont'd)

Other credits decreased by 14%, from \$0.5 million in 1QFY2013 to \$0.4 million in 1QFY2014. The higher amount recorded in 1QFY2013 was mainly due to reversal of allowance for impairment on trade receivables.

Finance costs decreased by 46%, to \$0.1 million in 1QFY2014. This was mainly due to the settlement of bank borrowings and lower utilisation of banking facilities during the period.

Administrative expenses remained relatively stable at \$2.8 million in both 1QFY2014 and 1QFY2013, a marginal decrease of 3%.

Profit before tax of the Group was \$5.8 million in 1QFY2014 as compared to \$3.7 million in 1QFY2013. The increase was mainly contributed by the improved profit margin as explained above; an increase in finance income; a decrease in administrative expenses, finance costs and other charges; and offset by a decrease in other credits.

Review of changes in working capital, assets and liabilities

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

- (i) Total assets increased from \$138.9 million as at 31 July 2013 to \$142.7 million as at 31 October 2013. This was mainly due to an increase in trade and other receivables and offset partially by a decrease in cash and cash equivalents.
- (ii) Total liabilities decreased from \$39.1 million as at 31 July 2013 to \$38.0 million as at 31 October 2013. This was mainly due to the repayment of bank borrowings and offset partially by an increase in trade and other payables.

Review of changes in cash flow

The net decrease in cash and cash equivalents for 1QFY2014 was \$1.0 million as compared to a net increase of \$4.0 million for 1QFY2013. This was mainly contributed by the increase of net cash flows used in investing activities and financing activities.

Cash and cash equivalents for the statement of cash flows of the Group stood at \$40.5 million as at 31 October 2013, representing an increase of \$5.7 million as compared to \$34.8 million as at 31 October 2012.

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

The Group had previously stated in its FY2013 full year results announcement that "T T J is positive about the construction demand in Singapore following the recent public announcements of the several upcoming projects in the pipeline".

As at the date of this announcement, there is no variance from the previous disclosure.

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

As at 12 December 2013, T T J's projects order book stood at \$126 million which it expects to substantially complete between FY2014 and FY2015. As at to date, the Group continues to experience a healthy level of enquiries for a mix of public and private sector projects. Going forward, the Group will continue to monitor its costs closely and enhance productivity to remain competitive. Barring any unforeseen circumstances, the Group will be profitable in FY2014.

11 Dividend

(a) Current financial period reported on 31 October 2013

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

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

(b) Corresponding period of the immediately preceding financial year

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been recommended for the period ended 31 October 2013.

13 Interested Person Transactions

The Company has not obtained any general mandate pursuant to Rule 920 of the Listing Manual. The following is the aggregate value of transactions with interested persons for the financial period under review:

Name of Interested Persons and Transactions	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) 3 months ended 31/10/13 \$'000
<u>Hup Hin Transport Co Pte Ltd</u> ⁽¹⁾ - Transport and crane services	1,143 ⁽²⁾

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.

⁽²⁾ The aggregate value for the financial period under reviewed is less than 5% of the last audited net tangible assets of the Group as at 31 July 2013, being \$99,764,000.

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the financial period ended 31 October 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Teo Hock Chwee
Chairman and Managing Director

Chiong Su Been
Executive Director and Chief Financial Officer

12 December 2013
Singapore