

Issuer: T T J Holdings Limited

Security: T T J Holdings Limited

Meeting details:

Date: 30 November 2017

Time: 2.30 p.m.

Venue: 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095

Company Description

T T J Holdings Limited engages in the design, supply, fabrication, and erection of various structural steel works in Singapore, Malaysia, and Middle East. It offers structural steel works for use in the construction of buildings, factories, plants, and infrastructures; and fabricates and installs various cranes and lifting equipment used in shipyards, factories, and construction sites, as well as handles heavy lifting operations, such as launching of heavy trusses and viaduct beams for MRT and LRT. The company also designs and develops various standard two-rail and three-rail aluminum parapets for use in flyovers and expressways; fabricates and installs various bomb shelter doors for the HDB, MOE, and SMRT; and offers mechanized car parking systems. In addition, it operates a dormitory under the name of Terusan Lodge 1 in Singapore. T T J Holdings Limited was founded in 1981 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=K1Q)

Q1. As noted in the Chairman’s Message (page 1 of the annual report), the group is currently in the process of acquiring a property and various equipment in Johor Bahru, Malaysia for RM38.0 million or approximately \$12.2 million. Upon completion, the proposed acquisition will support the group’s Prefabricated Prefinished Volumetric Construction (PPVC) business.

- a) **Can the Board explain to shareholders how the PPVC business is synergistic with the group’s core structural steel business?**
- b) **Can management provide better visibility on how the group intends to grow the PPVC business? Who would be the customers and what would be the group’s strategy to enter this segment?**
- c) **How critical is the in-principle acceptance (IPA) from the Building and Construction Authority of Singapore and various agencies for the supply of steel PPVC systems?**
- d) **As there are other construction companies trying to grow the PPVC business, how does the group differentiate itself from the competitors?**

Q2. The group is also seeking shareholders’ approval on the diversification into waste management and treatment. While the board believes that the new business opportunities can provide the group with additional and recurrent revenue streams and improve its prospects and ultimately enhance shareholders’ value in the company, shareholders would like to seek further clarification on:

- a) **Strong competition from established industry participants:** The group has a longstanding strategy of prioritising bottomline performance over topline growth in its core business and is highly selective of the projects and customers. **Given that waste management and treatment is already established with strong industry participants, and that the group would likely have to compete on a price basis, can management help shareholders better understand the attractiveness of entering a capital-intensive, highly-competitive and strongly regulated industry?**
- b) **New geographical markets:** Can shareholders understand which are the countries or cities being evaluated by management?

Q3. As noted on page 16 of the Corporate Governance Report, Mr Lim Yian Poh and Mr Ling Chien Yien have served on the Board since 1996 and their independence have been subject to particularly rigorous review.

- a) **Can the company help shareholders understand how the particularly rigorous reviews of Mr Lim and Mr Ling were carried out?**

Mr Lim Yian Poh who is retiring pursuant to Regulation 90 of the Constitution of the Company is seeking re-election at the Annual General Meeting to be held on 30 November 2017. Should Mr Lim be re-elected and go on to serve a new three year term, Mr Lim’s tenure on the board as an independent director would about 24 years.

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”*. Notwithstanding that, Guideline 2.4 of the 2012 Code of Corporate Governance calls for the board to *“take into account the need for progressive refreshing of the Board”*.

- b) **Can the board help shareholders understand the deliberations it has had on the progressive refreshing of the board?**
- c) **What are the near-term plans to achieve the progressive refreshing of the board?**

A copy of the questions for the Annual Report for the financial year ended 31 July 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=T%20T%20J%20Holdings%20Ltd>

The company's response could be found here: -----