TT INTERNATIONAL LIMITED

ANNUAL REPORT
2019

THE LONG MARCH

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FINANCIAL HIGHLIGHTS

Financial Positions

	FY2019 $'000	FY2018 $'000	FY2017 $'000	FY2016 $'000	FY2015 $'000
Property, Plant and Equipment	211,562	223,213	563,915	613,561	642,328
Investment Properties	7,031	8,287	8,913	9,829	10,360
Intangible Assets	9,277	9,335	33,805	44,315	9,771
Other Financial Assets	–	471	1,431	3,126	2,362
Current Assets	31,793	80,836	119,995	142,700	151,806
Current Liabilities	(455,770)	(508,356)	(507,286)	(495,906)	(488,349)
Net Current Assets	(423,977)	(427,520)	(387,291)	(353,206)	(336,543)
Non-Current Liabilities	(168,275)	(161,493)	(191,670)	(189,062)	(204,029)
Non-Controlling Interest	135,780	115,757	(53,315)	(98,974)	(46,372)
	(228,602)	(231,950)	(24,212)	29,589	77,877
Represented By					
Shares Capital	175,622	175,622	175,622	171,929	168,751
Reserves	(404,224)	(407,572)	(199,834)	(142,340)	(90,874)
	(228,602)	(231,950)	(24,212)	29,589	77,877
Net (Liabilities)/Assets Per Share (cents)	(21.81)	(22.12)	(2.31)	2.89	7.76

Financial Results

	FY2019 $'000	FY2018 $'000	FY2017 $'000	FY2016 $'000	FY2015 $'000
Revenue	124,984	233,868	304,576	346,548	261,354
(Loss)/Pofit before interest, depreciation, amortisation and taxation	(218)	(147,770)	(25,123)	559	(18,831)
Loss before taxation	(35,045)	(206,458)	(87,607)	(57,886)	(55,151)
Taxation Credit/(Expense)	2,887	(1,341)	(3,380)	(1,843)	662
Loss after taxation	(32,158)	(207,799)	(90,987)	(59,729)	(54,489)
Non-controlling interest	30,457	87,261	38,454	26,391	2,555
Loss attributable to shareholders	(1,701)	(120,538)	(52,533)	(33,338)	(51,934)
(Loss)/Earnings per share - Basic and diluted (cents)	(0.16)	(11.50)	(5.02)	(3.26)	(5.39)

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you TT International's ("TTI" or the "Group") annual report for the financial year ended 31 March 2019 ("FY2019").

Under the gloomy economic forecasts and slumping retail climate in Singapore, the year under review continued to be marked with even more challenging business and operating environment against a backdrop of a weaker retail industry, increasing margin pressures, rising costs across geographical regions, as well as job uncertainties in Singapore. The Group's overall business activities and operation have been adversely affected with the severe lack of working capital and the ongoing discussions to complete the refinancing.

FY 2019 Financial and Operating Performance Review

During the year, the Group's revenue decreased by S$108.9 million or 46.6% to S$125.0 million in FY2019 as compared to S$233.9 million in FY2018. We recorded a gross profit of S$32.6 million with gross profit margin increasing to 26.1% in FY2019 from 23.0% in FY2018. The net loss for FY2019 amounted to S$32.2 million as compared to S$207.8 million in FY2018. This was mainly due to decrease in impairment of goodwill and property, plant and equipment and other operating expenses resulting from revaluation deficit in properties.

Excluding the effect of expense items listed below totalling S$28.0 million, the Group's net loss for the year would be S$4.2 million.

No.	Description	S$ million
(i)	Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	26.1
(ii)	Other Scheme-related expenses such as interests and professional fees	1.9
	Total	**28.0**

Scheme of Arrangement

On 30 July 2018, the Company made an application to the Singapore High Court for an extension of existing moratorium granted under Section 211B of the Companies Act, which expires on 11 August 2018 ("2nd Moratorium Extension Application"). The 2nd Moratorium Extension Application will be heard on a date to be fixed by the Court.

On 31 July 2018, in connection with the Proposed Disposal of shares in the Company's various subsidiaries, the Company has proposed to enter into a new scheme of arrangement ("New Scheme") with its Creditors, comprising both Creditors of the Company under the Existing Scheme ("Existing Scheme Creditors") and other Creditors of the Company (the "Non-Existing Scheme Creditors").

The Company has despatched the New Scheme document dated 31 July 2018 and the addendum to the New Scheme also dated 31 July 2018 together with the Explanatory Statement, Voting Form and the Proof of Debt form to the Company's Creditors on 31 July 2018.

On 10 August 2018, the Court granted the 2nd Moratorium Extension Application until 11 December 2018 or until further order.

Further addendums to the New Scheme dated 5 September 2018, 11 September 2018, 5 October 2018 and 9 November 2018 has been despatched to Creditors and announced on SGX's website on the respective dates.

The New Scheme will be funded by an amount of up to S$45 million, which will be set aside from the Consideration of S$37.5 million to be received from the Purchaser for the Proposed Disposal and loan of S$7.5 million to be provided by the Purchaser ("Purchaser Loan").

On 28 November 2018, the Court granted the 3rd Moratorium Extension Application, and extended the Moratorium until 30 April 2019 or further order.

On 20 December 2018, voting on the New Scheme was carried out pursuant to the terms of the New Scheme. The New Scheme was approved by the requisite majority of the Creditors with 90.9% in number and 80.9% in value of Creditors to the extent of their Secured Voting Amounts and 90.5% in numbers and 88.0% in value of Creditors to the extent of their Unsecured Voting Amounts.

On 7 March 2019, the Company filed an application ("Sanction Application") pursuant to Section 211I of the Companies Act (Cap. 50) of Singapore for, amongst others, the New Scheme to be approved by the High Court of the Republic of Singapore ("Court"). The Sanction Application has been fixed by the Court to be heard on 18 March 2019.

On 18 March 2019, the hearing of the Sanction Application has been adjourned to 26 March 2019 for the Company to respond to queries raised by a Creditor under the New Scheme.

On 26 March 2019, at the adjourned hearing of the Sanction Application, upon hearing the arguments of the Company and the Creditor, the Court has approved the New Scheme, subject to the following amendments and conditions imposed by the Court:

(a) That the said Creditor is deemed to be an Excluded Creditor under the New Scheme; and

(b) The Long Stop Date for the implementation of the New Scheme is extended until 30 April 2019

In connection with the sanction of the New Scheme, the said Creditor has, on the basis that the Company will provide information prescribed by the Court to the said Creditor in relation to payments (if any) by the Company to another Excluded Creditor, provided an undertaking to the Court that it shall not, without the leave of Court or prior consent in writing of the Company, levy any execution proceedings in respect of the fees assessed by the Court to be payable for work done by the said Creditor for the Company, i.e. the sum of S$1,276,735.40 subject to GST ("Assessed Amount"), commence winding up proceedings against the Company or serve a statutory demand upon the Company based upon the Assessed Amount, or commence judicial management proceedings against the Company (the "Creditor Standstill").

The Company will proceed to extract the Order of Court and lodge a copy of the Order of Court with the Registrar of Companies. Upon being so lodged, the New Scheme will take effect on and from the date of lodgement of the Order of Court.

On 28 March 2019, the Company has extracted the Order of Court.

On 18 April 2019, the Company has applied to Court for an extension of the existing Moratorium, which expires on 30 April 2019, until 31 July 2019 and to extend the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

On 18 April 2019, the Company and the Purchaser have agreed to extend the long stop date for the completion of the Proposed Disposal under the Amended and Restated SPA to 31 July 2019.

The Court has on 26 April 2019, granted the Applications and extended the Moratorium until 31 July 2019 and the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

Pursuant to discussions between the Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management services agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the Bridging Loan) arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme, have agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim of any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

Notwithstanding the foregoing, the Purchaser has agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of S$48 million to be granted to the Company ("Convertible Loan").

On 16 July 2019, the Company and the Purchaser (Celestial Palace Limited herewith known as the "Investor") have entered into a binding term sheet ("Term Sheet") to, amongst others, to provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to S$45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

On 29 July 2019, the Court has granted the Company's application for (i) an extension of existing Moratorium, which expires on 31 July 2019, until 31 December 2019, to allow the Company time to obtain all necessary approvals from relevant authorities (including but not limited to SGX ST and SIC, amongst others) to facilitate the completion of the Convertible Loan and the implementation of the New Scheme; and (ii) for the Court to approve the proposed amendments to the New Scheme (the "Application").

Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme have been extended until 31 December 2019.

Retail Operations

BIG BOX

On 11 September 2018, Big Box Singapore Pte Ltd (an indirect wholly-owned subsidiary of the company) ("BBS") has initiated creditors' voluntary liquidation proceedings. BBS principal activities were general retail trade under the Warehouse Retail Scheme ("WRS") which included selling of goods in the ground floor of the Big Box building and operating the supermarkets at the Big Box building. The appointment of the Receivers and Managers over Big Box Pte. Ltd. (a 51% owned subsidiary of the Company) and the significant winding down of the WRS retail activities at the Big Box building as a result of the termination of the WRS have severely affected the operations of BBS. The significantly adverse effects on BBS operations have, in turn, led to the resultant cash flow constraints of BBS. As such, BBS cannot by reason of its liabilities continue its business. Accordingly, the directors of BBS have decided to liquidate BBS.

Messr. Abuthahir Abdul Gafoor, of AAG Corporate Advisory Pte. Ltd. has been appointed provisional liquidator of BBS.

The liquidation of BBS is not expected to have any material impact on the core businesses and operations of other core subsidiaries of the Group, and will reduce the overall revenue contribution, operational costs and expenses of the Group.

Indonesian Retail Business

As announced on 17 August 2018, PT Bank Resona Perdana ("Bank Resona"), a creditor of the Company's indirect Indonesian subsidiary PT Sumber Electrindo Makmur ("PT Sumber") had earlier submitted a petition in the Commercial Court of the Central Jakarta District Court ("Indonesia Court") for PT Sumber to be placed under the Suspension of Debt Payment Obligations regime (Penundaan Kewajiban Pembayaran Utang) ("PKPU" and Bank Resona's petition for the PKPU, the "PKPU Petition").

The Company has been informed that the Indonesia Court had on, 16 August 2018, granted the PKPU Petition and has accordingly placed PT Sumber under PKPU. The PKPU provides for inter alia a temporary moratorium of 45 days, which may be extended by the Indonesia Court to a fixed moratorium not exceeding 270 days. During the period of the moratorium, a composition plan will have to be submitted for approval by PT Sumber's creditors.

A creditors meeting was held on 1 October 2018 regarding voting on the composition plan of PT Sumber or the conversion of the status of the PKPU from a temporary moratorium to a fixed moratorium.

It was brought to the attention of the Company on 26 April 2019, pursuant to an Indonesian newspaper advertisement published on 8 April 2019 ("8 April 2019 Advertisement"), that the Indonesian Court had on 4 April 2019, decided, amongst others, that:

(a) the first creditor meeting of PT Sumber (in Bankruptcy) be held on Thursday, 11 April 2019, at 10.00 a.m. at the Commercial Court of Central Jakarta District Court;

(b) claims against PT Sumber (in Bankruptcy) be submitted to the curator team appointed by the Indonesia Court in respect of PT Sumber (in Bankruptcy) by Friday, 26 April 2019, 10.00 a.m. at Gedung Arva Cikini, Floor 3, Jl. Cikini Raya Number 60 FGMN, Menteng, Central Jakarta 10330; and

(c) the next creditors' meeting for the purposes of verifying of creditors' claims as well as PT Sumber's tax obligations be held on 14 May 2019, at 10.00 a.m. at the Commercial Court of Central Jakarta District Court.

PT Sumber had subsequently been placed under bankruptcy proceeding pursuant to an Indonesian Court order on 28 March 2019. Accordingly the Group is deemed to have lost control of PT Sumber from that date.

Restructuring of Group Balance Sheet

On 30 July 2018, the Company has entered into a Sale and Purchase Agreement ("SPA") with Celestial Palace Limited ("Purchaser") for the sale of shares in the Company's various subsidiaries (the "Sales Companies") to the Purchaser (the "Proposed Disposal").

The SPA for the Proposed Disposal was entered for the purposes of, among others, funding a new scheme of arrangement contemplated to be proposed by the Company to its creditors ("New Scheme"), through the proceeds from the Consideration from the Purchaser for the Proposed Disposal.

The Purchaser had offered an aggregate consideration of S$48 million ("Consideration") for the Proposed Disposal. The Consideration was mutually arrived after arms' length negotiations between the Company and the Purchaser on a willing seller and willing buyer basis after taking into consideration the net asset value of the Sale Companies as well as the future business prospect and growth potential of the Sale Companies.

The Company will apply the Consideration received from the Purchaser in the following manner:

(a) First, the amount of up to S$45 million will be set aside from the Consideration and used to discharge the Company's obligations under the New Scheme, including without limitation, the discharge of the Existing Scheme Claims and non-Existing Scheme Claims to be provided for in the New Scheme;

(b) Second, an amount of up to S$3 million will be set aside from the Consideration for the settlement of any success fee, legal fees, advisor fees and/or other expenses incurred by the Company in relation to or in connection with the sale of the shares in the Sale Companies and/or the Company's restructuring, as well as the fees of the Stakeholder;

(c) Third, any excess Consideration will be used for the Company's working capital, operating expenses and/or any other requirements of the Company.

The long stop date ("Long Stop Date") of the SPA is 30 November 2018.

On 4 September 2018, the Company and the Purchaser have entered into an amended agreement ("Amendment Agreement") to amend certain terms of the SPA. The salient amendments include the removal TTA Holdings Limited, an 85.5% owned subsidiary of the Company from the list of Sale Companies in the SPA and a new aggregate consideration of S$40,447,746 ("Amended Consideration") being offered by the Purchaser. An amount of S$37,447,746 will be set aside from the Amended Consideration and used to discharge the Company's obligation under the New Scheme.

On 17 December 2018, the Purchaser and the Company entered into a Loan Agreement for the Purchaser to lend to the Company the Purchaser Loan of S$7.5 million to top up the shortfall amount required to discharge the Company's obligation under the New Scheme. Accordingly, there will be no change or any shortfall to the Scheme Funds of S$45 million to be received by Eligible Creditors under the New Scheme.

On 23 March 2019, the Company's shareholders voted and approved the Proposed Disposal of the Sale Companies at the EGM held on 23 March 2019.

On 18 April 2019, the Company and the Purchaser have agreed to extend the long stop date for the completion of the Proposed Disposal under the Amended and Restated SPA to 31 July 2019.

The extension of the long stop date under the Amended and Restated SPA will provide the Company and the Purchaser with additional time to assess the impact(s), if any, arising from, among others, the Amendments to the New Scheme, the completion of the Proposed Disposal and the Purchaser Loan.

Pursuant to discussions between the Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management services agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the Bridging Loan) arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme, have agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim of any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

Notwithstanding the foregoing, the Purchaser has agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of S$48 million to be granted to the Company ("Convertible Loan").

CHAIRMAN'S MESSAGE

On 16 July 2019, the Company and the Purchaser (Celestial Palace Limited herewith known as the "Investor") have entered into a binding term sheet ("Term Sheet") to, amongst others, to provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to S$45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

On 29 July 2019, the Court has granted the Company's application for (i) an extension of existing Moratorium, which expires on 31 July 2019, until 31 December 2019, to allow the Company time to obtain all necessary approvals from relevant authorities (including but not limited to SGX ST and SIC, amongst others) to facilitate the completion of the Convertible Loan and the implementation of the New Scheme; and (ii) for the Court to approve the proposed amendments to the New Scheme (the "Application").

The restructuring of the Group's operations, business activities and balance sheet and the discharge of the Scheme are largely dependent on the completion of the Convertible Loan and the successful implementation of the New Scheme.

Appreciation

To our shareholders who have kept their faith in us throughout the restructuring period, I would like to express our deepest gratitude. Your continued support in our endeavours towards the next milestone of our journey as we continue to work on enhancing shareholders value will be important to the Group. We would like to thank all of our loyal shareholders for their unwavering dedication and support, especially during this extremely difficult period.

I would like to extend my appreciation to my fellow Board members for their invaluable counsel and in forging the vision for the future of the Group together. I would also like to record my deepest appreciations to the management and staff of the Group. Without our committed and dedicated team, the Group would not be able to strive and reach where it is today. Our work to restructure the Group continues and with your strong confidence and continued support, we hope to overcome this difficult period.

Yours sincerely,

Sng Sze Hiang
Chairman and Chief Executive Officer

BUSINESS REVIEWS

Overview of financial results for the year ended 31 March 2019 ("FY2019")

The Group's revenue decreased by S$108.9 million or 46.6% to S$125.0 million in FY2019 from S$233.9 million in FY2018. The decrease in revenue was due to severe lack of working capital and the ongoing discussions to complete the refinancing.

In line with the decline in the Group's turnover, gross profit decreased by S$21.2 million or 39.4% to S$32.6 million in FY2019 from S$53.8 million in FY2018.

The Group reported loss after tax of S$32.2 million in FY2019 as compared to loss after tax of S$207.8 million in FY2018. This was mainly due to decrease in impairment of goodwill and property, plant and equipment, deficit on revaluation of properties and other operating expenses.

Excluding the effect of expense items listed below totalling S$28.0 million, the Group's net loss for the year would be S$4.2 million.

No.	Description	S$ million
(i)	Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	26.1
(ii)	Other Scheme-related expenses such as interests and professional fees	1.9
	Total	**28.0**

The Group's cash and cash equivalents decreased to S$1.8 million in FY2019, a decreased of S$3.5 million from S$5.3 million in FY2018. The decrease is due to cash used for repayment of borrowings and interest on borrowings.

Performance by Geographical segments

During the year under review, the Group's turnover decreased across all geographical regions with ASEAN region being the most affected. The decrease in turnover in the ASEAN region was mainly due to weaker sales generated by our business in Indonesia.

Retail, Distribution and Trading Segment

The retail, distribution and trading business segments contributed S$112.8 million to revenue in FY2019 or 90.3% of the Group's revenue, compared to S$222.7 million or 95.2% in FY2018.

Business Strategies

The Company will focus its efforts on the successful completion of the restructuring of the Group's operations, business activities and balance sheet and the discharge of the Scheme. The Company will also continue explore various possibilities in securing the necessary funding to provide the Group with additional working capital required for the continued viability of its core businesses in certain key markets which remain fundamentally sound.

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CORPORATE INFORMATION

Board of Directors	:	Sng Sze Hiang	Chairman and CEO
		Tong Jia Pi Julia	Executive Director
		Yap Hock Soon	Executive Director
		Raymond Koh Bock Swi	Lead Independent Director
		Ng Leok Cheng	Independent Director
		Yo Nagasue	Independent Director
Audit Committee	:	Raymond Koh Bock Swi (Chairman) Ng Leok Cheng Yo Nagasue	
Nominating Committee	:	Yo Nagasue (Chairman) Ng Leok Cheng Raymond Koh Bock Swi Tong Jia Pi Julia	
Remuneration Committee	:	Ng Leok Cheng (Chairman) Raymond Koh Bock Swi Yo Nagasue Tong Jia Pi Julia	
Executive Committee	:	Sng Sze Hiang (Chairman) Tong Jia Pi Julia Yap Hock Soon	
Company Secretary	:	Koh Sock Tin, CPA	
Registrars and Transfer Office	:	M&C Services Private Limited 112 Robinson Road #05-01 Singapore 068902	
Registered Office	:	49 Sungei Kadut Avenue #03-01 Singapore 729673 Tel.: 6793 0110 Fax: 6668 0797	
Auditors	:	KPMG LLP Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Eng Chin Chin (commencing FYE 31 March 2019)	

PROFILE OF DIRECTORS

DIRECTORS

SNG SZE HIANG
Chairman and Chief Executive Officer

Mr Sng is the Chairman, Chief Executive Officer and Founder of the Company. As Chairman of the Executive Committee he is responsible for the formulation of business policies, setting the directions and strategies of the Group as well as managing our overall business. He has over 34 years of experience in trading electrical and electronics products with emerging markets.

Mr Sng holds a Certificate in Marine Communications from Singapore Polytechnic.

TONG JIA PI JULIA
Executive Director

Ms Tong is an Executive Director and co-founder of the Company. Ms Tong is a member of the Executive, Nominating and Remuneration Committees and has over 35 years of trading experience in a wide range of consumer products in emerging markets. She is responsible for the administrative functions of the Group and ensuring the efficiency of the Group's operations as well as corporate planning and implementation of business strategies. She is also involved in new business development.

Ms Tong holds a Bachelor of Arts from the Institute of Education in Yangon, Myanmar.

YAP HOCK SOON
Executive Director

Mr Yap was appointed as an Executive Director in December 2002 and is a member of the Executive Committee. He has over 23 years of experience in logistics management in the manufacturing and trading industry. He has been with the Group for more than 21 years. Prior to joining the Company, he was the Regional Project Manager for MHE Demag.

Mr Yap holds a Masters of Science (Engineering) from University of Newcastle upon Tyne, United Kingdom.

PROFILE OF DIRECTORS

INDEPENDENT DIRECTORS

KOH BOCK SWI, RAYMOND
Independent Director

Mr Koh was appointed as an Independent Director in May 2000. He is the Chairman of the Audit Committee and is a member of both the Nominating and Remuneration Committees. Mr Koh has over 30 years of experience in banking and retired in March 2008.

Mr Koh graduated from the University of Singapore with a Bachelor of Business Administration.

NG LEOK CHENG
Independent Director

Mr Ng was appointed as an Independent Director in May 2000. He is the Chairman of the Remuneration Committee and is a member of the Audit and Nominating Committees. Mr Ng has over 25 years of experience managing a listed company.

Mr Ng holds an Honours degree in Business Administration from National University of Singapore.

YO NAGASUE
Independent Director

Mr Nagasue was appointed as an Independent Director in October 2002. He is the Chairman of the Nominating Committee and is a member of the Audit and Remuneration Committees. Mr Nagasue has served with TDK Japan and TDK Australia for more than 20 years and last held the post of Managing Director in TDK (Australia) Pty Ltd.

Mr Nagasue holds a Bachelor of Economics from Gakushuin University, Tokyo, Japan.

CORPORATE GOVERNANCE REPORT

TT International Limited (the "Company") is committed to ensure that good standards of corporate governance are practiced throughout the Company and its subsidiaries (the Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value.

In compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the following report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "2012 Code" or the "Code"), which was issued in May 2012. The board of directors (the "Board") will review these practices from time to time to ensure that they address the specific needs of business demands and circumstances and evolving corporate governance issues.

The Board is pleased to confirm that for the financial year ended 31 March 2019, the Group has adhered to the principles and guidelines as set out in the Code where appropriate and deviations from the Code are explained.

Each section of the Code is classified into Principles and Guidance Notes. The Company recognises and supports the Principles and the spirit of the Code. The Guidance Notes will serve to guide the Company in this aspect and the Company is committed in complying with the substance and spirit of the Principles of the Code.

Board's Conduct of its Affairs

Principle 1: **Effective Board to lead and control the Company**

The Board's primary role is to protect and enhance long-term shareholder value. It sets the Group's overall long-term corporate strategy, objective and directions, as well as ensures effective management leadership and proper conduct of the Group's business by supervising the executive management.

The Board oversees the processes of evaluating the adequacy of the internal controls which enables risks to be reasonably assessed and managed and/or mitigated practically. The Board also reviews management performance, financial reporting and compliance as well as major funding proposals, investment and divestment proposals, and consider sustainability issues of policies and proposals, and assume responsibility for corporate governance.

All directors objectively discharge their duties and responsibilities, act in good faith and consider at all times the interests of the Company.

The Board has established a number of committees to assist in the execution of the Board's responsibilities. These committees include an Audit Committee ("AC"), an Executive Committee, a Nominating Committee ("NC") and a Remuneration Committee ("RC").

Matters which require the approval of the Board for decision include:

- corporate strategy and business plans of the Group;
- material acquisition and disposal of assets;
- investments or divestments of a material nature;
- corporate or financial restructurings;
- issuance of shares;
- declaration of interim dividends and proposals of final dividends;

- interested person transactions of a material nature; and
- announcement of the Group's quarterly, half year and full year results and the release of the Annual Reports

Any other matters are delegated by the Board to committees which the Board monitors.

The Board will consider sustainability issues such as environmental and social factors as part of its strategic formulation from time to time.

The Board has adopted a set of internal controls which sets out approval limits for capital expenditures, investments and divestments and bank borrowings at Board level. To ensure efficient and effective running of the business, approval sub-limits are set for the Executive Committee which comprises the executive directors of the Company.

The schedule of all the Board and Board Committee meetings as well as the Annual General Meeting ("AGM") for the next calendar year is planned well in advance.

The Board conducts regular scheduled meetings. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as required by particular circumstances, or exchange of views is held outside the formal environment of Board meetings.

Board meetings are conducted in Singapore and tele-conferencing is used when necessary. The Articles of Association of the Company provide for directors to conduct meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The directors' attendances at Board and its committee meetings held for the year ended 31 March 2019 are disclosed below.

Name of Director	Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Sng Sze Hiang	2	–	–	–
Tong Jia Pi Julia	2	–	–	–
Raymond Koh Bock Swi	2	–	–	–
Ng Leok Cheng	2	–	–	–
Yo Nagasue	0	–	–	–
Yap Hock Soon	2	–	–	–
No. of meetings held	2	–	–	–

The announcement dates for the Group's financial results for FY2018 (full year), Q1FY2019, Q2FY2019 and Q3FY2019 were extended to 14 May 2019. The Audit Committee Meetings for these financial periods were held on 13 May 2019 to review the financial results.

The RC and NC Meetings for FY2018 were also held on the same day on 13 May 2019. There were no incoming directors during the course of the financial year.

When the directors were appointed, the Company had provided them with history, background information about the Group, its structure and core values, its strategic direction as well as industry specific knowledge. Directors have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations. These periodic visits and meetings give the directors an understanding of the Group's businesses to enable them to assimilate into their role. It also allows the directors to get acquainted with the Management, thereby facilitating Board interaction and independent access to the Management. Directors with no prior experience as a director were encouraged to attend the Listed Company Director Programme conducted by the Singapore Institute of Directors ("SID").

To ensure that the directors keep pace with regulatory changes that have important bearings on the Company's or directors' disclosure obligations, the directors are briefed on such changes during Board meetings or specially-convened sessions by professionals. All directors are also updated regularly concerning any changes in major company policies. The non-executive directors are also welcome to request further explanations, briefings or informal discussions on any aspect of the Company's operations or business issues from Management. The executive directors will make the necessary arrangements for the briefings, informal discussions or explanations required.

The CEO and Management updated the Board regularly at each meeting (whether regular or ad-hoc meetings) on business and strategic developments pertaining to the Group's businesses and operations.

From time to time, the Board as a whole is also updated periodically by the Company's company secretariat and external auditors on various aspects such as risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") and Accounting and Corporate Regulatory Authority which are relevant to the directors are circulated to the Board.

The Company Secretary informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company from time to time. The Company will set an on-going budget for all directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook.

Newly-appointed directors will be briefed by Management on the corporate background, key personnel, group structure, the business activities of the Group and its strategic directions. All existing directors are provided, and new directors will also be provided with relevant information on the Company's policies and procedures relating to governance issues including disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price sensitive information.

A newly appointed director will be provided with a formal letter of appointment setting out among other matters, the roles, obligations, duties and responsibilities as a member of the Board.

Board Composition and Guidance

Principle 2: **Strong and independent element of the Board**

The Board consists of six directors, of which three are non-executive independent directors and three are executive directors.

Key information regarding the directors and key management personnel of the Group is set out in the section "Profile of Directors" on pages 12 to 13.

As the Group's Chairman and the chief executive officer (the "CEO") is the same person, in compliance with the guidelines of the Code, the three independent directors make up half of the Board.

The independence of each director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. In its deliberation as to the independence of a director, the NC took into account examples of relationships as set out in the Code, considered whether a director had business relationships with the Group, and if so, whether such relationship could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgments.

Each independent director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Accordingly, the NC has determined that all the three non-executive directors of the Company are independent.

With three of the six directors deemed to be independent, the Board is able to exercise independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its shareholders. No individual or small group of individuals dominates the Board's decision making.

The Board has no dissenting view on the Chairman's Message to the shareholders as set out on pages 3 to 8 of this Annual Report for the financial year under review.

The Board recognises that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contribution to the Board.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and effectively communicating with the Management in upholding the interest of the non- controlling shareholders are more critical measures in ascertaining a Director's independence than the number of years served on the Board.

The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

Hence the Board does not impose a limit on the length of service of the Independent Directors.

As at 31 March 2019, Mr Ng Leok Cheng, Mr Raymond Koh Bock Swi and Mr Yo Nagasue have served on the Board for more than nine years from the date of their first appointment.

The Board is of the view that Mr Ng, Mr Koh and Mr Nagasue have demonstrated strong independence character and judgement over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinized and challenged Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the Management.

Taking into consideration of the above and having weighed the need for the Board's refreshment against tenure for relative benefits contributed by the relevant directors, after due and careful rigorous review, the Board has resolved that Mr Ng, Mr Koh and Mr Nagasue continue to be considered independent in their exercise of judgement and objectivity in Board matters, notwithstanding that they have served on the Board for more than nine years from the date of their first appointment.

The Board reviews the size of the Board on an annual basis. The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of six members as appropriate.

The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity without interfering with efficient decision-making.

The NC is also of the view that the current Board comprises persons who, as a group, provide core competencies necessary to meet the Group's targets, and considers the present board size of six directors as appropriate for the current scope and nature of the Group's operations.

The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its businesses.

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. A board should also aid in the development of strategic proposals and oversees the effective implementation by Management to achieve set objectives.

For this to happen, the Board, particularly the independent directors, must be kept well informed of the Group's business and developments. To ensure that the independent directors are well supported by accurate and timely information, they have direct access to Management to communicate effectively. The independent directors also receive board briefings on prospective deals and potential development at an early stage before formal board approval is sought, and from time to time, keep informed of the relevant information on latest market development and trends, and key business initiatives in relation to the Group or the industries in which it operates.

To facilitate a more effective check on Management, the Company coordinates informal meeting sessions for independent directors to meet without the presence of the Management, where necessary.

Role of Chairman and Chief Executive Officer

Principle 3: **Clear division of responsibilities at the Board level to ensure a balance of power and authority**

The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the CEO and Chairman of the Board is the same person, so as to ensure that the decision-making process of the Group would not be unnecessarily hindered.

All major proposals and decisions made by the Executive Chairman who is also the CEO are discussed and reviewed by the AC. His performance and appointment to the Board is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. As the AC, NC and RC are chaired by the independent directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

As the independent directors formed half of the composition of the Board, the Company believes that there is a good balance of power and authority within the Board and no individual or small group can dominate the Board's decision-making process. In addition, the independent directors have demonstrated their commitment in their role and are expected to act in good faith and in the interest of the Company.

Mr. Sng Sze Hiang serves as both the Company's Chairman and CEO. As the Group's Executive Chairman and CEO, Mr Sng plays an instrumental and pivotal role in developing the business of the Group and provides the Group with strong leadership and vision. In addition to managing the day-to-day businesses and operations of the Group, he is also responsible for the formulation of business policies, setting the directions and strategies of the Group.

The Chairman and CEO, being the most senior executive in the Company, bears executive responsibility for the Company's business, and for the workings of the Board. The Chairman and CEO, with the assistance of the Company Secretary, schedule Board meetings including those to be held as and when necessary and prepares the Board meeting agenda in consultation with the directors, and ensures sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. He promotes an open environment for debate, and ensures that independent directors are able to speak freely and contribute effectively.

The Chairman and CEO reviews Board papers before they are presented to the Board and ensures that Board members are provided with accurate, timely and clear information. As a general rule, Board papers are sent to directors in advance in order for directors to be adequately prepared for the meeting. Management staff who have prepared the papers, or who can provide additional insight into the matters to be discussed, are invited to present the paper or attend at the relevant time during the Board meeting.

The Chairman and CEO monitors communications and relations between the Company and its shareholders, between the Board and Management, and between independent and non-independent directors, with a view to encourage constructive relations and dialogue amongst them. The Chairman and CEO works to facilitate the effective contribution of non-executive directors. He is also responsible for ensuring compliance with the Company's guidelines on corporate governance.

The Board has appointed Mr Raymond Koh Bock Swi as the lead independent director to co-ordinate and to lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on Board issues between the independent directors and the Chairman. He is available to shareholders where they have concerns, and for which contact through the normal channels of the Chairman and CEO or ED has failed to resolve or is inappropriate.

The independent directors, led by the lead independent director, meet amongst themselves without the presence of the other directors where necessary, and the lead independent director will provide feedback to the Chairman after such meetings.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: **Formal and transparent process for appointment of new directors**

The NC is set up to assist the Board on all Board appointments and re-appointments and to assess the effectiveness of the Board as a whole and the contribution of each director. The Chairman of the NC, Mr. Yo Nagasue, is an independent director. There are three other members in the NC:

- Mr. Raymond Koh Bock Swi, Independent Director
- Mr. Ng Leok Cheng, Independent Director
- Ms. Tong Jia Pi Julia, Executive Director

Key Terms of Reference of the NC

The key terms of reference of the NC are:

(1) make recommendations to the Board on new appointments to the Board;

(2) make recommendations to the Board on the re-nomination of retiring directors standing for re-election at the Company's annual general meeting, having regard to the directors' contribution and performance;

(3) determine annually whether or not a director is independent;

(4) review the size and composition of the Board with the objective of achieving a balanced Board in terms of the mix of experience and expertise;

(5) formulate and implement a succession plan for directors and senior management;

(6) decide on how the Board's performance may be evaluated and recommend objective performance criteria to the Board; and

(7) assess the effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board.

Process for selection and appointment of new directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors.

When an existing director chooses to retire or the need for a new director arises, either to replace a retiring director or to enhance the Board's strength by adding a new board member, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new director. The NC will then meet with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for appointment as director.

Process for re-appointment of directors

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration of the director's integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

All directors, including the CEO, submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Pursuant to Article 93 of the Company's Articles of Association, one-third of the Board are to retire from office by rotation and be subject to reappointment at the Company's AGM. In addition, Article 98 of the Company's Articles of Association provides that a newly appointed director must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be reappointed at least once every three years.

The Board recognises the contribution of its independent directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its independent directors so as to be able to retain the services of the directors as necessary.

The NC is responsible for determining annually, the independence of directors. In doing so, the NC takes into account the circumstances set forth in Guideline 2.3 of the 2012 Code and any other salient factors. Following its annual review, the NC has endorsed the following independence status of the directors:

Sng Sze Hiang (Non-independent)

Tong Jia Pi Julia (Non-independent)

Raymond Koh Bock Swi (Independent)

Ng Leok Cheng (Independent)

Yo Nagasue (Independent)

Yap Hock Soon (Non-independent)

All directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

The NC has reviewed and is satisfied that each Director is able to devote sufficient time and attention to the affairs of the Company to adequately carrying out his duties as a director of the Company, notwithstanding their multiple board appointments.

There is no alternate director on the Board.

The profiles of the directors are set out on pages 12 and 13 of this Annual Report.

The shareholdings of the individual directors of the Company are set out on pages 38 to 40 of this Annual Report. Save as disclosed on pages 38 to 40 of this Annual Report, none of the directors hold shares in the subsidiaries of the Company.

Directors who are subject to retirement by rotation and seeking re-election at the forthcoming AGM to be held on 19 December 2019 are stated in the Notice of AGM set out on pages 144 to 146 of this Annual Report.

Board Performance

Principle 5: **Formal assessment of the effectiveness of the Board as a whole and performance of individual directors**

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC is delegated with the responsibilities of assessing the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, with inputs from the Chairman and CEO. On an annual basis, the NC will assess each director's contribution to the Board. The assessment parameters include attendance record at meetings of the Board and its committees, intensity and quality of participation at meetings and special contributions.

Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria such as the Group revenue and profit growth, return on equity, the success of the strategic and long-term objectives set by the Board, and the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board.

The primary objective of the board evaluation exercise is to create a platform for the Board and Board Committees members to provide constructive feedback on the board procedures and process and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

Access to Information

Principle 6: **Board members to have complete, adequate and timely information**

All directors have access to the Company's records and information. From time to time, they are furnished with accurate and detailed information in a timely manner concerning the Group to enable them to be fully cognisant of the decisions and actions of the Group's key management personnel.

To assist the Board in the discharge of its duties, the Management provides the Board with periodic accounts of the Company and the Group's financial performance and position. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations. The directors receive Board papers in advance of Board and its committee meetings and have separate and independent access to the Company's senior management and company secretary. There is a procedure whereby any director may in the execution of his duties, take independent professional advice.

Generally, detailed Board and Board Committees papers prepared for each meeting are normally circulated two days in advance of each meeting. This is to give directors sufficient time to review and consider the matters to be discussed so that discussion can be more meaningful and productive. Any urgent matter may be tabled for discussion at the urgent meeting called on an ad-hoc basis, without papers being distributed.

Sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers provide sufficient background and explanatory information from the Management on financial impact, business strategies, risk analysis, and corporate issues to enable the directors to be properly briefed on issues to be considered at Board and Board Committees meetings. Such explanatory information may also be in the form of briefings to provide additional insights to the directors or formal presentations made by the Management in attendance at the meetings, or by external consultants or advisors engaged on specific projects or regulatory implications (if any).

The directors have separate and independent access to the Company Secretary and to other key management personnel of the Group at all times through email, telephone and face-to-face meetings. Any additional materials or information requested by the directors to make informed decisions is promptly furnished.

The Board receives quarterly management financial statements, cash flow projections, annual budgets and explanation on material forecasts variances to enable them to oversee the Group's operational and financial performance. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

The Company Secretary attends all Board meetings and is responsible to ensure that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act. Together with the other management staff, the Company Secretary is responsible for compliance with all other rules and regulations which are applicable to the Company.

The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

Where the directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary will assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of such professional advice will be borne by the Company.

Remuneration Committee ("RC")

Procedures for Developing Remuneration Policies

Principle 7: **Formal and transparent procedure for fixing the remuneration packages of directors.**

Level and Mix of Remuneration

Principle 8: **Remuneration of directors should be adequate but not excessive.**

Disclosure on Remuneration

Principle 9: **Disclosure on remuneration policy, level and mix of remuneration, and the procedure for setting remuneration.**

The RC is chaired by Mr. Ng Leok Cheng, an independent director. There are three other members in the RC:

- Mr. Raymond Koh Bock Swi, Independent Director
- Mr. Yo Nagasue, Independent Director
- Ms. Tong Jia Pi Julia, Executive Director

Out of four members of the RC, three of them are non-executive independent directors and they as well as the Board are of the view that Ms. Tong Jia Pi Julia, an executive director should remain a member of the RC as her valued contribution is important to the RC's decision making process.

The key terms of reference of the RC are:

(1) make recommendations to the Board on the framework of remuneration for the directors and senior management of the Company and its subsidiaries;

(2) make recommendations to the Board on specific remuneration packages for each executive director and CEO (or executive of equivalent rank) of the Company and its subsidiaries;

(3) review all benefits and long-term incentive schemes (including share schemes) and compensation packages for the directors and senior management of the Company and its subsidiaries;

(4) review service contracts for the directors and senior management of the Company and its subsidiaries;

(5) administer the employees' share option scheme ("ESOS") and performance share plan ("Share Plan") adopted by the Company; and

(6) review remuneration packages of group employees who are immediate family members (spouse, child, adopted child, step-child, sibling or parent) of any of the directors or substantial shareholders of the Company.

The Group's remuneration policy is to provide competitive remuneration packages at market rates which reward successful performance and attract, retain and motivate directors and staff. The executive directors' remuneration packages include a variable bonus element which is performance related. The RC determines the remuneration of executive directors based on the performance of the Group and the individual. Non-executive directors are paid directors' fees, subject to approval at the annual general meeting. Executive directors do not receive directors' fees.

The remuneration of the directors of the Company for the year ended 31 March 2019 is as follows:

Name	Band	Fees (%)	Salary (%)	Bonus (%)	Others** (%)
Sng Sze Hiang	S$500,000 to S$1,000,000	–	79.5	19.5	1.0
Tong Jia Pi Julia	S$500,000 to S$1,000,000	–	79.4	19.3	1.3
Raymond Koh Bock Swi	Below S$250,000	100	–	–	–
Ng Leok Cheng	Below S$250,000	100	–	–	–
Yo Nagasue	Below S$250,000	100	–	–	–
Yap Hock Soon	Below S$250,000	–	97.9	–	2.1

** Other benefits refer to the benefits-in-kind such as car, club membership, insurance, etc. make available to the benefits of the directors, as appropriate.

The Board is of the view that it is in the best interests of the Company that specific details of the remuneration of each individual director and key management staff be kept confidential. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

The RC has access to seek appropriate expert advice in the field of executive compensation outside the Company where required. The cost of such professional advice will be borne by the Company.

During the financial year, the RC did not require the service of an external remuneration consultant.

The RC reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Group adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the individual companies in the Group and of the individual staff. Staff appraisals are conducted at least once a year.

To align the interests of staff with that of the shareholders, the Company has also implemented the TT International Employees' Share Option Scheme and Performance Share Plan ("TT ESOS and PSP") on 8 August 2002 as another element of the variable component of the staff remuneration. The Company will seek the approval of independent shareholders prior to any granting of options and/or shares to the controlling shareholders of the Company. To date, the Company has not granted any options to directors, staff and the controlling shareholders. TT ESOS and PSP expired on 7 August 2012. The Company will be implementing a new Employee's Share Option Scheme and Performance Share Plan when the Board consider the circumstances suitable.

The Company is of the view that disclosure of the remuneration of key management staff who are not directors, will be detrimental to the Group's interest because of the very competitive nature of the industry the Group operates in. The non-disclosure of each of the top 5 key management staff 's remuneration does not compromise the ability of the Company to meet the Code on good corporate governance as the RC which has a majority of independent directors review the remuneration packages of such key management staff to ensure that they are fairly remunerated. The aggregate remuneration of 5 key management staff (who are not directors or the CEO) amounted to S$0.7 million for FY2019.

Other than the Company's executive director, Mr Yap Hock Soon who is a brother-in-law of the Chairman and CEO, there are no other family members that are holding managerial position in the Group. The remuneration of Mr Yap Hock Soon for FY2019 is in the band of S$150,000 to S$200,000.

Accountability and Audit

Principle 10: **The Board is accountable to the shareholders while the Management is accountable to the Board.**

The Board believes in conducting itself in ways that deliver the maximum sustainable value to the shareholders. The Management provides the Board with periodic accounts of the Company and the Group's performance and position.

In presenting the annual financial statements and quarterly announcements to shareholders, it is the aim of the Board to provide the shareholders with detailed and a balanced and understandable assessment of the company's performance, position and prospects. This responsibility is extended to regulators. Financial reports and other price-sensitive information are disseminated to shareholders through announcement via SGXNET, press releases and the Company's website. The Company's Annual Report is accessible on the Company's website.

The Board reviews legislative and regulatory compliance reports from the Management to ensure that the Group complies with the relevant requirements.

In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

All the directors and executive officers of the Group also signed a letter of undertaking pursuant to the amended Rule 720(1) of the Listing Manual of the SGX-ST.

For the financial year under review, the CEO, the Executive Director ("ED") and the Financial Controller ("FC") have provided assurance to the Board on the integrity of the Group's financial statements. The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal controls systems in place, including financial, operational compliance and information technology controls.

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. The Management provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties. On a quarterly basis, Board members are provided with up-to-date financial reports and other information on the Group's performance for effective monitoring and decision making.

The Management also highlighted key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make a balanced and informed assessment of the company's performance, position and prospects.

Internal Controls

Principle 11: **Sound system of risk management and internal controls**

The Board is responsible for ascertaining that Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. The Board believes that the system of internal controls that has been maintained by Management throughout the financial year is adequate to meet the needs of the Group in its current business environment. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The Group is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions. The Group has also considered the various financial risks, details of which are found on pages 115 to 130 of the Annual Report.

During the reporting financial year, the AC, on behalf of the Board, has reviewed the effectiveness of the Group's material internal controls. The processes used by the AC to review the effectiveness of the system of internal control and risk management include:

- discussions with Management on risks identified by Management;
- the audit process;
- the review of internal and external audit plans; and
- the review of significant matters arising from the audits,

The Group engage external internal auditors ("IA") to review its internal control and risk management process as part of the Group's efforts to strengthen its risk management processes and framework. The AC was assisted by the IA, in formulating, updating and maintenance of an adequate and effective risk management and internal control systems.

There is no work performed by external internal auditors in FY2019 due to financial difficulties.

The Board has receive assurance from the CEO, the Executive Director and the Financial Controller (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) regarding the effectiveness of the Group's risk management and internal control systems.

Based on the internal controls established and maintained by the Group and reviews performed by senior management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal control were adequate and effective as at 31 March 2019 to address the financial, operational and compliance risks of the Company. Internal controls, because of their inherent limitations, can provide reasonable but not absolute assurance regarding the achievement of their intended control objectives. In this regard, the Board will ensure that if any significant internal control failings or weaknesses were to arise, necessary remedial actions would be swiftly taken.

Audit Committee

Principle 12: **Establishment of an Audit Committee ("AC") with written terms of reference**

The AC comprises three members, all of whom are independent directors. The Chairman of the AC is Mr. Raymond Koh Bock Swi and the other members of the AC are:

- Mr. Ng Leok Cheng
- Mr. Yo Nagasue

The members of the AC have many years of experience in business management and finance. The Board considers that the members of the AC have sufficient financial management expertise and experience to discharge the AC's responsibilities.

The main terms of reference of the AC are:

(1) review the periodic results announcements and annual financial statements and submit to the Board for approval;

(2) recommend to the Board the appointment and re-appointment of external and internal auditors and the external auditors' fees for shareholders' approval;

(3) review with the external auditors and internal auditors the adequacy of internal control systems;

(4) review the audit plans and findings of the external auditors and internal auditors; and

(5) review transactions falling within the scope of the Listing Manual, in particular, matters pertaining to interested person transactions and acquisitions and realisations.

The AC has:

- full access to and co-operation from Management as well as full discretion to invite any director or personnel to attend its meetings;
- been given reasonable resources to enable it to complete its functions properly; and
- reviewed findings and evaluation of the system of internal controls with internal and external auditors.

The AC meets on a quarterly basis to review the quarterly and annual financial statements, SGXNET announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the AC reviews the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance so as to ensure the integrity of the financial statements.

The AC, having reviewed the volume of non-audit services to the Group by the external auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, has recommended their re-nomination. The AC reviews the independence of the external auditors annually.

The AC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

The re-appointment of the external auditors is always subject to shareholders' approval at the AGM of the Company.

Where necessary, the AC meets with the external auditors separately, at least once a year, without the presence of the Management to review any matter that might be raised.

The Company has complied with Rules 712 and 715 read with Rules 716 of Listing Rules of the Singapore Exchange Securities Trading Limited with respect to the appointment of the different external auditors for different subsidiaries, the Audit Committee and the Board confirmed that they are satisfied that such arrangement would not compromise the standard and effectiveness of the external audit of the Company.

The Company has previously established a Standard Operating Practice ("SOP") that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest, etc. The Company is currently reviewing its existing SOP to further enhance its operating practices.

The Company will be looking into putting in place a whistle blowing framework whereby accessible channels are provided for employees, in good faith and in confidence, to raise concerns about possible corporate malpractices and improprieties in matters of financial reporting or other matters which they become aware.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

Internal Audit

Principle 13: **Independent internal audit function**

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The Group has outsourced its internal audit function of the Company to a certified public accounting firm. The IA have been commissioned on a year-to-year basis to perform continuous monitoring and review to ensure compliance with the Group's policies, internal controls and procedures designed to manage risk and safeguard the businesses and assets of the Group. The IA reports primarily to the Chairman of the AC and has full access to the documents, records, properties and personnel of the Company and of the Group.

The Board recognises that it is responsible for maintaining a system of internal control to safeguard shareholders' investments and the Group's businesses and assets, while the Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the IA is to assist the AC's review in evaluating the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas.

The reports arising from such reviews are reviewed by Management and appropriate measures are implemented on which the AC is kept apprised of.
There is no work performed by the external internal auditors in FY2019 due to financial difficulties.

Shareholders' Rights

Principle 14: **Treat all shareholders fairly and equitably**

The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in TT International Limited.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in newspapers and posted onto the SGXNET. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

All shareholders are entitled to vote in accordance with the established voting rules and procedures.

The Company conducted electronic poll voting for all resolutions passed at its last Annual General Meeting held on 28 June 2019. The rules, including the voting process, were clearly explained by the scrutineers at the meeting. Announcements of the detailed results showing the number of votes cast for and against each resolution and the respective percentages are released immediately at the AGM and via SGXNET thereafter within the same day.

Communication with Shareholders

Principle 15: **Regular, effective and fair communication with shareholders.**

The Company believes in regular and timely communication with shareholders and it is the Board's policy to inform all shareholders, in a timely, fair and transparent manner on all major developments that has an impact on the Group.

All material information on the performance and development of the Group and of the Company is disclosed in an accurate and comprehensive manner through SGXNET, press releases and the Company's website. All materials on the Group's quarterly, half-yearly and full year financial results, press releases and briefing for media and analysts are published through the SGXNET, and are available on the Company's website and Shareinvestor.com investor relations website.

All information on the Company's new initiatives are disseminated via SGXNET and/or by a news release. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results are announced and annual reports are issued within the mandatory period and are available on the Company's website. All shareholders of the Company receive the annual report and notice of general meetings. The notice is also advertised in newspapers and made available on the SGXNET.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

The Company has engaged a professional team of investor relations (IR) personnel who focus on facilitating the communications with all stakeholders – shareholders, analysts and media – on a regular basis, to attend to their queries or concerns as well as to keep the investors and public appraised of the Group's corporate developments and financial performance.

The Company release its financial results through a SGXNET announcement. Unaudited results for the first three quarters are released to shareholders no later than 45 days from the end of the quarter. Unaudited full-year results are released within 60 days from the financial year end.

Outside of the financial announcement periods, when necessary and appropriate, the CEO or the Executive Director (ED) will meet analysts and fund managers who like to seek a better understanding of the Group's operations. The CEO or ED also engages with local and foreign investors to solicit feedback from the investment community on a range of strategic and topical issues which should provide valuable insights to the Board on investors' views. When opportunities arise, the CEO or ED conducts media interviews to give its shareholders and the investors' public a profound prospective of the Group's business prospects.

The Group does not have a formal dividend policy at present.

Since the Company has entered into a Scheme of Arrangement with Scheme Creditors effective 19 April 2010, the Group has not declared dividend payment to shareholders.

Greater Shareholder Participation

Principle 16: **Greater shareholder participation at annual general meetings**

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions. If shareholders are unable to attend the meetings, the Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Relevant intermediaries as defined in Section 181 of the Companies Act may appoint more than two proxies to attend and vote at a general meeting. A proxy need not be a member of the Company.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

The Chairmen of the Executive, Audit, Remuneration and Nominating Committees are in attendance at the Company's AGM to address shareholders' questions relating to the work of these Committees.

The Company's external auditors, KPMG LLP, are also invited to attend the AGM and are available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

The Board regards the annual general meeting as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and/or questions pertaining to Company's businesses and operations, or the resolutions tabled for approval, as well as an opportunity for the Company to communicate directly with shareholders and encourages participative dialogue. The members of the Board will attend the annual general meeting and are available to answer questions from shareholders present.

Dealings in Securities

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST on best practices in respect of dealing in securities, the Group has adopted an internal code of conduct which prohibits its directors, key management personnel and officers of the Group from dealings in the Company's securities during the "black-out" period – being two weeks and one month immediately preceding the announcement of the Company's quarterly and full-year financial results, respectively.

A system of reporting of security dealing to the company secretary by directors has been established to effectively monitor the dealings of these parties in the securities of the Company. In addition, a circular is issued before the start of each period to remind officers to refrain from dealing in the Company's securities during the period of two weeks prior to the release of the quarterly, or one month prior to the release of the year-end announcements of the Group's financial results.

In addition, directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

Material Contracts

Save for the service agreements between the Executive Directors and the Company, and the interest-free Shareholders' loan extended to the Company by a director who is also the controlling shareholder of the Company, there were no material contracts entered into by the Company and its subsidiaries involving the interest of the Chief Executive Officer, directors or controlling shareholders of the Company for the financial year ended 31 March 2019.

Interested Person Transactions ("IPT") Policy

The Company reviews interested person transactions in accordance with the requirements of the SGX-ST Listing Manual.

In accordance with Rule 907 of the SGX-ST Listing Manual, during the financial year Tong Jia Pi Julia had advanced financing to the Group and its subsidiaries accumulatively amounting to S$1,545,000 as at 31 March 2019.

Name of Interested Person		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 each)	
		Transactions not conducted under shareholders' mandate pursuant to Rule 920	Transactions conducted under shareholders' mandate pursuant to Rule 920
		S$'000	S$'000
Tong Jia Pi Julia	Advanced financing to the Group and its subsidiaries	1,545	–

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Raymond Koh Bock Swi and Mr Yo Nagasue are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 November 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors is set out below:

Name of Director	**Raymond Koh Bock Swi**	**Yo Nagasue**
Date of Appointment	26 May 2000	7 October 2002
Date of last re-appointment (if applicable)	29 July 2016	29 July 2016
Age	67	73
Country of principal residence	Singapore	Japan
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Raymond Koh Bock Swi for re-appointment as Independent Director and Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Raymond Koh Bock Swi possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Yo Nagasue for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Yo Nagasue possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director. Chairman of the AC and member of both the NC and RC.	Independent Director. Chairman of the NC and member of the AC and RC.
Professional qualifications	Bachelor of Business Administration from the University of Singapore	Bachelor of Economics from Gakushuin University, Tokyo, Japan.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Raymond Koh Bock Swi	Yo Nagasue
Working experience and occupation(s) during the past 10 years	Mr Koh has over 30 years of experience in banking and retired in March 2008.	Mr Nagasue has served with TDK Japan and TDK Australia for more than 20 years and last held the post of Managing Director in TDK (Australia) Pty Ltd.
Shareholding interest in the Company and its subsidiaries	195,000 shares	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
Other Principal Commitments Including Directorships (for the last 5 years):-		
Past (for the past 5 years):	Not Applicable	Not Applicable
Present:	TT International Limited PT Malindo Feedmill tbk, Indonesia - Independent Commissioner DGB Specialised Bank, Cambodia - Independent Director	TT International Limited

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Raymond Koh Bock Swi	Yo Nagasue
Disclose the following matters concerning the director.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of such breach?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Raymond Koh Bock Swi	Yo Nagasue
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Raymond Koh Bock Swi	Yo Nagasue
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

Year ended 31 March 2019

We hereby submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2019.

The Company has been placed under a Scheme of Arrangement (the "Scheme") sanctioned by the Court of Appeal in Singapore on 13 October 2010. The effective date of the Scheme is 19 April 2010 (the "Scheme Effective Date"). At the date of this statement, there are claims that are currently disputed of which the amounts have not yet been determined by the Court of Appeal in Singapore.

The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations as and when they fall due is dependent on the matters set out in note 2 to the financial statements.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial position as at 31 March 2019, together with profit or loss, other comprehensive income and changes in equity for the year then ended, to be very different from what is currently presented in the financial statements. The directors also consider that there are no practical means available to resolve such difficulties, due to the effect of the differing outcomes, in the preparation of these financial statements. Accordingly, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of shareholders and other stakeholders who may use these financial statements. Further details on the basis of preparation of these financial statements are set out in note 2 to the financial statements.

In our opinion:

(a) having regard to and taking into consideration the matters disclosed in the financial statements, in particular note 2 to the financial statements, the financial statements set out on pages 45 to 140 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, subject to the matters referred to in note 2 to the financial statements, 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 has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS' STATEMENT

Year ended 31 March 2019

Directors

The directors in office at the date of this statement are as follows:

Sng Sze Hiang
Tong Jia Pi Julia
Raymond Koh Bock Swi
Ng Leok Cheng
Yo Nagasue
Yap Hock Soon

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year in shares in the Company and in related corporations, other than wholly owned subsidiaries, are as follows:

Name of director and corporation in which interests are held	At beginning of the year	At end of the year
The Company		
Ordinary shares		
Sng Sze Hiang[^@#1]	281,366,775	281,366,775
Tong Jia Pi Julia[^b#2]	103,588,856	103,588,856
Raymond Koh Bock Swi	195,000	195,000
Ng Leok Cheng	195,000	195,000
Yap Hock Soon[*>]	1,628,000	1,628,000
@ Include shares held in the name of Sng Sze Hiang's nominee	276,835,297	276,835,297
b Include shares held in the name of Tong Jia Pi, Julia's nominee	103,588,856	103,588,856
* Include shares held in the name of Yap Hock Soon's wife	688,000	688,000

^ Tong Jia Pi Julia is the wife of Sng Sze Hiang.

> Yap Hock Soon is the brother-in-law of Sng Sze Hiang.

#1 Pursuant to the Scheme of Arrangement of the Company effective 19 April 2010, as at 1 April 2018, Sng Sze Hiang is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. As at 31 March 2019, Sng Sze Hiang is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. There is no change to such interests as at 21 April 2019.

#2 Pursuant to the Scheme of Arrangement of the Company effective 19 April 2010, as at 1 April 2018, Tong Jia Pi Julia is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. As at 31 March 2019, Tong Jia Pi Julia is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. There is no change to such interests as at 21 April 2019.

DIRECTORS' STATEMENT

Year ended 31 March 2019

By virtue of Section 7 of the Act, Sng Sze Hiang and Tong Jia Pi Julia are deemed to have interests in those subsidiaries of the Company, which are wholly-owned by the Company or the Group, at the beginning and at the end of the financial year, and in the following subsidiaries which are not wholly-owned by the Group:

	Shareholdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
Related Corporations		
T.T. International Limited		
Ordinary shares of MMK1,000 each		
Sng Sze Hiang	533	533
Tong Jia Pi Julia	533	533
Akira Middle East L.L.C		
Ordinary shares of AED1,000 each		
Sng Sze Hiang	147	147
Tong Jia Pi Julia	147	147
AIMS Trading (Private) Limited		
Ordinary shares of LKR10 each		
Sng Sze Hiang	1,320,000	1,320,000
Tong Jia Pi Julia	1,320,000	1,320,000
Akira Electric Corporation Holdings Ltd		
Ordinary shares of BAHT100 each		
Sng Sze Hiang	490	490
Tong Jia Pi Julia	490	490
Athletic AGD Sp. z.o.o.		
Ordinary shares of PLN500 each		
Sng Sze Hiang	1,020	1,020
Tong Jia Pi Julia	1,020	1,020
Athletic International S.A.		
Ordinary shares of PLN1 each		
Sng Sze Hiang	5,728,422	5,728,422
Tong Jia Pi Julia	5,728,422	5,728,422
A & D Sp. z.o.o.		
Ordinary shares of PLN500 each		
Sng Sze Hiang	480	480
Tong Jia Pi Julia	480	480

DIRECTORS' STATEMENT

Year ended 31 March 2019

	Shareholdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
Related Corporations		
A-Beyond Tex Sp. z.o.o.		
Ordinary shares of PLN100 each		
Sng Sze Hiang	1,560	1,560
Tong Jia Pi Julia	1,560	1,560
Brahma (Polska) Sp. z.o.o.		
Ordinary shares of PLN500 each		
Sng Sze Hiang	156	156
Tong Jia Pi Julia	156	156
Athletic Manufacturing Sp. z.o.o		
Ordinary shares of PLN50 each		
Sng Sze Hiang	64,000	64,000
Tong Jia Pi Julia	64,000	64,000
TTA Holdings Ltd		
Ordinary shares		
Sng Sze Hiang	117,500,000	117,500,000
Tong Jia Pi Julia	117,500,000	117,500,000
TEAC Australia Pty Ltd		
Ordinary shares		
Sng Sze Hiang	3,000,000	3,000,000
Tong Jia Pi Julia	3,000,000	3,000,000
Big Box Pte. Ltd.		
Ordinary shares		
Sng Sze Hiang	5,100,000	5,100,000
Tong Jia Pi Julia	5,100,000	5,100,000
Omni Centre Pte. Ltd.		
Ordinary shares		
Sng Sze Hiang	54,932	54,932
Tong Jia Pi Julia	54,932	54,932
PT Sumber Electrindo Makmur		
Ordinary shares		
Sng Sze Hiang	82,002	82,002
Tong Jia Pi Julia	82,002	82,002

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in the above-mentioned directors' interests in the Company between the end of the financial year and 12 December 2019.

Except as disclosed under the "Share Options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

The TT International Employees' Share Option Scheme (the "Option Scheme") and the TT International Performance Share Plan (the "Share Plan") of the Company were approved and adopted by its members at an Extraordinary General Meeting held on 8 August 2002. The Option Scheme and the Share Plan are administered by the Remuneration Committee, comprising four directors, Ng Leok Cheng (Chairman), Raymond Koh Bock Swi, Yo Nagasue and Tong Jia Pi Julia.

Other information regarding the Option Scheme and the Share Plan are set out below:

(i) Option Scheme

- The Remuneration Committee shall have the absolute discretion to grant the options with a subscription price at no discount, or at a discount of up to a maximum of 20% of the market price, being the average of the last dealt price of the Company's shares on the Singapore Exchange Trading Limited ("SGX-ST") on the five market days immediately preceding the date of grant of such options.

- Subject to the rules and such other conditions as may be imposed by the Remuneration Committee from time to time, the options granted are exercisable in whole or in part at any time:

  (a) after the first anniversary of the date of grant of the option if the subscription price of the option granted was at market price; and

  (b) after the second anniversary of the date of grant of the option if the subscription price of the option granted was at a discount to the market price,

  provided always that an option that is granted to an eligible employee shall be exercised before the tenth anniversary of the date of grant of the option and an option which is granted to a non-executive director shall be exercised before the fifth anniversary of the date of grant of that option.

- The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

(ii) Share Plan

The Remuneration Committee may award an eligible participant with fully paid shares in the Company, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance target(s). There are no vesting periods beyond the performance achievement periods.

DIRECTORS' STATEMENT

Year ended 31 March 2019

The total number of shares issued and issuable in respect of all options and awards pursuant to the Option Scheme and the Share Plan shall not exceed 15% of the total issued share capital of the Company on the day preceding the relevant date of the option or award.

Since the commencement of the Option Scheme and the Share Plan:

(i) no options have been granted pursuant to the Option Scheme to any person to take up unissued shares in the Company or its subsidiaries;

(ii) no shares in the Company have been awarded to any person pursuant to the Share Plan; and

(iii) no shares have been issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company under option.

Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement are:

Raymond Koh Bock Swi (Chairman)
Ng Leok Cheng
Yo Nagasue

The Audit Committee has held two meetings since the last directors' statement. Specific functions of the Audit Committee include reviewing the scope of work of the external auditors and receiving and considering the auditors' reports. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit fees.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Singapore Exchange Listing Manual, reviewed the requirements of approval and disclosure of interested person transactions, reviewed the internal procedures set up by the Company to identify and report and where necessary, sought approval for interested person transactions and reviewed interested person transactions.

The Audit Committee is satisfied with the independence and objectivity of the external auditors.

Auditors

KPMG LLP have indicated that they will not seek re-appointment as external auditors.

The Company has commenced discussions with a number of public accounting firms for potential appointment as external auditors. The Company will seek shareholders' approval for the appointment of the auditors in due course.

On behalf of the Board of Directors

Sng Sze Hiang
Director

Tong Jia Pi Julia
Director

12 December 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
TT International Limited

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of TT International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 140.

Because of the significance of the matters described in the '*Basis for disclaimer of opinion*' section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we do not express an opinion on the accompanying consolidated financial statements of the Group or the balance sheet of the Company.

Basis for disclaimer of opinion

The Company has been placed under a Scheme of Arrangement (the "Scheme") sanctioned by the Court of Appeal in Singapore on 13 October 2010. The Company's ability to continue as a going concern is dependent mainly on the outcome of the successful implementation of the New Scheme, the completion of the issuance of the Convertible Loan, the Group's ability to secure financing as and when required, the profitability of future operations of the Group, and the continuing support of banks and other creditors, suppliers and other parties. These matters are explained in more detail in note 2 (and other notes) to these financial statements.

A significant subsidiary in Singapore had defaulted on its debt repayment obligation which was due on 31 March 2017. Receivers and managers were appointed in September 2017 over the assets of this subsidiary and the Warehouse Retail Scheme of this subsidiary was terminated by relevant authority in February 2018. These developments have severely affected the businesses of this subsidiary and certain entities within the Group (see notes 15 and 29).

The Group and the Company have deficiency in net assets of $364,382,000 (2018: $347,707,000) and $402,456,000 (2018: $355,942,000), respectively as at 31 March 2019 and the Group incurred a net loss of $32,158,000 (2018: $207,799,000) for the financial year then ended.

These factors indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Notwithstanding the above, management has prepared these financial statements on a going concern basis which may not be appropriate. We are however unable to determine the adjustments that may be necessary as a result of these uncertainties.

Further, at the date of this report, the Company was unable to provide sufficient information for us to complete the audit of the consolidated financial statements of the Group and the balance sheet of the Company. Accordingly, we were not able to perform and complete our procedures to obtain sufficient and appropriate audit evidence over the financial statements of the Group, the balance sheet of the Company, and the accompanying disclosures for the year then ended. As such, we were not able to determine whether any adjustments might be necessary to the amounts and disclosures shown in the financial statements as at and for the year ended 31 March 2019.

We have also disclaimed our opinion on the auditors' report for the year ended 31 March 2018 issued on 10 June 2019.

INDEPENDENT AUDITORS' REPORT

Members of the Company
TT International Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditors' report. However, because of the matters described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirement that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matters referred to in the 'Basis for disclaimer of opinion' section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 December 2019

BALANCE SHEETS

As at 31 March 2019

	Note	Group 31 Mar 2019 $'000	Group 31 Mar 2018 $'000	Group 1 Apr 2017 $'000	Company 31 Mar 2019 $'000	Company 31 Mar 2018 $'000	Company 1 Apr 2017 $'000
Non-current assets							
Property, plant and equipment	5	211,562	223,213	563,915	305	348	473
Investment properties	6	7,031	8,287	8,913	–	–	–
Subsidiaries	7	–	–	–	14,747	14,747	21,609
Intangible assets	8	9,277	9,335	33,805	–	–	–
Deferred tax assets	9	–	471	1,431	–	–	–
Unsecured loan to a subsidiary	11	–	–	–	–	–	89,900
		227,870	241,306	608,064	15,052	15,095	111,982
Current assets							
Inventories	10	9,617	15,238	39,341	–	–	–
Trade and other receivables	11	19,347	59,346	71,343	81,925	89,090	63,045
Cash and cash equivalents	12	2,829	6,252	9,311	23	24	24
		31,793	80,836	119,995	81,948	89,114	63,069
Total assets		259,663	322,142	728,059	97,000	104,209	175,051
Equity							
Share capital	13	175,622	175,622	175,622	175,622	175,622	175,622
Reserves	14	39,593	30,436	117,636	121	121	121
Accumulated losses		(443,817)	(438,008)	(317,470)	(578,199)	(531,685)	(375,340)
Equity attributable to owners of the Company		(228,602)	(231,950)	(24,212)	(402,456)	(355,942)	(199,597)
Non-controlling interests	7	(135,780)	(115,757)	53,315	–	–	–
Total equity		(364,382)	(347,707)	29,103	(402,456)	(355,942)	(199,597)
Non-current liabilities							
Borrowings	15	162,899	156,272	153,063	83,951	76,272	72,349
Derivative financial liabilities		664	664	664	742	742	742
Deferred tax liabilities	9	4,712	4,557	37,943	–	–	–
		168,275	161,493	191,670	84,693	77,014	73,091
Current liabilities							
Borrowings	15	277,746	316,061	321,990	150,002	150,002	149,098
Provision for warranties	16	61	74	141	–	–	–
Trade and other payables	17	176,180	184,765	177,942	264,761	233,135	152,459
Contract liabilities	18	978	3,150	3,363	–	–	–
Current tax payable		805	4,306	3,850	–	–	–
		455,770	508,356	507,286	414,763	383,137	301,557
Total liabilities		624,045	669,849	698,956	499,456	460,151	374,648
Total equity and liabilities		259,663	322,142	728,059	97,000	104,209	175,051

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

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Revenue	18	124,984	233,868
Other operating income		8,672	6,033
		133,656	239,901
Changes in inventories of finished goods		(5,621)	(24,103)
Purchase of goods		(86,735)	(155,920)
Staff costs		(19,520)	(32,927)
Depreciation of property, plant and equipment	5	(14,025)	(36,917)
Amortisation of intangible assets	8	(58)	(58)
Impairment loss on intangible assets	8	(75)	(22,087)
Impairment loss on property, plant and equipment	5	(250)	(11,429)
Other operating expenses		(21,673)	(141,205)
Loss from operations		(14,301)	(184,745)
Finance income		427	1,833
Finance expense			
- Interest expense paid/payable		(14,276)	(19,050)
- Accretion of interest expense		(6,895)	(4,496)
		(21,171)	(23,546)
Net finance expense	20	(20,744)	(21,713)
Loss before income tax		(35,045)	(206,458)
Income tax credit/(expense)	21	2,887	(1,341)
Loss for the year	19	(32,158)	(207,799)
Attributable to:			
Owners of the Company		(1,701)	(120,538)
Non-controlling interests		(30,457)	(87,261)
Loss for the year		(32,158)	(207,799)

		2019 Cents	2018 Cents
Earnings per share			
- Basic and diluted	22	(0.16)	(11.50)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2019

	2019 $'000	2018 $'000
Loss for the year	(32,158)	(207,799)
Items that will not be reclassified to profit or loss:		
Net surplus/(deficit) on revaluation of property, plant and equipment, net of tax	873	(162,554)
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries	5,790	(6,477)
Other comprehensive income for the year, net of tax	6,663	(169,031)
Total comprehensive income for the year	(25,495)	(376,830)
Total comprehensive income attributable to:		
Owners of the Company	3,348	(207,738)
Non-controlling interests	(28,843)	(169,092)
Total comprehensive income for the year	(25,495)	(376,830)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

Group	Share capital $'000	Capital reserves $'000	Fair value and revaluation reserves $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2017	175,622	18,711	124,700	(25,775)	(317,470)	(24,212)	53,315	29,103
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(120,538)	(120,538)	(87,261)	(207,799)
Other comprehensive income								
Item that will not be reclassified to profit or loss:								
Net deficit on revaluation of property, plant and equipment, net of tax	–	–	(82,030)	–	–	(82,030)	(80,524)	(162,554)
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	(5,170)	–	(5,170)	(1,307)	(6,477)
Total other comprehensive income	–	–	(82,030)	(5,170)	–	(87,200)	(81,831)	(169,031)
Total comprehensive income for the year	–	–	(82,030)	(5,170)	(120,538)	(207,738)	(169,092)	(376,830)
Transactions with owners, recorded directly in equity								
Distribution to owners								
Dividend payment to non-controlling interest of a subsidiary	–	–	–	–	–	–	(25)	(25)
Total distribution to owners	–	–	–	–	–	–	(25)	(25)
Change in ownership interest in subsidiaries								
Contribution from non-controlling interest	–	–	–	–	–	–	45	45
Total change in ownership interest	–	–	–	–	–	–	45	45
At 31 March 2018	175,622	18,711	42,670	(30,945)	(438,008)	(231,950)	(115,757)	(347,707)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

Group	Share capital $'000	Capital reserves $'000	Fair value and revaluation reserves $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2018	175,622	18,711	42,670	(30,945)	(438,008)	(231,950)	(115,757)	(347,707)
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(1,701)	(1,701)	(30,457)	(32,158)
Other comprehensive income								
Item that will not be reclassified to profit or loss:								
Net surplus on revaluation of property, plant and equipment, net of tax	–	–	873	–	–	873	–	873
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	4,176	–	4,176	1,614	5,790
Total other comprehensive income	–	–	873	4,176	–	5,049	1,614	6,663
Total comprehensive income for the year	–	–	873	4,176	(1,701)	3,348	(28,843)	(25,495)
Transactions with owners, recorded directly in equity								
Change in ownership interest in subsidiaries								
Deconsolidation of a subsidiary	–	4,108	–	–	(4,108)	–	8,820	8,820
Total change in ownership interest	–	4,108	–	–	(4,108)	–	8,820	8,820
At 31 March 2019	175,622	22,819	43,543	(26,769)	(443,817)	(228,602)	(135,780)	(364,382)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	2019 $'000	2018 $'000
Cash flows from operating activities		
Loss for the year	(32,158)	(207,799)
Adjustments for:		
Allowance for doubtful receivables (written back)/made	(1,197)	1,081
Allowance for inventory obsolescence made	1,166	158
Changes in fair value of investment properties	1,355	432
(Surplus)/Deficit on revaluation of property, plant and equipment in profit or loss	(217)	98,632
Depreciation and amortisation	14,083	36,975
Exchange loss/(gain), unrealised	1,934	(1,042)
Finance expense	21,171	23,546
Finance income	(427)	(1,833)
Gain on liquidation of a subsidiary	–	(9)
Gain on deconsolidation of a subsidiary	(4,719)	–
Impairment of goodwill	75	22,087
Impairment of property, plant and equipment	250	11,429
Inventories written off	73	380
Income tax (credit)/expense	(2,887)	1,341
(Gain)/Loss on disposal of property, plant and equipment	(11)	486
Receivables written off	1,927	1,652
	418	(12,484)
Changes in working capital:		
Inventories	3,032	23,255
Trade and other receivables	15	7,544
Trade and other payables	(958)	(8,951)
Bills payable and trust receipts	(8)	(28)
Provisions	(13)	(67)
Contract liabilities	(2,172)	(213)
Deposits and advance payments from customers	(347)	(793)
Cash (used in)/generated from operations	(33)	8,263
Income tax paid	(153)	(90)
Interest income received	427	1,833
Interest paid on bills payable and trust receipts	–	(41)
Net cash from operating activities	241	9,965
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	22	–
Deconsolidation of a subsidiary, net of cash disposed	(339)	–
Proceeds from disposal of property, plant and equipment	53	57
Purchase of property, plant and equipment	(589)	(4,651)
Net cash used in investing activities	(853)	(4,594)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Contribution from non-controlling interests		–	45
Dividend payments to non-controlling interests of a subsidiary		–	(25)
Restricted bank deposits		(2)	13
Interest paid on borrowings		(1,005)	(4,898)
Payment of obligations under finance leases		(236)	(313)
(Repayment of)/Proceeds from loans from directors		(589)	61
Proceeds from loans from non-controlling shareholders of subsidiaries		–	148
Repayment of loans from non-controlling shareholders of subsidiaries		(564)	(10)
Proceeds from interest-bearing loans		515	3,038
Repayment of interest-bearing loans		(855)	(6,103)
Net cash used in financing activities		(2,736)	(8,044)
Net decrease in cash and cash equivalents		(3,348)	(2,673)
Cash and cash equivalents at 1 April 2018/2017		5,260	8,306
Effect of foreign exchange rate changes on cash held in foreign currencies		(77)	(373)
Cash and cash equivalents at 31 March	12	1,835	5,260

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 December 2019.

1 Domicile and activities

TT International Limited (the "Company") is incorporated in Singapore and has its registered office at 49 Sungei Kadut Avenue, #03-01, Singapore 729673.

The principal activities of the Company are those relating to retail, trading and distribution of a wide range of furniture and furnishings, electrical and electronics products and investment holding. The principal activities of the significant subsidiaries are set out in note 7 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (collectively referred to as the "Group").

2 Scheme of arrangement and financial reporting

Scheme of arrangement

The Company is being restructured under a Scheme of Arrangement (the "Scheme") sanctioned by the Court of Appeal in Singapore on 13 October 2010. The effective date of the Scheme is 19 April 2010 (the "Scheme Effective Date").

Pursuant to the Scheme:

a) On 1 June 2010, the Company announced the results of its first Reverse Dutch Auction ("RDA"). The Company paid $14,750,000 and extinguished $89,925,000 of its Original Debt under the RDA.

   The total Sustainable Debt (i.e. the projected level of debt that the Company is able to sustain) as at 31 July 2009 (the "Ascertainment Date") was $150,000,000. The Sustainable Debt has a term of 5 years commencing from the Scheme Effective Date of 19 April 2010. The total Non-sustainable Debt was determined after deducting the total Sustainable Debt from the Restructured Debt. The amount of Sustainable Debt owed to each Scheme Creditor was determined by reference to the proportion of the Scheme Creditor balance relative to the Restructured Debt multiplied by $150,000,000. The amount of Non-sustainable Debt owed to each Scheme Creditor was determined by reference to the proportion of the Scheme Creditor balance relative to the Restructured Debt multiplied by total Non-sustainable Debt.

b) On 25 October 2011, the crystallised portion of Sustainable Debt amounted to $81,047,000. The crystallised portion of Non-sustainable Debt of $139,377,000 was converted into Redeemable Convertible Bonds ("RCBs"). These RCBs were issued by the Company at par.

c) As at 31 March 2012, the aggregate restructured debt under the Scheme (the "Restructured Debt") was $407,337,000 which comprise proved debts of $221,025,000, contingent claims of $97,546,000 and disputed debts of $88,766,000.

2 Scheme of arrangement and financial reporting (Continued)

Scheme of arrangement (Continued)

d) Following the resolution of a disputed debt with one Scheme Creditor, new RCBs with a face value of $139,634,000 were issued on 3 April 2013 to the Scheme Creditors (reflecting an increase of $257,000) in exchange for those issued on 25 October 2011 on the same terms. The crystallised portion of the Sustainable Debt increased by $344,000 to $81,391,000.

Subsequent to this, certain disputed debts of $27,909,000 were resolved, of which $25,428,000 of the disputed debts crystallised. This resulted in the Company's proved debts increasing from $221,025,000 to $246,453,000. The crystallised portion of the total Sustainable Debt increased by $9,920,000 to $91,311,000. The crystallised portion of the Non-sustainable Debt increased by $15,508,000 to $155,142,000, for which the RCBs will be issued in due course. At the Group level, the crystallised portion of Sustainable Debt of the Group increased by $2,567,000 to $83,958,000. The crystallised portion of the Non-sustainable Debt of the Group increased by $4,361,000 to $143,995,000.

e) During the financial year ended 31 March 2015, the Company made an offer to each Scheme Creditor to convert a number of RCBs into the Company's new ordinary shares ("Dilution Shares") at a conversion price of $0.14 by way of a first dilution exercise (the "First Dilution Exercise") in accordance with the Scheme terms. In accordance with the Bondholders' exercising of their rights under the First Dilution Exercise to convert the RCBs entitled for conversion of Dilution Shares, the Company had, on 14 May 2014 (the first Dilution Date), issued 20,285,041 Dilution Shares which were quoted on the SGX-ST on 15 May 2014. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $2,840,000. As such, the total amount of RCBs with a total face value amounting to $152,302,000, were issued to Scheme Creditors in exchange of those issued previously on the same terms. On 20 March 2015, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debt by up to 12 months. At the Group level, the crystallised portion of Sustainable Debt of the Group remained at $83,958,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by approximately $2,840,000 to $141,155,000.

f) On 19 April 2015, contingent debt of $127,757,000 were deemed irrevocably, unconditionally and permanently waived by the contingent creditors. A contingent claim of $2,282,000 pending verification was fully resolved and crystallised. Crystallised debts and disputed debts were reduced by $135,000 and $2,684,000 respectively. This resulted in the Company's restructured debt decreasing from $404,856,000 to $271,440,000. It comprises crystallised debts of $245,760,000 and disputed debts of $25,680,000. The crystallised portion of the Sustainable Debt increased by $44,645,000 to $135,956,000. The crystallised portion of the Non-sustainable Debt decreased by $42,498,000 to $109,804,000. At the Group level, the crystallised portion of Sustainable Debt of the Group increased by $44,765,000 to $128,723,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $42,618,000 to $98,537,000.

g) During the financial year ended 31 March 2016, the Company made an offer to each Scheme Creditor to convert a number of RCBs into the Company's new ordinary shares ("Dilution Shares") at a conversion price of $0.15 by way of a second dilution exercise (the "Second Dilution Exercise") in accordance with the Scheme terms. In accordance with the Bondholders' exercising of their rights under the Second Dilution Exercise to convert the RCBs entitled for conversion of Dilution Shares, the Company had, on 14 May 2015 (the second Dilution Date), issued 21,187,159 Dilution Shares which were quoted on the SGX-ST on 15 May 2015. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,178,000 to $106,626,000. At the Group level, the crystallised portion of Sustainable Debt of the Group remained at $128,723,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,178,000 to $95,359,000.

2 Scheme of arrangement and financial reporting (Continued)

Scheme of arrangement (Continued)

h) On 14 April 2016, the quantum of disputed debts under litigation was preliminary determined by the Court of Appeal in Singapore to be $18,193,000. Accordingly, at the Company level, the crystallised portion of the Non-sustainable Debt reduced by $3,815,000 to $102,811,000. At the Group level, the crystallised portion of Sustainable Debt of the Group increased by $3,815,000 to $132,538,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,815,000 to $91,544,000.

On 15 April 2016, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debt by up to 12 months.

i) During the financial year ended 31 March 2017, the Company made an offer to each Scheme Creditor to convert a number of RCBs into the Company's new ordinary shares ("Dilution Shares") at a conversion price of $0.16 by way of a third dilution exercise (the "Third Dilution Exercise") in accordance with the Scheme terms. In accordance with the Bondholder's exercising of their rights under the Third Dilution Exercise to convert the RCBs entitled for conversion of Dilution Shares, the Company had, on 13 May 2016 (the third Dilution Date), issued 23,078,216 Dilution Shares which were quoted on the SGX-ST on 16 May 2016. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,693,000 to $99,118,000. At the Group level, the crystallised portion of Sustainable Debt of the Group remained at $132,538,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,693,000 to $87,851,000.

j) On 29 March 2017, the quantum of disputed debts under litigation was preliminary determined by the Court of Appeal in Singapore to be $3,068,167.58. The relevant Scheme Creditor to that Disputed Debts under litigation had submitted their appeal to the Court of Appeal in Singapore.

On 18 April 2017, Scheme Creditors gave their approval to the termination of the Scheme upon receipt of the Settlement Sum of $70,000,000 and the extension of the date of repayment of Sustainable Debt by up to 3 months from 19 April 2017.

k) On 11 August 2017, Scheme Creditors gave their approval to extend the date of repayment of the Sustainable Debt by up to 3 months from 19 July 2017.

On 6 September 2017, the High Court of the Republic of Singapore ("the Court") granted the Moratorium Application made by the Company on 11 August 2017 pursuant to Section 211B(1) of the Act. The Moratorium Application sought, inter alia, orders that all creditors be restrained from taking certain further action against the Company and its assets for such period as the Court thinks fit until 11 February 2018.

On 17 November 2017, Scheme Creditors gave their approval to further extend the date of repayment of the Sustainable Debt by up to 4 months from 19 October 2017.

On 2 February 2018, the Company made an application to the Court to extend the moratorium ("Moratorium Extension Application"). The Court granted an interim extension of the moratorium until the conclusion of the Moratorium Extension Application. The Court, on 26 March 2018, granted the Moratorium Extension Application until 11 August 2018 or until further order.

As at the reporting date, the process of determining the final amounts of certain claims which are disputed have not been resolved, finalised and/or crystallised (see note 26).

2 Scheme of arrangement and financial reporting (Continued)

Scheme of arrangement (Continued)

l) On 31 July 2018, in connection with the proposed disposal of shares of the Company's various subsidiaries ("Proposed Disposal"), the Company had proposed to enter into a new scheme of arrangement ("New Scheme") with its creditors, comprising both creditors of the Company under the existing Scheme ("Existing Scheme Creditors") and other creditors of the Company (the "Non-Existing Scheme Creditors"). The New Scheme is to be funded by an amount of up to $45,000,000, which will be set aside from the consideration of $37,500,000 to be received from the purchaser for the Proposed Disposal ("Purchaser") and a loan of $7,500,000 to be provided by the Purchaser ("Purchaser Loan"). See note 29 for more details.

The Court had granted moratorium extensions on 10 August 2018 and 28 November 2018 which collectively extended the Moratorium Extension Application until 31 December 2019.

On 20 December 2018, the New Scheme was approved by the requisite majority of the creditors.

m) On 7 March 2019, the Company filed an application ("Sanction Application") pursuant to Section 211I of the Act for, amongst others, the New Scheme to be approved by the Court. On 26 March 2019, the Court approved the New Scheme, subject to the following amendments and conditions imposed by the Court:

a) That a said creditor is deemed to be an excluded creditor under the New Scheme; and

b) The long stop date for the implementation of the New Scheme is extended until 30 April 2019.

In connection with the sanction of the New Scheme, the said creditor has, on the basis that the Company will provide information prescribed by the Court to the said creditor in relation to payments (if any) by the Company to another excluded creditor, provided an undertaking to the Court that it shall not, without the leave of the Court or prior consent in writing of the Company, levy any execution proceedings in respect of the fees assessed by the Court to be payable for work done by the said creditor for the Company (i.e. the sum of $1,276,735 subject to GST ("Assessed Amount")), commence winding up proceedings against the Company or serve a statutory demand upon the Company based upon the Assessed Amount, or commence judicial management proceedings against the Company (the "Creditor Standstill").

2 Scheme of arrangement and financial reporting (Continued)

Scheme of arrangement (Continued)

Subsequent to 31 March 2019

On 18 April 2019, the Company has applied to the Court for an extension of the existing Moratorium, which expires on 30 April 2019, until 31 July 2019 and to extend the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

The Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management service agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the bridging loan agreement entered by a wholly owned subsidiary of the Company with the Purchaser on 17 December 2018 ("Bridging Loan") arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme) have agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim or any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

The Purchaser has agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of $48 million to be granted to the Company ("Convertible Loan").

On 16 July 2019, the Company and the Purchaser (now known as the "Investor") entered into a binding term sheet ("Term Sheet") to, amongst others, provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to $45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and Bridging Loan.

The Court had granted moratorium extensions on 26 April 2019 and 29 July 2019 which collectively extended the Moratorium Extension Application until 31 December 2019.

2 Scheme of arrangement and financial reporting (Continued)

Financial reporting

The Group and the Company have deficiency in net assets of $364,382,000 (2018: $347,707,000) and $402,456,000 (2018: $355,942,000), respectively as at 31 March 2019 and the Group incurred a net loss of $32,158,000 (2018: $207,799,000) for the financial year then ended.

A significant subsidiary in Singapore had defaulted on its debt repayment obligation which was due on 31 March 2017. Receivers and managers were appointed in September 2017 over assets of this subsidiary and the Warehouse Retail Scheme ("WRS") of the subsidary was terminated by relevant authority in February 2018. These developments have severely affected the businesses of this subsidiary and certain entities within the Group (see notes 15 and 29).

During the financial year, a creditor of a significant Indonesian subsidiary, PT Sumber Electrindo Makmur ("PT Sumber"), had applied to the Commercial Court in Indonesia for a voluntary Suspension of Debt Repayment Obligations (Penundaan Kewajiban Pembayaran Utang) ("PKPU") which was granted by the Indonesian Court on 16 August 2018. The PKPU provides for inter alia a temporary moratorium of 45 days which may be extended by the Indonesian Court to a fixed moratorium not exceeding 270 days. PT Sumber has been placed under bankruptcy pursuant to the Indonesian Court Order on 28 March 2019.

The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations (both short term and long term) as and when they fall due is dependent mainly on:

a) the successful implementation of the New Scheme;

b) the completion of issuance of Convertible Loan;

c) the Group's ability to secure financing as and when required;

d) the profitability of future operations of the Company and its subsidiaries; and

e) the continuing support of bank and other creditors, suppliers and other parties.

The financial statements of the Group and the Company have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operation at least for a period of twelve months from the reporting date. This means that the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue in operation in the foreseeable future. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the balance sheet. In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

2 Scheme of arrangement and financial reporting (Continued)

Financial reporting (Continued)

The amount of assets and liabilities currently recorded in the accounting records of the Company and its subsidiaries, including amounts recoverable from or payable to group companies, are based on claims and payables which have arisen in the ordinary course of business. It is currently difficult to assess and estimate, with any degree of certainty, the amounts at which the assets will ultimately be realised or recovered, and the amounts at which liabilities should be recorded, owing to the uncertainties caused by the current difficult operating conditions and the ongoing restructuring of the Group.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 31 March 2019 to be very different from what is currently presented in these financial statements. The directors also consider that there are no practical means available to resolve such difficulties in the preparation of these financial statements for the financial year under review. In this respect, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of all stakeholders who may read these financial statements.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in note 30.

The basis of preparation (including the basis of measurement and the use of estimates and judgements) of these financial statements is affected by the matters described in note 2 above.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value, as described below.

3.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

3 Basis of preparation (Continued)

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In particular, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 2 and the following notes:

- Note 5 and 24 – measurement of property, plant and equipment
- Note 6 and 24 – measurement of investment properties
- Note 8 – impairment of goodwill and trademarks
- Note 9 – recognition of deferred tax assets
- Note 24 – impairment loss on trade and other receivables
- Note 15 and 24 – measurement of borrowings
- Note 2 and 26 – measurement of contingent liabilities

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 April 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by the Group entities.

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Acquisitions from 1 April 2017

For acquisitions from 1 April 2017, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the considerations transferred. If the contingent consideration that meets the definition of a financial instruments is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent considerations is remeasured at fair value at each reporting and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Acquisitions before 1 April 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e 1 January 2017. Goodwill arising from acquisitions before 1 April 2017 has been carried forward from the previous FRS framework as at the date of transition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over the subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

4 Significant accounting policies (Continued)

4.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisitions were used.

Foreign currency translation differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

4 Significant accounting policies (Continued)

4.3 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings (including land and buildings under construction), which are stated at their revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is credited to the revaluation reserve (net of tax) unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to accumulated profits and is not taken into account in arriving at the gain or loss on disposal.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of the individual assets are assessed and if a component has a useful live that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

4 Significant accounting policies (Continued)

4.3 Property, plant and equipment (Continued)

The estimated useful lives for the current and comparative years are as follows:

Freehold buildings	50 years
Leasehold land and buildings	18 to 50 years
Plant and machinery	2 to 10 years
Renovations	3 to 10 years
Furniture, fittings and office equipment	2 to 10 years
Computers	3 to 5 years
Motor vehicles	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

4.4 Investment properties

Investment property is property held either to earn rental income for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair vaue at the date of reclassification becomes its cost for subsequent accounting.

Rental income from investment properties is accounted for in the manner described in note 4.12.

When the Group holds a property interest under an operating lease to earn rental income or capital appreciation, the interest is classified and accounted for as investment properties on a property-by-property basis. Any such property interest which has been classified as investment properties is accounted for as if it is held under finance lease (see note 4.8), and is accounted for in the same way as other investment properties leased under finance leases. Lease payments are accounted for as described in note 4.8.

4 Significant accounting policies (Continued)

4.5 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1.

Goodwill is measured at cost less accumulated impairment losses.

Trademarks

Trademarks are acquired by the Group and have finite and infinite useful life. Trademarks are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of trademarks less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets with a finite useful life, other than goodwill, from the date that they are available for use. The estimated useful life is 19 years.

Amortisation methods, useful life and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets – Policy applicable from 1 April 2018 (Continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 April 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment – Policy applicable from 1 April 2018 (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 April 2018

The Company classifies non-derivative financial assets into the following categories: financial assets at FVTPL and loans and receivables.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018

Financial assets at FVTPL

A financial asset was classified at FVTPL if it was designated as such upon initial recognition. Financial assets were designated at FVTPL if the Company managed such investments and made purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Directly attributable transaction costs were recognised in profit or loss as incurred. Financial assets at FVTPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in profit or loss.

Financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018 (Continued)

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised an unsecured loan to a subsidiary, cash and cash equivalents and trade and other receivables.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Financial liabilities at amortised cost are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised borrowings, provisions and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

RCBs

The Company has issued redeemable convertible bonds that can be converted into ordinary shares of the Company at the option of the holder, where the number of shares to be issued will vary or not vary with changes in their fair value during certain specified periods of the RCBs. The RCBs are accounted for as a hybrid financial instrument that comprises a liability component for the principal, a derivative liability component and an equity component.

The liability component is recognised initially at its fair value, determined using a market interest rate for an equivalent non-convertible bond. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The derivative liability is recognised initially at its fair value, and subsequently carried at its fair value. Gains or losses arising from changes in the fair value of the derivative liability are recognised as finance income and finance expense in profit or loss in the financial year in which the changes in fair value arises.

The equity component is recognised initially at its fair value in equity. The carrying amount of the equity component is not adjusted in subsequent periods.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

(vi) Intra-group financial guarantees in the separate financial statements

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as "loans and borrowings".

Intra-group financial guarantees in the separate financial statements – Policy applicable before 1 April 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2019. However, for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract had become probable.

4.7 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 April 2018

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts ("FGC").

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable before 1 January 2019

Loans and receivables and contract assets

The Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

(ii) Non-financial assets (Continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 determined, net of depreciation, if no impairment loss had been recognised.

4.8 Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern of the benefit derived. Lease incentives received are recognised in profit and loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets leased out under operating lease arrangements relate to the Group's warehouse and office facilities. These assets are used to generate rental income. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

4 Significant accounting policies (Continued)

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. 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. In arriving at net realisable value, due allowance is made for all obsolete and slow moving items.

4.10 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. These include salaries, annual bonuses and paid annual leave.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

TT International Employees' Share Option Scheme ("Option Scheme") and TT International Performance Share Plan ("Share Plan") have been put in place to grant options and award shares to eligible employees and participants, respectively. Details of the Option Scheme and Share Plan are disclosed in the Directors' Report.

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

For the financial years ended 31 March 2019 and 2018, the Company did not grant options and award shares under the Company's Option Scheme and Share Plan and there are no unissued shares or outstanding options and awards of the Company as at the reporting date.

4 Significant accounting policies (Continued)

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

4.12 Revenue

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

4 Significant accounting policies (Continued)

4.12 Revenue (Continued)

(i) Goods and services sold (Continued)

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The timing of satisfaction of the PO varies depending on the individual terms of the contract of sale. For sales of consumer electronics and furniture and furnishing products, satisfaction usually occurs when the product is received by the customer. For international shipments, revenue is recognised in accordance to respective delivery terms as defined by The International Chamber of Commerce Terms of Trade ("Incoterms").

(ii) Rental income

Rental income from investment property is recognised as 'revenue' on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

4.13 Finance income and expense

Finance income comprises interest income on bank balances and fixed deposits, dividend income and fair value gains on re-measurement of derivatives. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, fair value loss on re-measurement of derivatives and accretion of interest expense. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

4.14 Government grants

Cash grants received from the government are recognised as income upon receipt.

4.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

4 Significant accounting policies (Continued)

4.15 Tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption is that the carrying amount of the investment property will be recovered through sale. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Group recognises tax liabilities based on estimates. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

These tax liabilities are recognised when the Group believes that certain positions may not be fully sustained upon review by tax authorities, despite the Group's belief that its tax return positions are supportable. The Group believes that its accruals for tax liabilities, at that time of such determination, are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4 Significant accounting policies (Continued)

4.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

4.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 31.

5 Property, plant and equipment

	At valuation		At cost					
Group	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and machinery $'000	Renovations $'000	Furniture, fittings and office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost/Valuation								
At 1 April 2017	3,448	538,736	4,292	17,293	12,435	10,228	4,349	590,781
Translation differences on consolidation	(195)	(1,425)	(206)	(583)	(330)	(346)	(52)	(3,137)
Additions	–	–	–	647	91	3,841	72	4,651
Deficit on revaluation recognised directly in equity	–	(195,871)	–	–	–	–	–	(195,871)
Deficit on revaluation recognised directly in profit or loss	123	(98,755)	–	–	–	–	–	(98,632)
Disposals	–	–	(18)	(867)	(147)	(188)	(320)	(1,540)
Reversal of depreciation on revaluation	(79)	(28,178)	–	–	–	–	–	(28,257)
At 31 March 2018	3,297	214,507	4,068	16,490	12,049	13,535	4,049	267,995
At 1 April 2018	3,297	214,507	4,068	16,490	12,049	13,535	4,049	267,995
Translation differences on consolidation	(128)	748	(4)	(21)	6	(16)	(4)	581
Additions	–	–	–	383	53	43	110	589
Acquisition via business combination	–	–	9	155	32	21	44	261
Surplus on revaluation recognised directly in equity	–	1,012	–	–	–	–	–	1,012
Surplus on revaluation recognised directly in profit or loss	217	–	–	–	–	–	–	217
Disposals	–	–	(24)	(57)	(11)	(32)	(208)	(332)
Deconsolidation of a subsidiary	–	–	–	(3,216)	(621)	(2,741)	(372)	(6,950)
Reversal of depreciation on revaluation	(78)	(12,736)	–	–	–	–	–	(12,814)
At 31 March 2019	3,308	203,531	4,049	13,734	11,508	10,810	3,619	250,559

5 Property, plant and equipment (Continued)

	At valuation		At cost					
Group	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and machinery $'000	Renovations $'000	Furniture, fittings and office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation and impairment loss								
At 1 April 2017	–	–	2,937	8,424	6,648	5,894	2,963	26,866
Translation differences on consolidation	–	–	(207)	(379)	(307)	(255)	(28)	(1,176)
Depreciation charge for the year	79	28,178	32	1,933	1,057	5,156	482	36,917
Disposals	–	–	(18)	(464)	(116)	(121)	(278)	(997)
Reversal of depreciation on revaluation	(79)	(28,178)	–	–	–	–	–	(28,257)
Impairment loss	–	–	105	5,078	4,040	2,040	166	11,429
At 31 March 2018	–	–	2,849	14,592	11,322	12,714	3,305	44,782
At 1 April 2018	–	–	2,849	14,592	11,322	12,714	3,305	44,782
Translation differences on consolidation	–	–	(3)	(2)	10	(12)	1	(6)
Depreciation charge for the year	78	12,736	12	301	160	414	324	14,025
Disposals	–	–	(24)	(24)	(12)	(32)	(198)	(290)
Deconsolidation of a subsidiary	–	–	–	(3,216)	(621)	(2,741)	(372)	(6,950)
Reversal of depreciation on revaluation	(78)	(12,736)	–	–	–	–	–	(12,814)
Impairment loss	–	–	–	162	7	3	78	250
At 31 March 2019	–	–	2,834	11,813	10,866	10,346	3,138	38,997
Carrying amounts								
At 1 April 2017	3,448	538,736	1,355	8,869	5,787	4,334	1,386	563,915
At 31 March 2018	3,297	214,507	1,219	1,898	727	821	744	223,213
At 31 March 2019	3,308	203,531	1,215	1,921	642	464	481	211,562

5 Property, plant and equipment (Continued)

Company	At valuation	At cost				
	Freehold building $'000	Renovation $'000	Furniture, fittings and office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Cost/Valuation						
At 1 April 2017	284	91	223	1,553	319	2,470
Additions	–	–	1	–	25	26
Disposal	–	–	(4)	–	(6)	(10)
At 31 March 2018	284	91	220	1,553	338	2,486
At 1 April 2018	284	91	220	1,553	338	2,486
Additions	–	–	35	1	–	36
Disposal	–	–	–	(3)	–	(3)
At 31 March 2019	284	91	255	1,551	338	2,519
Accumulated depreciation						
At 1 April 2017	136	15	189	1,357	300	1,997
Depreciation charge for the year	6	9	7	122	7	151
Disposal	–	–	(4)	–	(6)	(10)
At 31 March 2018	142	24	192	1,479	301	2,138
At 1 April 2018	142	24	192	1,479	301	2,138
Depreciation charge for the year	6	9	9	46	9	79
Disposal	–	–	–	(3)	–	(3)
At 31 March 2019	148	33	201	1,522	310	2,214
Carrying amounts						
At 31 March 2017	148	76	34	196	19	473
At 31 March 2018	142	67	28	74	37	348
At 31 March 2019	136	58	54	29	28	305

The fair value of freehold and leasehold land and buildings were estimated by management by making reference to the prior year valuation prepared by independent professional valuers (31 March 2018 and 1 Apr 2017: Freehold and leasehold land and buildings were revalued based on valuations by independent professional valuers at the reporting date, at open market value, on a willing buyer and a willing seller in an arm's length transaction basis). A revaluation surplus of $1,012,000 (revaluation deficit 31 March 2018: $195,871,000; 1 Apr 2017: $19,624,000) had been transferred to the revaluation reserves of the Group during the year. A revaluation surplus of $217,000 (revaluation deficit of 31 March 2018: $98,632,000: 1 Apr 2017: $719,000) has been recorded in the profit or loss of the Group during the year.

5 Property, plant and equipment (Continued)

The carrying amount of freehold and leasehold land and buildings of the Group would have been $179,685,000 (31 March 2018: $190,054,000; 1 Apr 2017: $335,592,000) had the freehold and leasehold land and buildings been carried at cost less accumulated depreciation and impairment losses.

In respect of the revaluation surplus arising from the revaluation of the freehold and leasehold land and buildings, the Group recognised a deferred tax liability of $139,000 (in respect of revaluation deficit a reduction in deferred tax liability of 31 March 2018: $33,317,000; 1 Apr 2017: $3,512,000) (note 9).

As at 31 March 2019, property, plant and equipment with a carrying amount of $342,000 (31 March 2018: $892,000; 1 Apr 2017: $1,326,000) for the Group and $5,000 (31 March 2018: $6,000; 1 Apr 2017: $8,000) for the Company were acquired under finance lease agreements. The amounts outstanding under the finance lease agreements are set out in note 15 to the financial statements.

Information on property, plant and equipment that are pledged as security for the Group's borrowings are set out in note 15 to the financial statements.

Impairment test for plant and equipment

During the year, the management assessed the recoverable amount of the plant and equipment of the consumer electronics businesses in Indonesia. Due to significant uncertainties regarding the going concern of these businesses, the Group recognised an impairment loss of $250,000 (31 March 2018: $11,429,000; 1 Apr 2017: Nil).

6 Investment properties

	Note	2019 $'000	2018 $'000
Group			
At 1 April 2018/2017		8,287	8,913
Translation differences on consolidation		99	(194)
Changes in fair value	19	(1,355)	(432)
At 31 March		7,031	8,287

The fair value of investment properties were estimated by management by making reference to the prior year valuation prepared by independent professional valuers (31 March 2018 and 1 Apr 2017: Investment properties were revalued at the reporting date by firms of independent professional valuers who had appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued). The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

Investment properties comprise a number of industrial buildings that are leased to external parties for a period ranging from 1 to 2 years. Subsequent renewals of the operating leases are negotiated with the lessees.

Information on investment properties that are pledged as security for the Group's borrowings are set out in note 15 to the financial statements.

7 Subsidiaries

	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Company			
At cost:			
Quoted equity investment	1,767	1,767	1,767
Unquoted equity investments	91,730	91,730	91,730
Deemed capital distribution	(15,286)	(15,286)	(15,286)
Impairment losses	(63,464)	(63,464)	(56,602)
	14,747	14,747	21,609
Market value of quoted equity investment	1,981	2,895	6,019

A subsidiary of the Company advanced $15,286,000 (31 March 2018: $15,286,000; 1 Apr 2017: $15,286,000) of the contributed capital to the Company which is not repayable by the Company. Accordingly, the amount of $15,286,000 (31 March 2018: $15,286,000; 1 Apr 2017: $15,286,000) was deemed as capital distribution to the Company.

The movement in impairment losses in respect of cost of investments in subsidiaries is as follows:

	2019 $'000	2018 $'000
Company		
At 1 April 2018/2017	63,464	56,602
Impairment losses made	–	6,862
At 31 March	63,464	63,464

Based on a review of the recoverable amount of its investment in subsidiaries the Company recognised an impairment loss of nil (31 March 2018: $6,862,000) during the year. The recoverable amount of its investment in subsidiaries were determined on the basis of the subsidiaries' net assets value at the reporting date, as management views the subsidiaries' net assets to reasonably approximate the recoverable amounts.

7 Subsidiaries (Continued)

The list of significant subsidiaries is as follows:

Name of subsidiary	Principal activities	Place of incorporation	Effective interest held by the Group		
			31 Mar 2019 %	31 Mar 2018 %	1 Apr 2017 %
λ Akira Corporation Pte Ltd	Trading in electrical and electronic products	Singapore	100	100	100
^ Big Box Pte Ltd ("BBPL")	Property investment and management and rental of leasehold building	Singapore	51	51	51
# Big Box Singapore Pte Ltd	Warehouse retail project	Singapore	100	100	100
λ Castilla Design Pte Ltd	Property investment and management and rental of leasehold building	Singapore	100	100	100
λ Furniture & Furnishings Pte Ltd	Retail, wholesale and export of furniture and furnishing products	Singapore	100	100	100
λ Novena Furnishing Centre Pte Ltd	Property investment and management and rental of leasehold building	Singapore	100	100	100
λ Omni Centre Pte. Ltd. ("Omni Centre")	Investment holding	Singapore	48.9	48.9	48.9
* PT Sumber Electrindo Makmur ("PT Sumber")	Trading and retailing of electrical and electronics products	Indonesia	–	40.1	40.1
@ Tainahong Trading Limited	Trading of electrical and electronics products	Hong Kong	100	100	100
λ Food Global Pte Ltd	Restaurants and fast food operations	Singapore	100	100	100
Ø TTA Holdings Ltd and its subsidiary ("TTA")	Investment holding	Australia	85.5	85.5	85.5
∞ JSA Gulf FZE	General trading	Dubai, U.A.E	100	100	100
λ Aki Habara Electronic Corporation Pte. Ltd.	Brand management	Singapore	100	100	100

λ Statutory auditor is KPMG LLP Singapore.
^ Not Audited (Under receivership, see Note 2).
# Not Audited (In liquidation).
* Not Audited (In bankruptcy).
Ø Audited by Grant Thornton Audit Pty Ltd, Australia.
@ Audited by HKCMCPA Company Limited.
∞ Audited by AGX Auditing.

7 Subsidiaries (Continued)

Non-controlling interests in subsidiaries

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI"), modified for differences in the Group's accounting policies and before any intra-group eliminations.

	31 March 2019					
NCI Percentage	***51.1% /^**	**49%**	**14.5%**	**Other individually immaterial subsidiaries**	**Intragroup elimination**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets	–	183,002	2,881			
Current assets	70	1,151	5,511			
Non-current liabilities	–	(177,000)	(17)			
Current liabilities	(530)	(144,221)	(2,650)			
Net assets	(460)	(137,068)	5,725			
Net assets attributable to NCI	(235)	(67,163)	830	(2,986)	(66,226)	(135,780)
Revenue	1,714	34,500	12,810			
Loss	(3,612)	(25,610)	(3,455)			
Other comprehensive income	–	–	–			
Total comprehensive income	(3,612)	(25,610)	(3,455)			
Attributable to NCI:						
Loss	(2,185)	(12,549)	(501)	21	(15,243)	(30,457)
Other comprehensive income	–	–	–			
Total comprehensive income allocated to NCI	(2,185)	(12,549)	(501)	115	(13,723)	(28,843)
Cash flow used in operating activities	(1,422)	–	(1,593)			
Cash flow used in investing activities	(184)	–	(6)			
Cash flow from/(used in) financing activities, before dividends to NCI	443	–	(18)			
Net decrease in cash and cash equivalents	(1,163)	–	(1,617)			

* Represents NCI's direct interest in Omni Centre

^ On 28 March 2019, the Group has lost control and accordingly deconsolidated PT Sumber (note 28b).

7 Subsidiaries (Continued)

	31 March 2018					
NCI Percentage	*51.1%/ @18% $'000	49% $'000	14.5% $'000	Other individually immaterial subsidiaries $'000	Intragroup elimination $'000	Total $'000
Non-current assets	–	183,002	3,536			
Current assets	44,679	165	8,266			
Non-current liabilities	(2,657)	(177,000)	(10)			
Current liabilities	(55,858)	(131,302)	(2,300)			
Net assets	(13,836)	(125,135)	9,492			
Net assets attributable to NCI	(4,545)	(61,316)	1,376	(1,584)	(49,688)	(115,757)
Revenue	82,638	46,256	12,752			
Loss	(40,667)	(4,693)	(105)			
Other comprehensive income	–	(98,755)	–			
Total comprehensive income	(40,667)	(103,448)	(105)			
Attributable to NCI:						
Loss	(13,481)	(2,300)	(15)	4,994	(76,459)	(87,261)
Other comprehensive income	–	(48,390)	–			
Total comprehensive income allocated to NCI	(13,481)	(50,690)	(15)	4,295	(109,201)	(169,092)
Cash flow from/(used in) operating activities	1,736	(35)	(1,227)			
Cash flow used in investing activities	(714)	–	(1)			
Cash flow used in financing activities, before dividends to NCI	(4,698)	–	(534)			
Net decrease in cash and cash equivalents	(3,676)	(35)	(1,762)			

* Represents NCI's direct interest in Omni Centre
@ Represents NCI's direct interest in PT Sumber

7 Subsidiaries (Continued)

			1 April 2017			
NCI Percentage	***51.1%/ @18%**	**49%**	**14.5%**	**Other individually immaterial subsidiaries**	**Intragroup elimination**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets	30,498	505,040	3,965			
Current assets	63,059	2,363	9,988			
Non-current liabilities	(166)	(158,774)	–			
Current liabilities	(62,827)	(192,486)	(3,737)			
Net assets	30,564	156,143	10,216			
Net assets attributable to NCI	21,543	76,510	1,135	(1,182)	(44,691)	53,315
Revenue	119,298	42,012	14,793			
Loss	(26,669)	(45,015)	(2,204)			
Other comprehensive income	–	(16,851)	–			
Total comprehensive income	(26,669)	(61,866)	(2,204)			
Attributable to NCI:						
Loss	(15,666)	(22,057)	(320)	(307)	(104)	(38,454)
Other comprehensive income	–	(8,257)	–			
Total comprehensive income allocated to NCI	(15,666)	(30,314)	(320)	(307)	1,238	(45,369)
Cash flow (used in)/from operating activities	(8,137)	6,202	362			
Cash flow (used in)/from investing activities	(1,364)	–	5			
Cash flow from/(used in) financing activities, before dividends to NCI	9,381	(6,197)	–			
Net (decrease)/increase in cash and cash equivalents	(120)	5	367			

* Represents NCI's direct interest in Omni Centre
@ Represents NCI's direct interest in PT Sumber

8 Intangible assets

	Note	Goodwill $'000	Trademarks with indefinite useful lives $'000	Trademark with finite useful life $'000	Total $'000
Group					
Cost					
At 1 April 2017		44,132	12,931	1,100	58,163
Translation differences		(2,325)	–	–	(2,325)
At 31 March 2018		41,807	12,931	1,100	55,838
Acquisition via business combination		75	–	–	75
Deconsolidation of a subsidiary		(33,295)	–	–	(33,295)
At 31 March 2019		8,587	12,931	1,100	22,618
Accumulated amortisation and impairment losses					
At 1 April 2017		19,720	4,060	578	24,358
Amortisation charge for the year	19	–	–	58	58
Impairment loss	19	22,087	–	–	22,087
At 31 March 2018		41,807	4,060	636	46,503
Amortisation charge for the year	19	–	–	58	58
Impairment loss	19	75	–	–	75
Deconsolidation of a subsidiary		(33,295)	–	–	(33,295)
At 31 March 2019		8,587	4,060	694	13,341
Carrying amounts					
At 1 April 2017		24,412	8,871	522	33,805
At 31 March 2018		–	8,871	464	9,335
At 31 March 2019		–	8,871	406	9,277

Impairment tests for CGU containing goodwill

Goodwill and trademarks are allocated to the retail and distribution business segment of the Group in respect of consumer electronics businesses in Indonesia, consumer electronics and private label business in Singapore and Australia and furniture and furnishing business in Singapore, which are each regarded as a CGU.

Trademarks with indefinite useful lives consist of internationally registered brand names for both consumer electronics and private label businesses and furniture and furnishing. The Group determined that brand names are intangible assets with indefinite useful lives as the Group has the ability and intention to continuously renew the legal rights to these brand names where the expected economic benefits exceeds the cost of renewal. The amortisation of trademark with finite useful life is included in other operating expenses.

8 Intangible assets (Continued)

The aggregate carrying amounts of intangible assets allocated to each CGU are as follows:

	Group		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Consumer electronics businesses in Indonesia	–	–	24,412
Consumer electronics and private label business in Singapore and Australia	3,185	3,243	3,301
Furniture and furnishing business	6,092	6,092	6,092
	9,277	9,335	33,805

Consumer electronics and private label business in Singapore and Australia

Total goodwill impaired for Australia's consumer electronics and private label business amounted to $2,912,000.

As at 31 March 2019, the management has estimated the recoverable amount of the intangible assets in respect of consumer electronics and private label business based on net assets value of the CGUs at the reporting date, as management views the net assets to reasonably approximate the recoverable amount of the CGUs.

Furniture and furnishing business in Singapore

As at 31 March 2019, the management estimated the recoverable amount of the intangible assets in respect of furniture and furnishing business in Singapore based on net assets value of the CGU at the reporting date, as management views the net assets to reasonably approximate the recoverable amount of the CGU. Based on management's assessment, no impairment loss was determined to be necessary.

9 Deferred tax

Movements in deferred tax assets/(liabilities) of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 April 2017 $'000	Exchange translation differences $'000	Recognised in profit or loss (note 21) $'000	Recognised in OCI $'000	At 31 March 2018 $'000	Exchange translation differences $'000	Recognised in profit or loss (note 21) $'000	Recognised in OCI $'000	At 31 March 2019 $'000
Group									
Inventories	525	(44)	(136)	–	345	(14)	(321)	–	10
Other items	906	(77)	(687)	–	142	(6)	(130)	–	6
Property, plant and equipment	(37,943)	27	26	33,317	(4,573)	(8)	(8)	(139)	(4,728)
	(36,512)	(94)	(797)	33,317	(4,086)	(28)	(459)	(139)	(4,712)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are as follows:

	Group			Company		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Deferred tax assets	–	471	1,431	–	–	–
Deferred tax liabilities	(4,712)	(4,557)	(37,943)	–	–	–

At the reporting date, deferred tax assets have not been recognised on tax losses amounting to $80,018,000 (31 Mar 2018: $71,097,000: 1 Apr 2017: $67,339,000) and $80,419,000 (31 Mar 2018: $91,207,000: 1 Apr 2017: $39,505,000) of the Company and certain subsidiaries respectively because it is not probable that future taxable profits will be available against which the entities concerned can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the entities operate.

10 Inventories

	Group		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Inventories	12,816	17,989	43,380
Allowance for inventories obsolescence made	(3,199)	(2,751)	(4,039)
	9,617	15,238	39,341

Information on inventories that are pledged as security for the Group's borrowings are set out in note 15 to the financial statements.

During the year, allowance of $1,166,000 (31 Mar 2018: $158,000: 1 Apr 2017: $468,000) were made and inventories of $73,000 (31 Mar 2018: $380,000; 1 Apr 2017: $196,000) were written off and are included in other operating expenses (see note 19).

In addition, obsolete stock of $718,000 (2018: $1,446,000; 1 Apr 2017: $65,000) were written off against the allowance during the year.

11 Trade and other receivables

	Group			Company		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Trade receivables	16,000	32,281	34,715	899	899	899
Allowance for doubtful receivables	(6,743)	(8,496)	(12,624)	(824)	(824)	(824)
Net trade receivables	9,257	23,785	22,091	75	75	75
Other receivables	10,735	34,551	46,409	5,360	4,876	4,276
Allowance for doubtful receivables	(5,113)	(8,735)	(8,492)	(4,178)	(4,178)	(4,178)
Net other receivables	5,622	25,816	37,917	1,182	698	98
Trade amounts due from subsidiaries	–	–	–	169,737	153,155	90,631
Allowance for doubtful receivables	–	–	–	(91,293)	(68,058)	(32,334)
Net trade receivables from subsidiaries	–	–	–	78,444	85,097	58,297
Non-trade amounts due from subsidiaries	–	–	–	136,655	132,599	121,196
Allowance for doubtful receivables	–	–	–	(135,474)	(130,020)	(117,259)
Net non-trade amounts due from subsidiaries	–	–	–	1,181	2,579	3,937

11 Trade and other receivables (Continued)

	Group			Company		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Unsecured loan to a subsidiary	–	–	–	89,900	89,900	89,900
Allowance for doubtful receivables	–	–	–	(89,900)	(89,900)	–
Net unsecured loan to a subsidiary	–	–	–	–	–	89,900
Advances to staff	68	34	46	18	17	13
Deposits	1,745	3,150	4,235	711	297	300
	1,813	3,184	4,281	729	314	313
Financial assets at amortised cost	16,692	52,785	64,289	81,611	88,763	152,620
Advance payments to suppliers	1,129	1,870	707	–	–	–
Prepaid operating expenses	1,236	4,399	6,057	25	38	36
Tax recoverable	290	292	290	289	289	289
	19,347	59,346	71,343	81,925	89,090	152,945
Non-current	–	–	–	–	–	89,900
Current	19,347	59,346	71,343	81,925	89,090	63,045
	19,347	59,346	71,343	81,925	89,090	152,945

The current non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The unsecured loan to a subsidiary was extended by the Company to a subsidiary to develop the 8-storey retail and warehousing complex under the WRS in Jurong, Singapore ("Big Box"). In February 2018, the subsidiary's WRS licence was terminated.

Information on trade receivables that are pledged as security for the Group's borrowings are set out in note 15 to the financial statements.

12 Cash and cash equivalents

	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Group			
Cash at bank and in hand	1,798	4,603	7,603
Fixed deposits	1,031	1,649	1,708
Cash and cash equivalents in the balance sheet	2,829	6,252	9,311
Restricted bank deposits	(994)	(992)	(1,005)
Cash and cash equivalents in the consolidated statement of cash flows	1,835	5,260	8,306

	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Company			
Cash at bank and in hand	23	24	24
Cash and cash equivalents in the balance sheet	23	24	24

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Restricted bank deposits are bank balances of a subsidiary pledged to a financial institution to obtain a credit facility. The fixed deposit of $994,000 (2018: $992,000: 1 Apr 2017: $1,005,000) was pledged in connection with a bank guarantee.

13 Share capital

	2019		2018	
	Number of shares '000	Share capital $'000	Number of shares '000	Share capital $'000
Fully paid ordinary shares, with no par value:				
At 1 April 2018/2017 and 31 March	1,048,391	175,622	1,048,391	175,622

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

On 14 May 2015 in accordance with the Scheme Terms, Scheme Creditors converted RCBs with a face value of $3,178,000 into 21,187,159 of the Company's new ordinary shares at a conversion price of $0.15 by way of the Second Dilution Exercise (see note 15(b)).

On 13 May 2016 in accordance with the Scheme Terms, Scheme Creditors converted RCBs with a face value of $3,693,000 into 23,078,216 of the Company's new ordinary shares at a conversion price of $0.16 by way of the Third Dilution Exercise (see note 15(b)).

13 Share capital (Continued)

Capital management

It is the policy of the Board of Directors to maintain an appropriate capital base to support the Group's businesses and maximise shareholders' value through the optimisation of debt and equity balance. It is also the policy of the Board of Directors to monitor the return on capital (comprising share capital and reserves) and the level of dividends to ordinary shareholders. The Company's ability to manage its capital has, however, been constrained by the current difficult operating conditions and the Scheme (see note 2).

14 Reserves

	Group			Company		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Capital reserves (distributable):						
- Realised gain on disposal of assets	54	54	54	54	54	54
- RCBs – equity component	67	67	67	67	67	67
- Change in ownership interest in subsidiaries while retaining control	22,698	18,590	18,590	–	–	–
Fair value and revaluation reserves	43,543	42,670	124,700	–	–	–
Foreign currency translation reserve	(26,769)	(30,945)	(25,775)	–	–	–
	39,593	30,436	117,636	121	121	121

The redeemable convertible bonds – equity component relates to the RCBs holders' right of conversion annually commencing from the 3rd to the 5th anniversary of the Scheme Effective Date (see note 15).

The fair value and revaluation reserves include the net surpluses arising from the revaluation of properties included in property, plant and equipment, including those transferred to investment properties.

The foreign currency translation reserve comprises of all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

15 Borrowings

	Note	Group			Company		
		31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Non-current liabilities							
Amounts due to Scheme Creditors							
RCBs – loan component	(b)	75,358	68,463	64,940	83,949	76,269	72,344
		75,358	68,463	64,940	83,949	76,269	72,344
Unsecured loans from non-controlling shareholders of subsidiaries	(d)	87,357	87,357	87,357	–	–	–
Finance lease liabilities	(f)	184	452	766	2	3	5
		162,899	156,272	153,063	83,951	76,272	72,349
Current liabilities							
Amounts due to Scheme Creditors							
- Sustainable Debts	(a)	132,538	132,538	131,635	139,771	139,771	138,929
- RCBs – loan component	(b)	10,229	10,229	10,159	10,229	10,229	10,168
		142,767	142,767	141,794	150,000	150,000	149,097
Secured bank loans	(c)	8,992	45,800	50,686	–	–	–
Secured term loans (non-bank)	(c)	109,967	110,796	112,880	–	–	–
Unsecured bank loans	(c)	378	378	396	–	–	–
Unsecured loans from non-controlling shareholders of subsidiaries	(d)	30	594	456	–	–	–
Bills payable and trust receipts	(c)	421	429	457	–	–	–
Bondholders' loans	(e)	15,000	15,000	15,000	–	–	–
Finance lease liabilities	(f)	191	297	321	2	2	1
		277,746	316,061	321,990	150,002	150,002	149,098
Total borrowings excluding finance lease liabilities		440,270	471,584	473,966	233,949	226,269	221,441
Finance lease liabilities		375	749	1,087	4	5	6
		440,645	472,333	475,053	233,953	226,274	221,447

The amounts due to the Scheme Creditors are secured by a fixed and floating charge over all the assets of the Company, subject to any prior rights of other creditors.

15 Borrowings (Continued)

(a) Sustainable debts

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Amortised cost as at 1 April 2018/2017	132,538	131,635	139,771	138,929
Interest accretion	–	903	–	842
Amortised cost as at 31 March	132,538	132,538	139,771	139,771

The Sustainable debt has a term of 5 years commencing from the Scheme Effective Date of 19 April 2010. At the end of the term, the Company shall either: (i) repay the debt in full; and/or (ii) procure new investors for the purposes for the refinancing of the debt and/or (iii) reach an agreement with the Scheme Creditors to roll-over the debt provided that no existing Scheme Creditors shall be obliged to roll-over the debt. The Sustainable Debt are subject to interest rates of SIBOR plus 1.5% per annum until 27 July 2018.

On 20 March 2015, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debts by up to 12 months. On 15 April 2016, Scheme Creditors approved a further extension of the date of repayment of the Sustainable Debts by up to 12 months. On 18 April 2017, Scheme Creditors gave their approval to the termination of the Scheme upon receipt of the Settlement Sum of $70,000,000 and the extension of the date of repayment of Sustainable Debt by up to 3 months from 19 April 2017. On 11 August 2017, Scheme Creditors gave their approval to extend the date of repayment of the Sustainable Debts by up to 3 months from 19 July 2017.

On 6 September 2017, the Court granted the Moratorium Application made by the Company on 11 August 2017 pursuant to Section 211B(1) of the Act. The Moratorium Application sought, inter alia, orders that all creditors be restrained from taking certain further action against the Company and its assets for such period as the Court thinks fit until 11 February 2018.

On 17 November 2017, Scheme Creditors gave their approval to further extend the date of repayment of the Sustainable Debt by up to 4 months from 19 October 2017.

On 2 February 2018, the Company made an application to the Court to extend the Moratorium Extension Application. The Court granted an interim extension of the moratorium until the conclusion of the Moratorium Extension Application. The Court, on 26 March 2018, granted the Moratorium Extension Application until 11 August 2018 or until further order.

On 20 December 2018, the New Scheme was approved by the requisite majority of the creditors.

The Court had granted moratorium extensions on 10 August 2018, 28 November 2018, 26 April 2019 and 29 July 2019 which collectively extended the Moratorium Extension Application until 31 December 2019.

Please refer to note 2 for more details on events that occurred subsequent to 31 March 2019.

15 Borrowings (Continued)

(b) RCBs – loan component

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Amortised cost as at 1 April 2018/2017	78,692	75,099	86,498	82,512
Interest accretion	6,895	3,593	7,680	3,986
Amortised cost as at 31 March	85,587	78,692	94,178	86,498

The RCBs are with zero coupon and have a term of 10 years in accordance with the terms of the Scheme. The RCBs are convertible at the option of the bondholders into new ordinary shares of the Company on a yearly basis, subject to the terms of the Scheme.

The key conversion terms and conditions are as follows:

(i) The RCBs holders' right of conversion commences on the 3rd anniversary and ends on the 5th anniversary of the Scheme Effective Date of 19 April 2010, for a fixed number of shares at 14 to 16 cents per share (the "equity component"). The fair value of the equity component at inception was $67,000 (31 Mar 2018: $67,000; 1 Apr 2017: $67,000).

(ii) The RCBs holders' right of conversion commences on the 6th anniversary and ends on the 10th anniversary of the Scheme Effective Date, at a scaled discount (ranging from 15% to 25%) of the 60 days weighted average trading price of the Company's shares prior to conversion, for a pre-defined percentage (ranging from 10% to 30%) of the total RCBs value for each year (the "derivative financial liability component").

On 17 April 2015, the Company made an offer to each Scheme Creditor to convert a number of RCBs into the Company's new ordinary shares ("Dilution Shares") at a conversion price of $0.15 by way of the Second Dilution Exercise in accordance with the Scheme terms. In accordance with the Bondholders' exercising of their rights under the Second Dilution Exercise, the Company had, on 14 May 2015 (the second Dilution Date), issued 21,187,159 Dilution Shares which were quoted on the SGX-ST on 15 May 2015. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,178,000. As such, RCBs with a total face value amounting to $149,124,000, were issued to Scheme Creditors in exchange for those issued previously on the same terms.

On 19 April 2015, contingent debt of $127,757,000 was deemed irrevocably, unconditionally and permanently waived by the contingent creditors. Accordingly, a scheme reset adjustment was made between Sustainable Debts and RCBs – loan component. Arising from a court determination relating to a disputed debt under litigation, the RCBs – loan component was reduced by approximately $4,434,000.

15 Borrowings (Continued)

(b) RCBs – loan component (Continued)

(ii) (Continued)

As at the reporting date, the fair value of the derivative financial liability component is $664,000 (31 Mar 2018: $664,000; 1 Apr 2017: $664,000) and $742,000 (31 Mar 2018: $742,000; 1 Apr 2017: $742,000) at the Group and the Company level, respectively. The change in fair value of the derivative financial liability is attributable to the change in the share price of the Company.

At the end of the term, for any outstanding RCBs not converted into shares of the Company, the Company shall either: (i) repay the debt in full; (ii) refinance the debt; or (iii) reach an agreement with the Scheme Creditors to roll-over the debt associated with the outstanding RCBs.

Please refer to note 2 for more details.

(c) Bank borrowings and term loan

As at the reporting date, the Group's bank borrowings of $1,855,000 (31 Mar 2018: $1,945,000 : 1 Apr 2017: $2,070,000) bear floating interest rates of 5.46% to 7.18% (31 Mar 2018: 5.46% to 7.18%; 1 Apr 2017: 4.59% to 7.18%) and $10,831,000 (31 Mar 2018: $33,387,000; 1 Apr 2017: $38,035,000) bear fixed interest rates of 3.77% to 18.00% (31 Mar 2018: 3.16% to 18.00%; 1 Apr 2017: of 4.66% to 6.29%).

Defaults and breaches

A subsidiary, Big Box Pte. Ltd. ("BBPL"), has an outstanding term loan with a carrying amount of $107,072,000 (31 Mar 2018: $107,072,000; 1 Apr 2017: $107,072,000) bearing a fixed interest rate of 8% (31 Mar 2018: 8%: 1 Apr 2017: 6%) which was due for repayment on 31 March 2017. On 27 September 2017, BBPL received a letter from Ernst & Young Solutions LLP stating inter alia that Messrs Ee Meng Yen Angela and Aaron Loh Cheng Lee have been jointly and severally appointed as Receivers and Managers over all relevant assets, properties and undertakings comprised and secured to the bank as security trustee for the lenders under the BBPL Facility.

A subsidiary was not in compliance with certain loan covenants in respect of a secured bank loan with a total carrying amount of $10,721,000 (1 Apr 2017: $12,122,000) bearing variable interest rates of COLF + 3.25% (1 Apr 2017: COLF + 3.25%) and 2 secured bank loans with a total carrying amount of $4,278,000 (1 Apr 2017: $5,120,000) bearing fixed interest rates of 11% to 12%. The non-current portion of these loans and certain bank borrowings of the Group totalling $3,560,000 (1 Apr 2017: $5,821,000) had been classified as current liabilities.

Due to cross-default clauses, the Group's borrowings from bank and bondholders are repayable on demand.

15 Borrowings (Continued)

(c) Bank borrowings and term loan (Continued)

Security

The Group's borrowings are secured by the following:

(i) legal mortgages on subsidiaries' freehold and leasehold land and buildings and investment properties as at 31 March 2019 with carrying amounts of $196,230,000 (31 Mar 2018: $206,999,000; 1 Apr 2017: $530,156,000) and $4,400,000 (31 Mar 2018: $5,500,000; 1 Apr 2017: $6,200,000), respectively;

(ii) a subsidiary's plant and machinery as at 31 March 2019 with a carrying amount of $47,000 (31 Mar 2018: $47,000; 1 Apr 2017: $47,000);

(iii) a subsidiary's trade receivables as at 31 March 2019 with a carrying amount of nil (31 Mar 2018: $6,728,000; 1 Apr 2017: $7,385,000); and

(iv) a subsidiary's inventories as at 31 March 2019 with a carrying amount of nil (31 Mar 2018: $3,295,000; 1 Apr 2017: $19,953,000).

The substantial shareholders of the Company have also provided personal guarantees for the unsecured borrowings amounting to $38,500,000.

(d) Unsecured loans from non-controlling shareholders of subsidiaries

The loans from non-controlling shareholders of subsidiaries are unsecured and interest-free. The loans are repayable from time to time and at such times as the Company and the non-controlling shareholders (the "Parties") may agree. The Parties' intention in principle is that in the event the subsidiary has surplus funds for the year after payment of expenses including without limitation payments to certain financial institutions arising from certain specified borrowings of the subsidiary and after setting aside such sums as may be required to meet expenses and working capital requirements for the next twelve months, these surplus funds will be utilised fully towards repayment of the loans.

During the financial year, there were repayment of loans of $564,000 (additional loans 31 Mar 2018: $138,000; 1 Apr 2017: $152,000) to/from non-controlling shareholders of certain subsidiaries of the Company.

(e) Bondholder's loan

The bondholders extended a loan amounting to $15,000,000 (31 Mar 2018: $15,000,000; 1 Apr 2017: $15,000,000) to a subsidiary of the Group to develop Big Box. The loan is unsecured and bears an interest of 10% per annum. The loan was due on 31 March 2017. The default has not been remedied and nor were the terms of the loan renegotiated at the date the financial statements were authorised for issue.

15 Borrowings (Continued)

(f) Finance lease liabilities

As at reporting date, the Group and the Company have obligations under finance leases that bear fixed interest rates ranging from 5.14% to 8.06% (31 Mar 2018: 4.97% to 9.28%; 1 Apr 2017: 4.60% to 8.60%), that are payable as follows:

	31 March 2019			31 March 2018			1 April 2017		
	Principal $'000	Interest $'000	Payments $'000	Principal $'000	Interest $'000	Payments $'000	Principal $'000	Interest $'000	Payments $'000
Group									
Payable within 1 year	191	19	210	297	49	346	321	65	386
Payable after 1 year but within 5 years	184	9	193	448	47	495	748	82	830
Payable after 5 years	–	–	–	4	–	4	18	1	19
	184	9	193	452	47	499	766	83	849
	375	28	403	749	96	845	1,087	148	1,235
Company									
Payable within 1 year	2	*	2	2	–	2	1	1	2
Payable after 1 year but within 5 years	2	–	2	3	–	3	5	–	5
	4	*	4	5	–	5	6	1	7

* Less than $1,000

15 Borrowings (Continued)

The reconciliation of liabilities arising from financing activities were as follows:

	At 1 April 2017 $'000	Financing cash flows $'000	Non-cash changes		At 31 March 2018 $'000
			Interest expense $'000	Others $'000	
Group					
Amounts due to Scheme Creditors					
- Sustainable Debts	131,635	–	903	–	132,538
- RCBs – loan component	75,099	–	3,593	–	78,692
Finance lease liabilities	1,087	(313)	–	(25)	749
Secured bank loans	50,686	(981)	–	(3,905)	45,800
Secured term loans (non-bank)	112,880	(2,084)	–	–	110,796
Unsecured bank loans	396	–	–	(18)	378
Unsecured loans from non-controlling shareholders of subsidiaries	87,813	138	–	–	87,951
Bondholders' loans	15,000	–	–	–	15,000
Amount due to a director	2,073	61	–	–	2,134
Accrued interest payables	10,916	(4,898)	19,009	–	25,027
Total	487,585	(8,077)	23,505	(3,948)	499,065

15 Borrowings (Continued)

The reconciliation of liabilities arising from financing activities were as follows (Continued):

	At 1 April 2018 $'000	Financing cash flows $'000	Non-cash changes		At 31 March 2019 $'000
			Interest expense $'000	Others $'000	
Group					
Amounts due to Scheme Creditors					
- Sustainable Debts	132,538	–	–	–	132,538
- RCBs – loan component	78,692	–	6,895	–	85,587
Finance lease liabilities	749	(236)	–	(138)	375
Secured bank loans	45,800	515	–	(37,323)	8,992
Secured term loans (non-bank)	110,796	(855)	–	–	109,967
Unsecured bank loans	378	–	–	–	378
Unsecured loans from non-controlling shareholders of subsidiaries	87,951	(564)	–	–	87,387
Bondholders' loans	15,000	–	–	–	15,000
Amount due to a director	2,134	(589)	–	–	1,545
Accrued interest payables	25,027	(1,005)	14,276	–	38,298
Total	499,065	(2,734)	21,171	(37,461)*	480,067

* Include an amount of $37,875,000 relating to the deconsolidation of a subsidiary (note 28b).

15 Borrowings (Continued)

The expected contractual undiscounted cash (inflows)/outflows of financial liabilities, including interest payments and excluding the impact of netting agreements, are as follows:

		Contractual cash flows		
	Carrying amount $'000	Within 1 year $'000	After 1 year $'000	Total $'000
Group				
31 March 2019				
Non-derivative financial liabilities				
Borrowings	353,258	290,260	75,553	365,813
Derivative financial liabilities	664	–	664	664
Trade and other payables	176,180	176,180	–	176,180
Unsecured loans from non-controlling shareholders of subsidiaries	87,387	30	87,357	87,387
Recognised financial liabilities	617,489	466,470	163,574	630,044
31 March 2018				
Non-derivative financial liabilities				
Borrowings	384,382	330,406	68,944	399,350
Derivative financial liabilities	664	–	664	664
Trade and other payables	184,765	184,765	–	184,765
Unsecured loans from non-controlling shareholders of subsidiaries	87,951	594	87,359	87,953
Recognised financial liabilities	657,762	515,765	156,967	672,732
1 April 2017				
Non-derivative financial liabilities				
Borrowings	387,240	340,040	65,716	405,756
Derivative financial liabilities	664	–	664	664
Trade and other payables	177,942	177,942	–	177,942
Unsecured loans from non-controlling shareholders of subsidiaries	87,813	456	87,357	87,813
Recognised financial liabilities	653,659	518,438	153,737	672,175

15 Borrowings (Continued)

	Carrying amount $'000	Contractual cash flows: Within 1 year $'000	Contractual cash flows: After 1 year $'000	Contractual cash flows: Total $'000
Company				
31 March 2019				
Non-derivative financial liabilities				
Borrowings	233,953	151,504	83,951	235,455
Derivative financial liabilities	742	–	742	742
Trade and other payables	264,761	264,761	–	264,761
Recognised financial liabilities	499,456	416,265	84,693	500,958
Intra-group financial guarantees	–	4,784	–	4,784
	499,456	421,049	84,693	505,742
31 March 2018				
Non-derivative financial liabilities				
Borrowings	226,274	151,504	76,272	227,776
Derivative financial liabilities	742	–	742	742
Trade and other payables	233,135	233,135	–	233,135
Recognised financial liabilities	460,151	384,639	77,014	461,653
Intra-group financial guarantees	–	4,694	–	4,694
	460,151	389.333	77,014	466,347
1 April 2017				
Non-derivative financial liabilities				
Borrowings	221,447	153,136	72,349	225,485
Derivative financial liabilities	742	–	742	742
Trade and other payables	152,459	152,459	–	152,459
Recognised financial liabilities	374,648	305,595	73,091	378,686
Intra-group financial guarantees	–	6,523	–	6,523
	374,648	312,118	73,091	385,209

16 Provision for warranties

	Group 31 Mar 2019 $'000	Group 31 Mar 2018 $'000
At beginning of financial year	74	141
Provision made	–	1
Provision utilised	(13)	(68)
At end of financial year	61	74

The provision for warranties is based on estimates made from historical warranty data associated with similar products and services.

17 Trade and other payables

	Group			Company		
	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Trade payables	14,064	31,584	35,130	–	–	–
Accrued interest payables	38,298	25,027	10,916	10,715	8,734	5,297
Accrued operating expenses	87,208	97,157	91,013	40,738	43,525	46,291
Deposits from customers	4,089	4,436	5,016	–	–	536
Other payables	30,976	24,427	33,794	11,835	2,468	3,347
Amount due to a director	1,545	2,134	2,073	–	–	–
Amounts due to subsidiaries						
- trade	–	–	–	1,073	1,036	1,105
- non-trade	–	–	–	200,400	177,372	95,883
	176,180	184,765	177,942	264,761	233,135	152,459

18 Revenue

	2019 $'000	2018 $'000
Revenue from contracts with customers:		
Sales of goods	111,115	211,638
Service income	12,230	13,514
Logistics income	6	235
	123,351	225,387
Rental income	1,633	8,481
	124,984	233,868

	2019 $'000	2018 $'000
Timing of transfer of service		
At a point in time	123,351	225,387

18 Revenue (Continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contract with customer, including significant payment terms, and the related revenue recognition policy:

Sales of goods

Nature of goods or services	The Group derives revenue from contract with customers through the trading of furniture and furnishings, electrical and electronics products at a point in time.
When revenue is recognised	Revenue is recognised in profit or loss when goods have been delivered.
Significant payment terms	Invoices are payable upon delivery of the goods.

Service and logistics income

Nature of goods or services	The Group derives revenue from contract with customers by providing warehousing and logistics services to the customers.
When revenue is recognised	Revenue is recognised in profit or loss when services are rendered.
Significant payment terms	Invoices are generally payable within 30 days.

Contract balances

The following table provides information about contract liabilities for contracts with customers.

	31 Mar 2019 $'000	31 Mar 2018 $'000	1 Apr 2017 $'000
Contract liabilities	978	3,150	3,363

The contract liabilities relate primarily to advance consideration received from customers.

Included in contract liabilities at 31 March 2019 is an amount of $578,000 (31 Mar 2018: $558,000 : 1 Apr 2017: $595,000) relating to an advance payment from a third party. This carries an interest at the aforesaid third party's own bank borrowing rate plus 3% margin per annum.

Significant changes in the contract liabilities balances during the year are as follows:

	Contract liabilities	
	31 Mar 2019 $'000	31 Mar 2018 $'000
Revenue recognised that was included in the contract liabilities balances at the beginning of the year	3,150	3,363
Increases due to cash received, excluding amounts recognised as revenue during the year	(978)	(3,150)

19 Loss for the year

The following (gain)/losses have been included in arriving at the loss for the year:

	Note	Group 2019 $'000	Group 2018 $'000
Allowance for doubtful receivables			
- trade	24	(1,446)	431
- non-trade	24	249	650
Allowance for inventories obsolescence	10	1,166	158
Amortisation of intangible assets	8	58	58
Audit fees paid/payable to:			
- auditors of the Company		200	267
- other auditors		114	126
Non-audit fees paid/payable to:			
- auditors of the Company		36	25
- other auditors		12	21
Fair value loss on investment properties	6	1,355	432
Contributions to defined contribution plans included in staff costs		1,373	1,957
(Surplus)/Deficit on revaluation of property, plant and equipment recognised in profit or loss	5	(217)	98,632
Depreciation of property, plant and equipment	5	14,025	36,917
Exchange loss/(gain), net		1,885	(1,492)
Government grants		(51)	(428)
Impairment of goodwill	8	75	22,087
Impairment of property, plant and equipment	5	250	11,429
Inventories written off	10	73	380
(Gain)/Loss on disposal of property, plant and equipment		(11)	486
Gain on loss control of a subsidiary	28	(4,719)	–
Operating expenses on investment properties		264	267
Operating lease expenses		7,659	18,175
Receivables written off:			
- trade	24	1,927	1,277
- non-trade	24	–	375
Rental income from investment properties		(523)	(628)

20 Finance income and expense

	Group 2019 $'000	Group 2018 $'000
Interest income from:		
- bank deposits	6	49
- others	421	1,784
Finance income	427	1,833
Interest expense paid/payable on:		
- bills payable and trust receipts	–	(41)
- term loans	(12,894)	(15,404)
- finance lease liabilities	(34)	(58)
- Sustainable Debt	(1,348)	(3,547)
	(14,276)	(19,050)
Accretion of interest expense:		
- Sustainable Debt	–	(903)
RCBs – loan component	(6,895)	(3,593)
	(6,895)	(4,496)
Net finance expense	(20,744)	(21,713)

21 Income tax (credit)/expense

	Note	Group 2019 $'000	Group 2018 $'000
Current tax (credit)/expense			
Current year		45	1,915
Over provision in prior years		(3,391)	(1,371)
		(3,346)	544
Deferred tax			
Origination and reversal of temporary differences		459	41
Under provision in prior years		–	756
	9	459	797
Income tax (credit)/expense		(2,887)	1,341
Reconciliation of effective tax rate			
Loss before income tax		(35,045)	(206,458)
Income tax using domestic tax rate of 17%		(5,958)	(35,098)
Effect of tax rates in foreign jurisdictions		(184)	(2,142)
Non-deductible expenses		802	26,653
Tax exempt income		(2,146)	(1,432)
Utilisation of previously unrecognised tax benefits		(445)	(275)
Tax benefits not recognised		8,435	14,250
Over provision in prior years (net)		(3,391)	(615)
		(2,887)	1,341

22 Earnings per share

	Group	
	2019 $'000	2018 $'000
Basic earnings per share is based on:		
Loss attributable to owners of the Company	1,701	120,538

	2019 No. of shares '000	2018 No. of shares '000
Number of ordinary shares at beginning and end of the year, representing weighted-average number of ordinary shares	1,048,391	1,048,391

Diluted earnings per share is the same as basic earnings per share because the Group's outstanding RCBs (note 15) do not have a dilutive effect at the reporting date.

23 Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products or services, and are managed separately. For each of the strategic business units, the CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Retail: The sale of consumer products to its retail customers through its retail outlets.
- Distribution and trading: The distribution and trading of consumer electronic and furniture and furnishing products to distributors and dealers.
- Warehousing and logistics services: Provision of warehousing and logistics services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenue and profit before income tax, as included in the internal management reports that are reviewed by the CEO. Segment revenue and profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

23 Segment reporting (Continued)

Business segments

	Retail	Distribution and trading	Warehousing and logistics services	Others	Inter-segment eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
31 March 2019						
Revenue and expenses						
Total revenue from external customers	41,468	71,371	9,620	2,525	–	124,984
Inter-segment revenue	2,871	9,067	9,851	2,115	(23,904)	–
Total revenue	44,339	80,438	19,471	4,640	(23,904)	124,984
Finance income	424	3	–	–	–	427
Finance expense	(12,161)	(704)	(8)	(8,298)	–	(21,171)
Depreciation	(10,311)	(706)	(976)	(2,032)	–	(14,025)
Amortisation	–	(58)	–	–	–	(58)
Reportable segment loss before income tax	(18,849)	(8,882)	4,656	(9,791)	21,021	(11,845)
Other material non-cash items						
Allowance for doubtful receivables	(580)	1,777	–	–	–	1,197
Impairment loss on goodwill	(75)	–	–	–	–	(75)
Impairment loss on property, plant and equipment	(250)	–	–	–	–	(250)
Loss in fair value of investment properties	–	(255)	–	(1,100)	–	(1,355)
Surplus on revaluation of property, plant and equipment recognised in profit or loss	–	217	–	–	–	217
Assets and liabilities						
Reportable segment assets	190,438	35,778	12,184	18,785	–	257,185
Capital expenditure	529	18	–	42	–	589
Segment liabilities	301,266	21,352	2,756	288,260	–	613,634

23 Segment reporting (Continued)

	Retail $'000	Distribution and trading $'000	Warehousing and logistics services $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
31 March 2018						
Revenue and expenses						
Total revenue from external customers	194,860	27,820	9,535	1,653	–	233,868
Inter-segment revenue	47,574	57,044	17,877	4,000	(126,495)	–
Total revenue	242,434	84,864	27,412	5,653	(126,495)	233,868
Finance income	1,821	12	–	–	–	1,833
Finance expense	(14,768)	(640)	(10)	(84)	–	(15,502)
Depreciation	(32,628)	(412)	(501)	(287)	–	(33,828)
Amortisation	–	(58)	–	–	–	(58)
Reportable segment loss before income tax	(88,925)	(658)	(4,262)	(113,499)	56,266	(151,078)
Other material non-cash items						
Allowance for doubtful receivables	(683)	(367)	–	(10)	–	(1,060)
Impairment loss on goodwill	(22,087)	–	–	–	–	(22,087)
Impairment loss on property, plant and equipment	(11,429)	–	–	–	–	(11,429)
Loss in fair value of investment properties	–	268	–	(700)	–	(432)
Deficit on revaluation of property, plant and equipment recognised in profit or loss	(98,755)	123	–	–	–	(98,632)
Assets and liabilities						
Reportable segment assets	251,665	18,856	3,880	19,812	–	294,213
Capital expenditure	4,430	8	183	30	–	4,651
Segment liabilities	363,200	25,441	3,749	267,456	–	659,846

23 Segment reporting (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other material items:

	2019 $'000	2018 $'000
Revenue		
Total revenue for reporting segments	148,888	360,363
Elimination of inter-segment revenue	(23,904)	(126,495)
Consolidated revenue	124,984	233,868
Profit or loss		
Total loss before income tax for reporting segments	(11,845)	(151,078)
Other unallocated amounts	(23,200)	(55,380)
Consolidated loss before tax	(35,045)	(206,458)

	31 Mar 2019 $'000	31 Mar 2018 $'000
Assets		
Total assets for reportable segments	257,185	294,213
Other unallocated amounts	2,478	27,929
Consolidated total assets	259,663	322,142
Liabilities		
Total liabilities for reportable segments	613,634	659,846
Other unallocated amounts	10,411	10,003
Consolidated total liabilities	624,045	669,849

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

23 Segment reporting (Continued)

Geographical segments (Continued)

Geographical segments are analysed by four principal geographical areas as follows:

	Revenue $'000	Non-current assets $'000
31 March 2019		
ASEAN[1]	103,778	199,651
East Asia and other countries	19,659	18,757
Africa and Middle East	1,547	9,462
CIS[2], Russia and Eastern Europe	–	–
	124,984	227,870
31 March 2018		
ASEAN[1]	209,919	212,875
East Asia and other countries	20,050	18,776
Africa and Middle East	3,899	9,655
CIS[2], Russia and Eastern Europe	–	–
	233,868	241,306
1 April 2017		
ASEAN[1]	275,096	578,609
East Asia and other countries	23,680	18,469
Africa and Middle East	5,634	10,967
CIS[2], Russia and Eastern Europe	166	19
	304,576	608,064

1 Association of South East Asian Nations
2 Commonwealth of Independent States

24 Financial risk management

Overview

As disclosed in note 2 to the financial statements, the Group and the Company's financial positions, and consequently the financial risk management and liquidity position, are dependent on a number of factors.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Board of Directors reviews and agrees the risk management policies and systems regularly to reflect changes in market conditions and the Group's activities. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

24 Financial risk management (Continued)

Credit risk

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of distribution activities, and sell in a variety of end markets.

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Expected credit loss assessment as at 1 April 2018 and 31 March 2019

(i) Trade receivables and contract assets

The Group uses an allowance matrix to measure the ECLs of trade receivables.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographical region, age of customer relationship and type of product purchased.

(ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(a) The movements in credit loss allowance are as follows:

	Total $'000
The Group	
At 1 April 2018	(17,231)
Allowance utilised	4,247
Reversal of allowance during the year	1,197
Translation differences	(69)
At 31 March 2019	(11,856)

24 Financial risk management (Continued)

Credit risk (Continued)

(ii) Financial assets at amortised cost (Continued)

(a) The movements in credit loss allowance are as follows: (Continued)

	Trade and other receivables $'000	Trade and non-trade amounts due from subsidiaries $'000	Unsecured loan to a subsidiary $'000	Total $'000
The Company				
At 1 April 2018	(5,002)	(198,078)	(89,900)	(292,980)
Allowance during the year	–	(28,024)	–	(28,024)
Exchange difference	–	(665)	–	(665)
At 31 March 2019	(5,002)	(226,767)	(89,900)	(321,669)

Cash and cash equivalents are subject to immaterial credit loss as the Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The following tables provides information about the exposure to credit risk and ECLs for trade and other receivables as at 31 March 2019:

	Group Gross carrying amount $	Credit Impaired
Not past due	6,368	No
Past due 0 – 1 month	1,270	No
Past due 1 – 2 months	411	No
Past due 2 – 3 months	577	No
Past due 3 – 4 months	108	No
More than 4 months	18,001	Yes
	26,735	
Loss allowance	(11,856)	
	14,879	

24 Financial risk management (Continued)

Credit risk (Continued)

	Company Gross carrying amount $	Credit Impaired
Not past due	–	No
Past due 0 – 1 month	–	No
Past due 1 – 2 months	–	No
Past due 2 – 3 months	–	No
Past due 3 – 4 months	–	No
More than 4 months	6,259	Yes
	6,259	
Loss allowance	(5,002)	
	1,257	

No aging analysis of advances to staff, deposit, trade and non-trade amounts due from subsidiaries and unsecured loan to a subsidiary are presented as the majority of outstanding balances as at 31 March 2019 are current. The Group assesses that no allowance for impairment loss on these receivables are required, except for the amount of allowances provided for in note 11.

During the year, receivables of $1,927,000 were written off and are included in other operating expenses (see note 19).

Comparative information under FRS39

An analysis of the ageing of the trade receivables and other receivables is as follows:

	31 Mar 2018 $'000	1 Apr 2017 $'000
Group		
Not past due	21,746	17,694
Past due 0 – 1 month	9,480	12,531
Past due 1 – 2 months	644	2,226
Past due 2 – 3 months	273	1,605
Past due 3 – 4 months	315	1,597
More than 4 months	34,374	45,471
	66,832	81,124
Allowance for doubtful receivables	(17,231)	(21,116)
	49,601	60,008
Company		
Not past due	–	–
More than 4 months	5,775	5,175
	5,775	5,175
Allowance for doubtful receivables	(5,002)	(5,002)
	773	173

24 Financial risk management (Continued)

Credit risk (Continued)

The movement in allowance for doubtful receivables in respect of trade and other receivables due from external parties were as follows:

	Note	Group 2018 $'000	Company 2018 $'000
At 1 April 2017		21,116	5,002
Allowance made	19	1,081	–
Allowance utilised		(4,448)	–
Foreign currency translation difference		(518)	–
At 31 March		17,231	5,002

During the year ended 31 March 2018, receivables of $1,652,000 were written off and are included in other operating expenses (see note 19).

The movement in allowance for doubtful receivables in respect of trade and non-trade amounts due from related parties and unsecured loan to a subsidiary were as follows:

	Company 2018 $'000
At 1 April 2017	149,593
Allowance made	139,566
Allowance utilised	(1,181)
At 31 March	287,978

The allowance has been made for estimated irrecoverable receivables from related parties, after taking into consideration the financial and liquidity positions of these related parties which are experiencing difficulties in the collection of their trade receivables.

Liquidity risk

As the Company is restructured under the Scheme (see note 2), the Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities without incurring unacceptable losses or risk of damage to the Group's reputation. The Group achieves this mainly by managing its working capital very tightly and maintaining an adequate level of cash and cash equivalents.

Market risk

Market risk exists due to changes in market prices that will affect the Group's income or the value of its holding in investments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

At the reporting date, the Group is not subject to significant equity-price risk.

24 Financial risk management (Continued)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-bearing liabilities and interest-earning assets. These comprise mainly interest bearing borrowings and deposits in financial institutions.

The Group adopts a policy of constantly monitoring movements in interest rates.

For the year ended 31 March 2019, a general increase in interest rates by 50 basis points, with all other variables held constant, would increase the Group's loss before income tax by $752,000 (31 Mar 2018: $795,000; 1 Apr 2017: $793,000). Similarly, a general decrease in interest rates by 50 basis points will have the equal but opposite effect.

For the year ended 31 March 2019, a general increase of interest rates by 50 basis points, with all other variables held constant, would increase the Company's loss before income tax by $750,000 (31 Mar 2018: $750,000; 1 Apr 2017: $750,000). A decrease of interest rate by 50 basis points will have the equal but opposite effect.

Foreign currency risk

The Group and the Company incur foreign currency risk on sales, purchases and borrowings that are denominated in foreign currencies, primarily in United States dollar, Euro and Australian dollar. The Group's policy is to hedge its foreign currency exposure naturally by transacting its sales and purchases in the same currency to the extent possible. The Group hedges part of its foreign currency exposure arising from those foreign currency transactions that are not naturally hedged, when it deems fit, using forward foreign exchange contracts.

	US Dollar $'000	Euro $'000	Others $'000	Total $'000
Group				
31 March 2019				
Trade and other receivables	6,070	9	1	6,080
Cash and cash equivalents	176	12	21	209
Trade and other payables	(8,721)	–	(149)	(8,870)
Borrowings	(378)	–	–	(378)
Net currency exposure	(2,853)	21	(127)	(2,959)
31 March 2018				
Trade and other receivables	3,574	15	–	3,589
Cash and cash equivalents	805	12	11	828
Trade and other payables	(11,869)	–	(168)	(12,037)
Borrowings	(3,526)	–	–	(3,526)
Net currency exposure	(11,016)	27	(157)	(11,146)
1 April 2017				
Trade and other receivables	1,412	43	–	1,455
Cash and cash equivalents	960	12	11	983
Trade and other payables	(9,618)	(1)	(141)	(9,760)
Borrowings	(1,819)	–	–	(1,819)
Net currency exposure	(9,065)	54	(130)	(9,141)

24 Financial risk management (Continued)

Foreign currency risk (Continued)

	US Dollar $'000	Hong Kong Dollar $'000	Others $'000	Total $'000
Company				
31 March 2019				
Trade and other receivables	1,139	–	–	1,139
Cash and cash equivalents	15	–	7	22
Trade and other payables	(1,538)	(2,400)	(3)	(3,941)
Net currency exposure	(384)	(2,400)	4	(2,780)
31 March 2018				
Trade and other receivables	4,329	–	–	4,329
Cash and cash equivalents	12	–	8	20
Trade and other payables	(1,483)	(2,124)	(126)	(3,733)
Net currency exposure	2,858	(2,124)	(118)	616
1 April 2017				
Trade and other receivables	3,366	24	64	3,454
Cash and cash equivalents	13	–	7	20
Trade and other payables	(1,042)	(2,259)	(1)	(3,302)
Net currency exposure	2,337	(2,235)	70	172

Sensitivity analysis

A 10% strengthening of the following currencies, assuming all other variables remain constant, will increase/(decrease) loss before tax and equity:

	Group $'000	Company $'000
31 March 2019		
US Dollar	285	38
Hong Kong Dollar	–	240
Euro	(2)	–
Others	13	*
31 March 2018		
US Dollar	1,102	(286)
Hong Kong Dollar	–	212
Euro	(3)	–
Others	16	12

* Less than $1,000

Similarly, a 10% weakening of the above currencies, assuming all other variables remain constant, will have the equal but opposite effect.

24 Financial risk management (Continued)

Offsetting financial assets and financial liabilities

As the Group does not have any master netting arrangements, none of the financial assets and financial liabilities are offset in the balance sheets.

Accounting classification

The carrying amounts of financial assets and financial liabilities are as follows:

Group	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables	–	16,692	–	16,692
Cash and cash equivalents	–	2,829	–	2,829
	–	19,521	–	19,521
Financial liability measured at fair value				
Derivative financial liabilities	(664)	–	–	(664)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(218,125)	(218,125)
Borrowings – others	–	–	(222,520)	(222,520)
Trade and other payables	–	–	(176,180)	(176,180)
	–	–	(616,825)	(616,825)

	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2018				
Financial assets not measured at fair value				
Trade and other receivables	–	52,785	–	52,785
Cash and cash equivalents	–	6,252	–	6,252
	–	59,037	–	59,037
Financial liability measured at fair value				
Derivative financial liabilities	(664)	–	–	(664)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(211,230)	(211,230)
Borrowings – others	–	–	(261,103)	(261,103)
Trade and other payables	–	–	(184,765)	(184,765)
	–	–	(657,098)	(657,098)

24 Financial risk management (Continued)

Accounting classification (Continued)

Group	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000
1 April 2017				
Financial assets not measured at fair value				
Trade and other receivables	–	64,289	–	64,289
Cash and cash equivalents	–	9,311	–	9,311
	–	73,600	–	73,600
Financial liability measured at fair value				
Derivative financial liabilities	(664)	–	–	(664)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(206,734)	(206,734)
Borrowings – others	–	–	(268,319)	(268,319)
Trade and other payables	–	–	(177,942)	(177,942)
	–	–	(652,995)	(652,995)

Company	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables	–	81,611	–	81,611
Cash and cash equivalents	–	23	–	23
	–	81,634	–	81,634
Financial liability measured at fair value				
Derivative financial liabilities	(742)	–	–	(742)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(233,949)	(233,949)
Borrowings – others	–	–	(4)	(4)
Trade and other payables	–	–	(264,761)	(264,761)
	–	–	(498,714)	(498,714)

24 Financial risk management (Continued)

Accounting classification (Continued)

Company	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2018				
Financial assets not measured at fair value				
Trade and other receivables	–	88,763	–	88,763
Cash and cash equivalents	–	24	–	24
	–	88,787	–	88,787
Financial liability measured at fair value				
Derivative financial liabilities	(742)	–	–	(742)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(226,269)	(226,269)
Borrowings – others	–	–	(5)	(5)
Trade and other payables	–	–	(233,135)	(233,135)
	–	–	(459,409)	(459,409)
1 April 2017				
Financial assets not measured at fair value				
Trade and other receivables	–	152,620	–	152,620
Cash and cash equivalents	–	24	–	24
	–	152,644	–	152,644
Financial liability measured at fair value				
Derivative financial liabilities	(742)	–	–	(742)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	–	–	(221,441)	(221,441)
Borrowings – others	–	–	(6)	(6)
Trade and other payables	–	–	(152,459)	(152,459)
	–	–	(373,906)	(373,906)

24 Financial risk management (Continued)

Accounting classification (Continued)

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods disclosed below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Determination of fair values

Property, plant and equipment and investment properties

The fair values of freehold land and buildings, leasehold land and buildings and investment properties was estimated by management by making reference to the prior year independent professional valuations which used valuation methods such as residual land value method, income capitalisation method, discounted cash flow and comparison method.

The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The market comparison approach is based on price per square metre for the buildings derived from observable market data from an active and transparent market.

Investments in quoted equity securities

The fair value of quoted equity securities is determined with reference to their quoted bid prices at the reporting date.

RCBs – Derivative liability component

The fair value of RCBs were estimated by the management by making reference to the prior year valuations prepared by the professional valuer. In the prior year, the Group engaged a professional valuer to assess the fair value of the derivative liability component of the RCBs relating to the Scheme as at reporting date. The value of the derivative component was the aggregate of the present value of the future expected pay off from the options during the option period from the effective date of the Scheme Date, using the Black Scholes model. The fair value was then determined by estimating the aggregated expected pay off using Monte Carlo simulations.

24 Financial risk management (Continued)

Determination of fair values (Conitinued)

Sustainable Debt and loan component of RCBs

The Sustainable Debt and loan component of RCBs are carried at amortised cost. For the purpose of disclosure, the management have assessed the fair value of the Sustainable Debts and loan component of RCBs by making reference to the prior year valuation. In prior year, the Group had engaged a professional valuer to assess the fair value of the Sustainable Debt and loan component of RCBs relating to the Scheme as at reporting date. Fair value was determined by discounting the future expected payments by a risk adjusted rate of return after taking into account spreads of comparable bonds and the risk free rate.

The fair value of the Sustainable Debt and loan component of RCBs of the Group and the Company is estimated to be $35,385,000 (2018: $35,385,000; 1 Apr 2017: $62,767,000) and $38,129,000 (2018: $38,129,000; 1 Apr 2017: $70,000,000) respectively.

Interest-bearing loans and borrowings (excluding amounts due to Scheme Creditors)

The carrying value of interest-bearing loans and borrowings approximate their fair values because they are either short term in nature or reprice frequently.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) approximate their fair values because of the short period to maturity. Other than loans to a subsidiary from the Company and loans from a subsidiary's non-controlling shareholders which are stated at cost (see notes 11 and 15), all other financial assets and liabilities are discounted to determine their fair values.

Valuation processes applied by the Group

The Group's finance division oversees the Group's financial reporting valuation process and is responsible for all significant fair value measurements, including Level 3 fair values.

Significant changes in fair value measurements from period to period are evaluated by the finance division for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

24 Financial risk management (Continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities carried at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 March 2019				
Derivative financial liabilities	–	–	(664)	(664)
31 March 2018				
Derivative financial liabilities	–	–	(664)	(664)
1 April 2017				
Derivative financial liabilities	–	–	(664)	(664)
Company				
31 March 2019				
Derivative financial liabilities	–	–	(742)	(742)
31 March 2018				
Derivative financial liabilities	–	–	(742)	(742)
1 April 2017				
Derivative financial liabilities	–	–	(742)	(742)

24 Financial risk management (Continued)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Group $'000	Company $'000
Derivative financial liabilities		
Balance at 1 April 2017	(664)	(742)
Changes in fair value	–	–
Balance at 31 March 2018	(664)	(742)
Changes in fair value	–	–
Balance at 31 March 2019	(664)	(742)

The following table shows the key unobservable inputs used in the valuation models:

Valuation techniques	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Derivative financial liabilities	The expected share price for 60 days prior to conversion date and expected exercise price at conversion date. Illiquidity discount of 49.7% (31 Mar 2018: 49.7%; 1 Apr 2017: 49.7%)	The estimated fair value varies inversely with changes in the exercise price and illiquidity discount.

The table below analyses recurring non-financial assets carried at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 March 2019				
Property, plant and equipment	–	24,025	182,814	206,839
Investment properties	–	4,400	2,631	7,031
	–	28,425	185,445	213,870
31 March 2018				
Property, plant and equipment	–	25,185	192,619	217,804
Investment properties	–	5,500	2,787	8,287
	–	30,685	195,406	226,091
1 April 2017				
Property, plant and equipment	–	26,284	515,901	542,185
Investment properties	–	6,200	2,713	8,913
	–	32,484	518,614	551,098

24 Financial risk management (Continued)

Level 3 fair values (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
31 March 2019				
Property, plant and equipment	–	136	–	136
31 March 2018				
Property, plant and equipment	–	142	–	142
1 April 2017				
Property, plant and equipment	–	148	–	148

The entity's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer has occurred.

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements of non-financial assets.

	Property, plant and equipment $'000	Investment properties $'000
Group		
Balance at 1 April 2017	515,901	2,713
Translation differences	(677)	(194)
Reversal of depreciation on revaluation	(25,921)	–
Changes in fair value recognised in other comprehensive income	(197,929)	–
Changes in fair value recognised in the profit or loss	(98,755)	268
Balance at 31 March 2018	192,619	2,787
Balance at 1 April 2018	192,619	2,787
Translation differences	344	99
Reversal of depreciation on revaluation	(10,331)	–
Changes in fair value recognised in other comprehensive income	182	–
Changes in fair value recognised in the profit or loss	–	(255)
Balance at 31 March 2019	182,814	2,631

24 Financial risk management (Continued)

Level 3 fair values (Continued)

The following table shows the key unobservable inputs used in the valuation models:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Property, plant and equipment	- Capitalisation rate of 7.25% to 12% (2018: 7.25% to 12.5%; 1 Apr 2017: 6.9% to 11.5%) - Discount rate of 8.00% (2018: 8.00% ; 1 Apr 2017: 7.65%) - Terminal yield of 7.75% (2018: 7.75% : 1 Apr 2017: 7.15%)	The estimated fair value varies inversely against the capitalisation, discount and terminal yield rates.
Investment properties	- Capitalisation rate of 4.5% (2018: 4.5% : 1 Apr 2017: 4.5%)	The estimated fair value varies inversely against the capitalisation rate

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10 year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.
- Capitalisation rate correspond to a rate of return on investment properties based on the expected income that the property will generate.

25 Commitments

Lease commitments

The Group leases a number of warehouse and office facilities under operating leases. The leases run for an initial period of 2 to 10 years, with an option to renew after that date. Lease payments are usually increased annually to reflect market rentals.

As at 31 March, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2019 $'000	2018 $'000
Payable:		
- Within 1 year	1,540	8,732
- After 1 year but within 5 years	2,472	15,225
- After 5 years	1,479	1,625
	5,491	25,582

25 Commitments (Continued)

Lease commitments (Continued)

The Group sub-leases its leased warehouse and office facilities. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2019 $'000	2018 $'000
Receivable:		
- Within 1 year	681	586
- After 1 year but within 5 years	113	126
	794	712

26 Contingent liabilities

Bank guarantees

The Company had provided unsecured guarantees amounting to $4,784,000 (31 Mar 2018: $4,694,000) to banks in respect of credit facilities granted to its subsidiaries. The facilities utilised by the subsidiaries as at 31 March 2019 amounted to $799,000 (31 Mar 2018: $807,000).

Two of the subsidiaries in the Group had provided unsecured guarantees amounting to $18,588,000 (31 Mar 2018: $18,717,000) to banks in respect of credit facilities granted to their subsidiaries. As at 31 March 2019, the facilities utilised amounted to $14,749,000 (31 Mar 2018: $14,830,000).

Disputed debts and contingent claims

As disclosed in note 2 to the financial statements, as at the reporting date, there are disputed debts of $18,193,000 (31 Mar 2018: $18,193,000) under the Scheme. Whilst the directors have accounted for such potential liabilities arising from these disputed claims as defined under the Scheme, the amounts will be adjusted when the process of determining the final amounts of claims which are disputed in nature is resolved, finalised and/or crystallised.

Potential tax liabilities

One of the overseas subsidiaries of the Group has potential income tax liabilities relating to prior years amounting to $1,048,781 (31 Mar 2018: $1,048,781) arising from tax positions that are in dispute with the local tax authorities. The subsidiary has filed appeals against these disputed tax positions. As at 31 March 2019, no provision has been made because the directors are of the view that the tax positions taken are reasonable and supportable.

27 Related parties

Key management personnel compensation

	Group	
	2019 $'000	2018 $'000
Short-term employee benefits	2,412	2,626
Contributions to defined contribution plans	88	90

Remuneration paid to key management personnel includes salaries, fees, bonuses and other benefits-in-kind. Key management personnel comprise the Board of Directors and other key/ senior management staff.

Transactions with Directors

As at the reporting date, the outstanding amount due to a director for advances to the Group and its subsidiaries is $1,545,000 (31 Mar 2018: $2,134,000).

28 Acquisition/loss of control of a subsidiary

a) Acquisition of a subsidiary

On 10 April 2018, the Group has acquired 100% of the shares and voting interest in My Home Furniture Sdn. Bhd.

Effect of acquisition

The net assets of subsidiary acquired is provided below:

	2019 $'000
The Group	
Property, plant and equipment	261
Inventories	349
Trade receivables and other receivables	115
Cash and cash equivalents	22
Trade and other payables	(822)
Net liabilities acquired	(75)
Goodwill arising from acquisition	75
Total purchase consideration	*

Net cash inflow arising from acquisition of subsidiary:

	2019 $'000
Purchase consideration settled in cash and cash equivalent	*
Cash and cash equivalents acquired	22
	22

* Less than $1,000

28 Acquisition/loss of control of a subsidiary (Continued)

b) Loss of control of a subsidiary

As disclosed in Note 2, PT Sumber has been placed under bankruptcy pursuant to the Indonesian Court Order on 28 March 2019. The Group is deemed to have loss control of the subsidiary on 28 March 2019 and ceased the application of consolidation of PT Sumber from 28 March 2019.

The net assets of the deemed disposed subsidiary are provided below:

	Note	28 Mar 2019 $'000
Inventories		(1,814)
Trade and other receivables		(39,595)
Cash and cash equivalents		(339)
Trade and other payables		20,840
Borrowings		37,875
Non-controlling interests		(8,820)
Net liabilities disposed		8,147
Realisation of reserves		(3,428)
Gain on loss of control of a subsidiary	19	(4,719)
Sale consideration		–
Cash of a subsidiary disposed		(339)
Cash outflow on deconsolidation of a subsidiary		(339)

29 Subsequent events

On 18 April 2019, the Company has applied to the Court for an extension of the existing Moratorium, which expires on 30 April 2019, until 31 July 2019 and to extend the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

The Company and the Purchaser agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim or any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan. The Purchaser has agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of $48 million to be granted to the Company.

On 16 July 2019, the Company and the Purchaser (now known as the "Investor") have entered into a binding term sheet to, amongst others, provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to $45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

The Court had granted moratorium extensions on 26 April 2019 and 29 July 2019 which collectively extended the Moratorium Extension Application until 31 December 2019.

30 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 April 2018.

As stated in note 3.1, these are the first financial statements of the Group prepared in accordance with SFRS(I).

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 April 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS(I) – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The application of the above standards and interpretations do not have material effect on the financial statements.

Summary of quantitative impact

The following reconciliations summarise the impacts on the initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group and the Company's financial position as at 1 April 2017, 31 March 2018 and 1 April 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 March 2018. There were no material adjustments to the Group's statement of comprehensive income and statement of cash flows for the year ended 31 March 2018 arising on the transition to SFRS(I).

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Reconciliation of the Group's equity
Consolidated statement of financial position

The Group Balance Sheet	As at 31 March 2018 FRS framework $'000	SFRS(I) 15 $'000	As at 31 March 2018 SFRS(I) framework $'000
Property, plant and equipment	223,213	–	223,213
Investment properties	8,287	–	8,287
Intangible assets	9,335	–	9,335
Deferred tax assets	471	–	471
Inventories	15,238	–	15,238
Trade and other receivables	59,346	–	59,346
Cash and cash equivalents	6,252	–	6,252
Total assets	322,142	–	322,142
Borrowings	472,333	–	472,333
Derivative financial liabilities	664	–	664
Deferred tax liabilities	4,557	–	4,557
Provision for warranties	74	–	74
Trade and other payables	187,915	(3,150)	184,765
Contract liabilities	–	3,150	3,150
Current tax payable	4,306	–	4,306
Total liabilities	669,849	–	669,849
Net liabilities	(347,707)	–	(347,707)
Share capital	175,622	–	175,622
Reserves	30,436	–	30,436
Accumulated losses	(438,008)	–	(438,008)
Non-controlling interests	(115,757)	–	(115,757)
Total equity	(347,707)	–	(347,707)

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Reconciliation of the Group's equity (Continued)
Consolidated statement of financial position (Continued)

The Group Balance Sheet	As at 1 April 2017 FRS framework $'000	SFRS(I) 15 $'000	As at 1 April 2017 SFRS(I) framework $'000
Property, plant and equipment	563,915	–	563,915
Investment properties	8,913	–	8,913
Intangible assets	33,805	–	33,805
Deferred tax assets	1,431	–	1,431
Inventories	39,341	–	39,341
Trade and other receivables	71,343	–	71,343
Cash and cash equivalents	9,311	–	9,311
Total assets	728,059	–	728,059
Borrowings	475,053	–	475,053
Derivative financial liabilities	664	–	664
Deferred tax liabilities	37,943	–	37,943
Provision for warranties	141	–	141
Trade and other payables	181,305	(3,363)	177,942
Contract liabilities	–	3,363	3,363
Current tax payable	3,850	–	3,850
Total liabilities	698,956	–	698,956
Net assets	29,103	–	29,103
Share capital	175,622	–	175,622
Reserves	117,636	–	117,636
Accumulated losses	(317,470)	–	(317,470)
Non-controlling interests	53,315	–	53,315
Total equity	29,103	–	29,103

Notes to the reconciliation

(a) SFRS(I) 1

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 1 April 2018 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 31 March 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliation (Continued)

(b) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. As a result, the Group has applied all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the information presented for 2018 has been restated.

The Group has applied the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The Group has also changed the presentation of certain amounts in the balance sheet on adopting SFRS(I) 15. Contract liabilities of $3,150,000 (1 April 2017: $3,363,000) which relate mainly to advance consideration received from customer were previously presented in "trade and other payables" under FRS.

(c) SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group adopted SFRS(I) 9 from 1 April 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate comparative information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 April 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliation (Continued)

(c) SFRS(I) 9 (Continued)

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except for the following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.

- The determination of the business model within which a financial asset is held; and
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification and measurement of financial assets

For financial assets held by the Group on 1 April 2018, management has assessed the business model that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9. Material reclassifications resulting from management's assessment are disclosed below.

	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39 $'000	New carrying amount under SFRS(I) 9 $'000
Financial assets				
Trade and other receivables#	Loans and receivables	Amortised cost	52,785	52,785
Cash and cash equivalents	Loans and receivables	Amortised cost	6,252	6,252
Total financial assets			59,037	59,037

Exclude advance payments to suppliers and prepaid operating expenses

Impairment of financial assets

The impairment methodology under FRS and SFRS(I) for each of these classes of financial assets is different. The adoption of the new impairment model under SFRS(I) did not give rise to transition adjustments. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in note 4.7 and note 24.

31 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)

Applicable to 2021 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective data deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements. The Group's assessment of SFRS(I) 16, is as described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

31 New standards and interpretations not yet adopted (Continued)

SFRS(I) 16 (Continued)

The Group plans to apply SFRS(I) 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply SFRS(I) 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

i. The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to its portfolio of warehouse and factory facilities leases. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 April 2019. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

The Group expect its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. As at 31 March 2019, the Group has a non-cancellable operating lease commitment of $5,491,000 (note 25). Based on the information currently available, the Group expects an increase in ROU assets and lease liabilities.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group will reassess the classification of sub-leases in which the Group is a lessor. As at 31 March 2019, the Group has a non-cancellable operating lease receivable of $794,000 (note 25). Based on the information currently available, the Group expects that it will reclassify one sub-lease as a finance lease, resulting in recognition of a finance lease receivable. No significant impact is expected for other leases in which the Group is a lessor.

SHAREHOLDING STATISTICS

As at 18 November 2019

No of Issued Shares	-	1,048,391,917
Class of shares	-	Ordinary shares
No. of subsidiary holdings	-	Nil
Voting rights	-	On a show of hands : 1 vote for each member On a poll : 1 vote for each ordinary share

There are no treasury shares held by the Company as at 18 November 2019.

Analysis Of Shareholdings

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	101	2.84	1,901	0.00
100 - 1,000	214	6.02	107,491	0.01
1,001 - 10,000	650	18.27	3,924,570	0.37
10,001 - 1,000,000	2,485	69.86	287,867,216	27.46
1,000,001 and above	107	3.01	756,490,739	72.16
	3,557	100.00	1,048,391,917	100.00

Shareholdings Held in Hands of Public

61.5% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

Top 20 Shareholders

No.	Name of Shareholders	No. of Shares	%
1	Sng Sze Hiang	150,366,775	14.34
2	KBC Bank N.V. - Charge/Assignment	131,000,000	12.50
3	Tong Jia Pi Julia	103,588,856	9.88
4	Lim Hock Chee	39,504,000	3.77
5	Raffles Nominees (Pte) Limited	31,321,702	2.99
6	DBS Nominees Pte Ltd	19,425,974	1.85
7	CGS-Cimb Securities (Singapore) Pte Ltd	15,894,075	1.52
8	Teh Kiu Cheong @Teong Cheng @Cheng Chiu Chang	11,273,000	1.08
9	OCBC Securities Private Ltd	11,148,406	1.06
10	Phillip Securities Pte Ltd	10,938,190	1.04
11	Ng Kim Choon	8,171,605	0.78
12	Koh Pau Moy	7,493,900	0.71
13	OCBC Nominees Singapore Pte Ltd	7,205,980	0.69
14	Lee Chong Chin	6,850,000	0.65
15	Koh Beng Keong (Xu Minqiang)	6,688,700	0.64
16	Low Yoke Hwee (Liu Yuhui)	6,621,100	0.63
17	Chang Koong Chean	6,472,000	0.62
18	United Overseas Bank Nominees Pte Ltd	5,865,180	0.56
19	Daw May Yee @ Htout Kyain	5,850,000	0.56
20	Kong Yuet Peng	4,630,000	0.44
		590,309,443	56.31

SHAREHOLDING STATISTICS

As at 18 November 2019

SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Substantial Shareholder	Shareholdings beneficially held by the substantial shareholder		Other shareholdings in which the substantial shareholder is deemed to have an interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Sng Sze Hiang	281,366,775 [#1]	26.83	103,588,856 [#2]	9.88
2. Tong Jia Pi Julia	103,588,856	9.88	281,366,775 [#3]	26.83

[#1] Include 131,000,000 shares held in the name of Sng Sze Hiang's nominee.

[#2] Sng Sze Hiang is deemed interested in 103,588,856 shares beneficially owned by his wife, Tong Jia Pi Julia.

[#3] Tong Jia Pi Julia is deemed interested in 281,366,775 shares beneficially owned by her husband, Sng Sze Hiang.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the Company will be held at 49 Sungei Kadut Avenue #03-01 Singapore 729673 on 31 December 2019 at 11.00 a.m. to transact the following business:

Ordinary Business

1 To receive and adopt the directors' statement and audited financial statements for the year ended 31 March 2019 and the auditors' report thereon. (Resolution 1)

2 To approve directors' fees of S$120,000 for the year ended 31 March 2019.
[Year 2018 : S$150,000/-] (Resolution 2)

3 To re-elect the following directors retiring by rotation in accordance with Article 93 of the Company's Constitution: [See Explanatory Note (a)]

(a) Mr Raymond Koh Bock Swi (Resolution 3a)
(b) Mr Yo Nagasue (Resolution 3b)

4 To appoint Foo Kon Tan LLP as the Company's Auditors in place of KPMG LLP to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix their remuneration. [See Explanatory Note (b)] (Resolution 4)

Special Business

5 To consider and, if thought fit, to pass the following as an ordinary resolution, with or without modifications:

(1) That pursuant to Section 161 of the Companies Act, Cap. 50 and the rules of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the directors of the Company to:-

(i) issue shares in the capital of the Company ("Shares") (whether by way of placements, rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or any other instruments convertible or exchangeable into Shares,

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; and

(2) notwithstanding the authority conferred by this resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the directors while this resolution is in force, PROVIDED THAT:

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued

in pursuance of Instruments made or granted pursuant to this resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above:

(a) the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this resolution, after adjusting for:

(aa) new Shares arising from the conversion or exercise of any convertible securities and share options that have been issued pursuant to any previous shareholders' approval and which are outstanding as at the date of the passing of this resolution; and

(bb) any subsequent bonus issue, consolidation or subdivision of Shares; and

(b) in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(iii) in exercising the authority conferred by this resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this resolution 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.

[See Explanatory Note (b)] (Resolution 5)

6 To transact any other business which may properly be transacted at an annual general meeting.

BY ORDER OF THE BOARD

KOH SOCK TIN
COMPANY SECRETARY

Singapore,
Date: 16 December 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the annual general meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the annual general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50.

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

3 An instrument appointing a proxy must be deposited at the Company's registered office at 49 Sungei Kadut Avenue #03-01 Singapore 729673 not less than 48 hours before the time appointed for holding the annual general meeting.

Explanatory Notes

(a) For ordinary resolutions 3(a) and 3(b) above, detailed information on the two directors can be found on the "Profile of Directors" and "Corporate governance report" sections of the Annual Report 2019.

Mr Raymond Koh Bock Swi, if re-appointed, will remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered an Independent Director. Information on Mr Koh's shareholdings can be found in the Directors' Statement of the Annual Report 2019. There are no other relationships including immediate family relationships between Mr Koh and the other Directors, the Company or its 10% shareholders.

Mr Yo Nagasue, if re-elected, will remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Nagasue has no shareholdings in the Company and has no relationship with the Company, its 10% shareholders or its directors.

(b) Ordinary resolution 4 above relates to the appointment of Foo Kon Tan LLP as the auditors of the Company, in place of the retiring auditors, KPMG LLP, and to hold office until the conclusion of the next annual general meeting of the Company ("**Proposed Change of Auditors**"). In accordance with Rule 1203(5) of the Listing Manual of the SGX-ST:

(i) the outgoing auditors of the Company, KPMG LLP, have confirmed in writing that they are not aware of any professional reasons why the new auditors, Foo Kon Tan LLP, should not accept appointment as auditors of the Company;

(ii) the Company confirms that there were no disagreements with the KPMG LLP on accounting treatments within the last 12 months;

(iii) the Company confirms that, saved as disclosed in the Appendix to the 2019 Annual Report in relation to the Proposed Change of Auditors ("**Appendix**"), it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the shareholders of the Company;

(iv) the specific reasons for the Proposed Change of Auditors are set out in the Appendix; and

(v) the Company confirmed that it has complied with Rule 712 and Rule 715 of the Listing Manual in relation to the proposed appointment of Foo Kon Tan LLP as its new auditors.

For further information in relation to the Proposed Change of Auditors, please refer to the Appendix which is circulated to Shareholders together with the Company's 2019 Annual Report.

(c) Ordinary resolution 5, if passed, will empower the directors from the date of the above meeting until the date of the next annual general meeting, to issue shares and convertible securities in the Company up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, with a sub-limit of 20 per cent. for issues other than on a pro-rata basis to shareholders, as more particularly set out in the resolution.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TT INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198403771D)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the annual general meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in TT International Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of annual general meeting dated 16 December 2019.

PROXY FORM
ANNUAL GENERAL MEETING

I/We _____, NRIC/Passport/Co. Registration No. _____

of _____

being a member/members of TT International Limited (the "Company") hereby appoint

Name	Address	NRIC/ Passport No.	No. of Shares

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	No. of Shares

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the annual general meeting of the Company to be held at 49 Sungei Kadut Avenue #03-01 Singapore 729673 on 31 December 2019 at 11.00 a.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 annual general meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the annual general meeting

No.	Resolutions	For*	Against*
1	To adopt the directors' statement and financial statements		
2	To approve directors' fees		
3	To re-elect the following directors retiring under Article 93 :-		
	(a) Mr Raymond Koh Bock Swi		
	(b) Mr Yo Nagasue		
4	The proposed change of auditors from KPMG LLP to Foo Kon Tan LLP		
	Special Business		
5	To authorise directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		

*Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2019

Total Number of Shares Held

_____

Signature(s) of Member(s) or Common Seal

IMPORTANT

PLEASE READ NOTES OVERLEAF

Notes

1 A member should insert the total number of shares held by him. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

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

4 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 49 Sungei Kadut Avenue #03-01 Singapore 729673 not less than 48 hours before the time appointed for the meeting.

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

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

7 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8 The Company shall be entitled to reject an instrument of proxy 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 instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

TT International Limited
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