



TT INTERNATIONAL LIMITED

Company Registration Number 198403771D
(Incorporated in Singapore)

ANNOUNCEMENT

PROPOSED DISPOSALS OF SUBSIDIARIES WITHIN THE GROUP

1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**”) of the Company, along with its subsidiaries, (collectively, the “**Group**”) wishes to announce that the Company, and its two wholly owned subsidiaries Furniture & Furnishings Pte Ltd (“**F&F**”) and Nikkei Pacific Investment Pte Ltd (“**Nikkei**”, and collectively with the Company and F&F, the “**Sellers**”) have entered into a conditional sale and purchase agreement (“**SPA**”) with MSSS Pte Ltd (the “**Purchaser**”) for the proposed disposal of 10 subsidiaries of the Group. Pursuant to the SPA, the Sellers agreed to sell to the Purchaser the entire issued and paid-up share capital of the Company’s 10 wholly-owned subsidiaries (“**Direct Sale Subsidiaries**”), for a nominal consideration of S\$34.00 (“**Sale Consideration**”), on the terms of and subject to the conditions of the SPA (“**Proposed Disposals**”). The consideration was arrived at after arms’ length negotiations between the Sellers and the Purchaser on a willing buyer and willing seller basis after taking into account, *inter alia*, the estimated negative realisation value of the Direct Sale Subsidiaries. The Sellers and the Purchaser shall collectively be known as the “**Parties**”, and each a “**Party**”.
- 1.2 The Sale Consideration is based on the nominal value of S\$1.00 for each of the 10 Direct Sale Subsidiaries and each of the 24 other subsidiaries within the Group, being indirectly owned by the Company (“**Indirect Sale Subsidiaries**” and together with the Direct Sale Subsidiaries, the “**Sale Subsidiaries**”). The Indirect Sale Subsidiaries will also be disposed of pursuant to the Proposed Disposals.
- 1.3 Upon completion of the Proposed Disposals, the Company will cease to have any interest in the Sale Subsidiaries.

2. INFORMATION ON THE PURCHASER

- 2.1 The Purchaser is a company incorporated in Singapore. The Purchaser is not related to any of the Directors and the substantial shareholders of the Company or any of their respective associates. The Purchaser is also not an ‘Interested Person’ for the purposes of determining whether the Proposed Disposals constitute an ‘Interested Person Transaction’.

3. INFORMATION ON THE SALE SUBSIDIARIES

- 3.1 All of the Sale Subsidiaries are either dormant or currently not in operations. The Direct Sale Subsidiaries are set out in the following table:

S/N	Direct Subsidiaries	Immediate holding company	Country of Incorporation	Immediate holding company’s effective equity interest
1.	Akira Singapore Pte Ltd	Company / TTI	Singapore	100%
2.	Ambur International Pte Ltd (“ Ambur International ”)		Singapore	100%
3.	Akira International Pte Ltd (“ AKI ”)		Singapore	100%
4.	Big Box Corporation Pte Ltd (“ BBC ”)		Singapore	100%
5.	T.T. Corporation Pte Ltd (“ TTC ”)		Singapore	100%
6.	IT Kauppa OY Finland		Finland	100%
7.	Omni Capital Pte Ltd		Singapore	100%

8.	F&F Furnishings Sdn Bhd	F&F	Malaysia	100%
9.	Castilla Co, Limited Taiwan		Taiwan	100%
10.	PT Electronic Solution Indonesia (now known as PT Tirta Damai Indah)	Nikkei	Indonesia	100%

3.2 The Indirect Sale Subsidiaries are set out in the following table:

S/N	Indirect Sale Subsidiary wholly/partially owned by Ambur International	Country	Percentage shareholding owned by Ambur International
1.	Ambur International Company Limited (Yangon)	Myanmar	100%
S/N	Indirect Sale Subsidiary wholly/partially owned by TTC	Country	Percentage shareholding owned by TTC
2.	Akira Sales & Services (M) Sdn Bhd	Malaysia	100%
3.	T.T. International Limited (Myanmar)	Myanmar	51%
4.	T.T. Corp Pte Ltd (Philippines Branch)	Philippines	100%
5.	AIMS Trading (Private) Limited, Sri Lanka	Sri Lanka	59.46%
6.	SCE Distribution (Pty) Ltd, South Africa	South Africa	100%
7.	Athletic AGD Sp.z.o.o	Poland	51%
8.	Athletic International Sp.z.o.o Poland (“Athletic International”)	Poland	50.70%
S/N	Indirect Sale Subsidiary wholly/partially owned by Athletic International	Country	Percentage shareholding owned by Athletic International
9.	Athletic Manufacturing Sp.z.o.o	Poland	100%
10.	A & D Sp.z.o.o	Poland	60%
11.	A-Beyond Tex Sp.z.o.o	Poland	65%
12.	Bhrama (Polska) Sp.z.o.o	Poland	65%
S/N	Indirect Sale Subsidiary wholly/partially owned by AKI	Country	Percentage shareholding owned by AKI
13.	Akira Electric Corporation (Thailand) Ltd	Thailand	49%
14.	Akira Electric Corporation Holdings Ltd, Thailand	Thailand	49%
15.	Akira International Trading (Shanghai) Co. Ltd	China	100%
16.	Akira Electronics (Suzhou) Co. Ltd	China	100%
17.	Akira West Africa Company Limited, Nigeria	Nigeria	100%
18.	Akira Electronics (SA) (Proprietary) Limited	South Africa	100%
19.	Akira Middle East (LLC) Dubai	UAE	49%

S/N	Indirect Sale Subsidiary wholly/partially owned by BBC	Country	Percentage shareholding owned by BBC
20.	BB & G-7 Retail Pte Ltd	Singapore	100%
21.	Big Box (Brunei) Sdn Bhd	Brunei	50%
22.	Big Box (Thailand) Ltd	Thailand	49%
23.	Big Box EXPO Pte Ltd	Singapore	100%
24.	Big Box Investment Pte Ltd	Singapore	100%

4. PRINCIPLE TERMS OF THE PROPOSED DISPOSALS

4.1 Sale Consideration

The Sellers intend to dispose each of their entire interest in all the ordinary shares in the share capital of each of the Direct Sale Subsidiaries ("**Sale Shares**") at nominal consideration of S\$1.00 per Sale Subsidiary. The amount of Consideration shall be satisfied fully in cash. The Consideration was arrived after negotiations between the Sellers and the Purchaser on a willing buyer and willing seller basis, and taking into account, *inter alia*, the negative ERVs of the Sale Subsidiaries.

4.2 Conditions Precedent

Pursuant to the SPA, the completion of the sale and purchase of the Sale Shares is conditional upon fulfilment of the following:

- 4.2.1 F&F having obtained the approval of TTI (being the sole shareholder of F&F) for the sale and transfer of all the ordinary shares in the share capital of each of F&F Furnishings Sdn and Castilla Co, Limited Taiwan;
- 4.2.2 Nikkei having obtained the approval of TTI (being the sole shareholder of Nikkei) for the sale and transfer of all the ordinary shares in the share capital of PT Electronic Solution Indonesia (now known as PT Tirta Damai Indah);
- 4.2.3 the Company having obtained the waiver of the Company's compliance with the relevant rules in the Listing Manual of the SGX-ST by the Singapore Exchange Securities Trading ("**SGX-ST**") for the sale and transfer of the Sale Shares to the Purchaser; and/or
- 4.2.4 the Company having obtained the approval of the shareholders of the Company for the sale and transfer of the Sale Shares to the Purchaser (in the event the waiver by SGX-ST is not satisfied),

(collectively, the "**Conditions**").

4.3 Completion

Subject to the satisfaction and/or waiver of the Conditions, completion of the sale and purchase of the Sale Shares shall take place on the date of receipt by the Sellers of the Consideration or on such other date as may be agreed in writing between the Parties.

4.4 Additional Costs

After negotiations between the Company and the Purchaser and after taking into consideration the rationale for the Proposed Disposals (set out in section 6 below), the Company agreed to bear the cost of liquidation of the Purchaser or any of the Sale Subsidiaries should the Purchaser decided to place itself into liquidation or to liquidate any of the Sale Subsidiaries after completion of the sale and purchase of the Sale Shares, provided that the aggregate costs of liquidation to be borne by the Company shall not be in excess of S\$20,000.00.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 The proforma financial effects of the Proposed Disposals set out below are for illustrative purposes only and are based on latest announced financial statements of the Group for the nine months ended 31 December 2022 (“**3QFY2023**”) and the following assumptions:

5.1.1 that the Proposed Disposals had been completed on 31 December 2022 for the purposes of the financial effect on the net tangible asset (“**NTA**”) per share of the Group:

	Before the Proposed Disposals	After the Proposed Disposals
NTA/ (NTL) (S\$)	(301.79 million)	(298.49 million)
Number of issued shares	1,048,391,917	1,048,391,917
NTA/ (NTL) per share (S\$)	(0.29)	(0.28)

5.1.2 that the Proposed Disposals had been completed on 31 December 2022 for the purposes of the financial effect on the earnings per shares (“**EPS**”) / loss per shares (“**LPS**”) of the Group:

	Before the Proposed Disposals	After the Proposed Disposals
Net profit/ (loss) after tax (S\$)	16.89 million	21.46 million
Number of issued shares	1,048,391,917	1,048,391,917
EPS / LPS (S\$)	0.016	0.020

5.1.3 The Group’s profits for 3QFY2023 were mainly attributable to a one-off, non-cash profit arising from the liquidation and deconsolidation of Big Box Pte. Ltd. (“**BBPL**”). Upon completion of the Proposed Disposals (assuming they had been completed on 31 December 2022), there would also be non-cash accounting losses recorded by the Sale Subsidiaries (together with the non-cash profit arising from liquidation of BBPL, the “**Non-Cash Profits/ losses**”). Excluding the Non-Cash Profits/ Losses, assuming that the Proposed Disposals had been completed on 31 December 2022, the financial effect on the EPS/ LPS of the Group would be as follows:

	Before the Proposed Disposals	After the Proposed Disposals
Net profit/ (loss) after tax (S\$), excluding the Non-Cash Profits/ Losses	(6.30 million)	(6.02 million)
Number of issued shares	1,048,391,917	1,048,391,917
EPS / LPS (S\$)	(0.006)	(0.006)

5.2 As illustrated above, the NTA for the Group will improve and the profit attributable to equity holders of the Company will also be increased after the Proposed Disposals.

6. RATIONALE FOR THE PROPOSED DISPOSALS

- 6.1 The Proposed Disposals are to facilitate the restructuring of the Group and expedite the time and ensure a cost-efficient closure of the Sale Subsidiaries which are dormant and inactive, have ceased operations and were intended by the Company to be liquidated/struck off. Accordingly, the Proposed Disposals are not expected to affect the existing operations and business of the Group.
- 6.2 Based on an independent valuation of the Sale Subsidiaries, all of the Sale Subsidiaries have negative estimated realisation valuation as at 31 March 2022 (“**ERV**”). As stated in section 5.1 above, the Proposed Disposals will have a positive effect on the NTA and net profit attributable to shareholders of the Company.
- 6.3 Based on estimates on the costs likely to be incurred to liquidate or strike off the Sale Subsidiaries, the estimated costs would have been in the region of S\$574,600 and the estimated timeframe to complete the liquidation /striking off of the Sale Subsidiaries would have taken some 24 to 48 months. The Proposed Disposals are therefore intended to save time and costs of restructuring the Group.
- 6.4 In view of the above, the Board is of the view that the Proposed Disposals are in the best interest of the Company and its shareholders.

7. RELATIVE FIGURES FOR THE PROPOSED DISPOSAL UNDER RULE 1006 OF THE LISTING MANUAL

- 7.1 Based on the latest announced financial statements of the Group for 3QFY2023, the relative figures computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of computation	Relative Figures for the Proposed Disposals
Rule 1006(a)	Net asset value of the assets to be disposed, compared with the group's net asset value as at 31 December 2022	(1.09%) ⁽¹⁾
Rule 1006(b)	Net loss attributable to the assets to be disposed of, compared with the group's net profit as at 31 December 2022	(27.05%) ⁽²⁾
	Net loss attributable to the assets to be disposed of, compared with the group's net loss as at 31 December 2022, excluding non-cash profits/ (loss)	(4.52%) ⁽³⁾
Rule 1006(c)	Aggregate value of the consideration to be given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.00023% ⁽⁴⁾
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable

Notes

- (1) Computed based on the aggregate sum of the net liabilities value of the Sale Subsidiaries for 3QFY2023 amounting to approximately S\$ 3.3 million and net liabilities value of the Group as at 31 December 2022 amounting to approximately S\$301.79 million.

- (2) Computed based on the aggregate sum of the net loss attributable to the disposal of the Sale Subsidiaries for 3QFY2023 amounting to approximately S\$4.57 million and net profit attributable to the Group amounting to approximately S\$16.89 million. The Group's profit for 3QFY2023 was attributable to other operating income for 3QFY2023 which was mainly due to non-cash profit arising from the deconsolidation of BBPL following the commencement of the liquidation of BBPL on 29 April 2022. There would also be non-cash accounting losses recorded by the Sale Subsidiaries upon the completion of the Proposed Disposals (assuming they took place on 31 December 2022).
- (3) If these Non-Cash Profits/ Losses referred to above at Note (2) were excluded from the Group's net profit/ loss for the purpose of calculating the relative figure under Rule 1006(b), the aggregate sum of the net loss attributable to the disposal of the Sale Subsidiaries for 3QFY2023 would amount to approximately S\$0.29 million and net loss attributable to the Group amounting to approximately S\$6.3 million.
- (4) The aggregate value of consideration received, for purposes of calculating the relative figure under Rule 1006(c) of the Listing Manual, had been calculated based on the nominal value of S\$1.00 per entity (based on an independent valuation of these subsidiaries), multiply by 34 and the Company's existing issued and paid-up capital of 1,048,391,917 shares and the last traded price of S\$0.014 per share on 3 August 2017, being the last trading day prior to the Company's voluntary suspension of trading.

7.2 Based on the relative figure computed on the basis set out in Rule 1006(c), it amounts to 5% or less, making the Proposed Disposals non-disclosable transactions under Rule 1008 of the Listing Manual.

7.3 The relative figure computed on the bases set out in Rule 1006(a) and Rule 1006(b) of the Listing Manual involve negative figures.

7.4 Based on the absolute relative figure computed on the basis set out in Rule 1006(a), it amounts to 5% or less. Therefore, the Proposed Disposals fall within the situation in paragraph 4.3(e) of Practice Note 10.1 of the Listing Manual and do not require disclosure or shareholders' approval.

7.5 On the other hand, the absolute relative figure computed on the basis set out in Rule 1006(b) amount to more than 20% and does not fall within any of the situation in paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Listing Manual. Hence, the Proposed Disposals would be deemed as a "Major Transaction" pursuant to Rule 1014 of the Listing Manual and would thereby require announcement and would be subject to shareholders' approval.

7.6 However, the Group's profits for 3QFY2023 were mainly attributable to a one-off non-cash profit arising from the liquidation and deconsolidation of BBPL. As seen from paragraph 5.1.3 and note (3) of paragraph 7.1 above, excluding the Non-Cash Profits/ Losses, it will result in an absolute relative figure computed on the basis set out in Rule 1006(b) that would amount to less than 5%. In that case, the Proposed Disposals fall within the situation in paragraph 4.3(e) of Practice Note 10.1 of the Listing Manual and the transaction would not have required announcement or shareholders' approval.

7.7 In any event, the Company has sought clarifications from the SGX-ST pursuant to Practice Note 10.1 of the Listing Manual and obtained confirmation from the SGX-ST that there is no need to obtain shareholders' approval for the Proposed Disposals under Rule 1014 of the Listing Manual.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED DISPOSAL

8.1 None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposals (other than in their capacity as Directors or shareholders, where applicable).

9. CAUTIONARY STATEMENT

9.1 There is no certainty or assurance as at the date of this announcement that the Proposed Disposals will be completed, or other conditions precedent thereof will be satisfied, or that no changes will be made to the terms of the Proposed Disposals.

9.2 The Company will make further announcements as and when there are material developments, including in relation to the completion of the Proposed Disposals.

9.3 Trading in the Company's shares on the SGX-ST has been voluntarily suspended by the Company on 4 August 2017. Shareholders and potential investors should exercise caution when dealing in the shares of the Company. People who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order of the Board

Julia Tong
Executive Director

6 April 2023