TT INTERNATIONAL LIMITED

Company Registration Number 198403771D
(Incorporated in Singapore)

ANNOUNCEMENT

(1) UPDATE ON CONVERTIBLE LOAN AND ADDITIONAL LOAN
(2) ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION

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1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of TT International Limited (the "**Company**"), along with its subsidiaries and associated companies (collectively the "**Group**"), refers to:

(a) its announcement dated 17 July 2019 in relation to the Company's entry into a binding term sheet with Celestial Palace Limited (the "**Investor**") to, amongst others, provide for the proposed investment by the Investor through a convertible loan of S$48,000,000 to be granted to the Company ("**Convertible Loan**"), of which an amount of up to S$45,000,000 will be used to fund the implementation of the New Scheme;

(b) its announcement dated 9 December 2019 in relation to (i) an update on the Convertible Loan and implementation of the New Scheme; and (ii) the entry into an additional loan agreement with the Investor to provide additional working capital of S$25,000,000 for the Group ("**Additional Loan**"); and

(c) its announcement dated 1 December 2023 in relation to the update on the Convertible Loan and Additional Loan,

(collectively, the "**Previous Announcements**").

1.2 As set out in the Company's announcement dated 1 December 2023, the Investor informed the Company on 30 November 2023 that having reviewed the latest available financial information of the Company and despite the significantly lower financial position of the Group, the Investor was then prepared to continue supporting the restructuring of the Group on a lower loan quantum. The Investor and the Company were in discussions since then on the revision of the terms of the Convertible Loan as well as the Additional Loan. The Company was simultaneously exploring other options to progress the debt restructuring of the Group, with the consent of the Investor.

2. MUTUAL TERMINATION OF THE CONVERTIBLE LOAN AND ADDITIONAL LOAN

Notwithstanding extensive discussions with the Investor, the Company and the Investor were unable to reach an agreement on the revised quantum of the proceeds from the Convertible Loan and the Additional Loan that is higher than the quantum that the Company was able to procure from an alternative option. Accordingly, the Company and the Investor agreed to mutually terminate the Convertible Loan and the Additional Loan on 30 December 2023.

3. NEW LOAN FROM THE NEW LENDER

3.1 To secure alternative funding, the Company has been in discussions with a non-banking financial company registered with Reserve Bank of India ("**RBI**"), based in India, Doon Vally Finance and Leasing Limited ("**DVFL**"). Along with a group of RBI registered non-banking financial companies based in India, DVFL and the group of lenders are agreeable to extend a loan on the basis that such loan is provided to a company incorporated in India.

3.2 In accordance with DVFL's request, the Company's key management and substantial shareholders of the Company, Mr Sng Sze Hiang and Ms Tong Jia Pi Julia, incorporated an entity in India, TTHJ International Private Limited ("**New Lender**"), for the purpose of facilitating such lending structure, whereby the New Lender secured a loan from DVFL in the principal amount of USD32,000,000 (the "**Principal Amount**") and extended such loan on a back-to-back basis to the Company for the purposes of, inter alia, the repayment of existing financing arrangements

including loans, debts and liabilities of the Company and the provision of additional working capital to the Company.

3.3 The Board would like to announce that the Company had, on 30 December 2023, entered into a loan agreement with the New Lender (the "**Loan Agreement**"). Pursuant to the Loan Agreement, the New Lender has agreed to grant a loan in the Principal Amount, subject to the terms and conditions set out in the Loan Agreement ("**Proposed Loan**"). A summary of the principal terms of the Loan Agreement is set out in Section 4 of this announcement.

4. PRINCIPAL TERMS OF THE LOAN AGREEMENT

4.1 The terms of the Loan Agreement were negotiated between the Company and the New Lender, taking into account, amongst others, the loan from DVFL to the New Lender and the accompanying terms, as well as the Company's ongoing financing needs to discharge the Group's liabilities under the New Scheme (including any claims, guarantees in connection with or arising from the Company's debts) and the Group's working capital requirements.

New Lender	TTHJ International Private Limited
Borrower	Company
Principal Amount	USD32,000,000 disbursed in 2 tranches as follows: Tranche A: USD21,200,000 Tranche B: USD10,800,000
Term	7 years from the first disbursement
Interest	The rate of interest is 10% per annum of the amount unpaid under the Proposed Loan. For the first year of the Proposed Loan, interest is accumulated and paid for upfront for the entire year, to be deducted from the disbursement proceeds of Tranche A and/or Tranche B. From the 13th month onwards, interest is paid on a monthly basis.
Default Interest	2% per month
Utilisation conditions	<u>Tranche A</u> Drawdown of Tranche A is conditional upon the fulfilment of following conditions precedent: (a) The Company amending the terms of the New Scheme to revise the quantum of the Scheme Funds to an aggregate amount of S$12,000,000 (b) The Company obtaining the approval by the requisite majority of Creditors for the New Scheme based on the revised quantum of the Scheme Funds of an aggregate amount of S$12,000,000 (c) The Company obtaining the Court's sanction of the New Scheme based on the revised quantum of the Scheme Funds of an aggregate amount of S$12,000,000 (d) The upfront deduction of a lump sum amount for all costs, expenses, fees, charges, the costs of financial bank guarantee, first year interest repayment and other upfront payments from the disbursement proceeds of Tranche A as set out in the Loan Agreement

<table>
<tr><td></td><td>(e) The approval of the Proposed Loan and the Loan Agreement by the shareholders of the Company in a general meeting

(f) The delivery to the New Lender by the Company of such deed of release and any documents executed by the relevant creditors of the Company which is required to irrevocably, permanently, unconditionally, completely and absolutely release and discharge the Company's directors (where applicable) from all Claims (as defined in the New Scheme), including in respect of any Guarantee (as defined in the New Scheme).

<u>Tranche B</u>

Drawdown of Tranche B is conditional upon the fulfilment of following conditions precedent:

(a) Full implementation of, and discharge of all liabilities under the New Scheme based on the revised quantum of the Scheme Funds of an aggregate amount of S$12,000,000

(b) Settlement and discharge of all liabilities owing to the Excluded Creditors (as defined in the New Scheme)

(c) The deduction of first year interest repayment and all upfront fees from the disbursement proceeds of Tranche B as set out in the Loan Agreement</td></tr>
<tr><td>Security</td><td>Hypothecation of all current assets and procurements from the Proposed Loan</td></tr>
<tr><td>Repayment</td><td>Repayments shall be due in instalments on a yearly basis at the beginning of each year according to the repayment schedule ("Repayment Schedule") below:

<table><tr><th>Year</th><th>% of principal repayment</th><th>Due date – between 1st and 7th January</th></tr><tr><td>Year 1</td><td>0.0%</td><td>Nil</td></tr><tr><td>Year 2</td><td>5.0%</td><td>2025</td></tr><tr><td>Year 3</td><td>5.0%</td><td>2026</td></tr><tr><td>Year 4</td><td>10.0%</td><td>2027</td></tr><tr><td>Year 5</td><td>15.0%</td><td>2028</td></tr><tr><td>Year 6</td><td>20.0%</td><td>2029</td></tr><tr><td>Year 7</td><td>45.0%</td><td>2030</td></tr></table></td></tr>
<tr><td>Governing Law</td><td>Singapore law</td></tr>
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4.2 **Use of Proceeds**

The Company will receive up to a maximum of approximately S$19,934,640 net proceeds from Tranche A of the Proposed Loan (after deduction of all the upfront payments for the loan related costs and expenses, fees, charges, the costs of financial bank guarantee, first year interest repayment and other upfront payments as set out in the Loan Agreement).

It is contemplated that net proceeds from Tranche A and Tranche B of the Proposed Loan be utilised in following manner:

(a) first, an amount of up to S$12,000,000 will be used to discharge all liabilities under the New Scheme;

(b) second, an amount of up to S$7,906,000 will be used to discharge the liabilities owing to the Excluded Creditors (as defined in the New Scheme); and

(c) third, an amount of up to S$12,859,167 will be used for the Group's working capital, operating expenses and/or any other requirements of the Group.

Draw down of Tranche A of the Proposed Loan will be conditional upon the Company obtaining the approval by the requisite majority of the Creditors and the Court's sanction of the New Scheme based on the S$12,000,000 Scheme Funds and the Company's fulfilment of the other drawdown conditions for Tranche A under the Loan Agreement. Draw down of Tranche B of the Proposed Loan will be conditional upon the full implementation of the New Scheme and discharge of all liabilities of the Company and the Company's fulfilment of the other drawdown conditions for Tranche B under the Loan Agreement.

5. RATIONALE FOR THE LOAN AGREEMENT

The Company has been undergoing the restructuring of its financial obligations since 2010. The New Scheme has a two-fold objective. Firstly, with the aim to restructure a significant portion of the Company's outstanding liabilities to allow its Creditors to achieve a higher recovery than in liquidation. Secondly, by right-sizing its balance sheet, this will provide the Company and the Group with a firm foundation to pursue its post-restructuring business directions and ensure the continuity of the Company's operations in the long-term which will be beneficial to all stakeholders.

Tranche A of the Proposed Loan, drawdown of which is conditional upon fulfilment of all the draw-down conditions for Tranche A, if approved by the requisite majority of its Creditors and the Company's shareholders, will be used to implement the New Scheme and settle the liabilities owing to the Excluded Creditors. The New Scheme will present an opportunity for the Company to comprehensively restructure its debts in a way that would allow all its Creditors to achieve a higher recovery than in a liquidation scenario in the earliest possible time and without being subject to the Company's resumption of trading of its shares, as well as to reduce the debt burden of the Company and alleviate pressures faced by the Company on its cash flow.

Tranche B of the Proposed Loan, draw down of which is conditional upon fulfilment of all the draw-down conditions for Tranche B, will provide the working capital required by the Group and will facilitate (i) the Company's resumption of trading of its shares after the discharge of the New Scheme; and (ii) the recommencement of Supply Chain Management Business Segment ("**SCM Business**") of the Group, and help the Group to normalise its business and operations and strengthen its balance sheet and financial health in the long run. Prior to the commencement of the debt restructuring of the Group in 2010, the Group's SCM Business had contributed to almost 50% of the Group's total revenue.

Post-discharge of the New Scheme, the Company intends to restructure its businesses with a focus on re-commencing its SCM Business. The Company's executive directors and key management maintain long-standing relationship with the upstream supply chain suppliers and manufacturers in various sourcing countries; as well as maintain close relationship with the owners, shareholders and senior managements of the downstream supply chain customers in the end markets; and possess deep entrenched knowledge in the consumer demands in various markets where the Group operates in. Such close relationships, in-depth knowledge and experience in managing various issues and conflicts of interests within the supply chain partners is critical and vital in managing the SCM Business of the Group.

6. INFORMATION ON THE LENDER

6.1 The Lender is a company incorporated in India for the purpose of facilitating the lending structure whereby the New Lender secured a loan from DVFL in the Principal Amount and extended such loan on a back-to-back basis to the Company.

6.2 As at the date of this announcement, the Company's Chairman and Chief Executive Officer, Mr Sng Sze Hiang, and the Company's executive director, Ms Tong Jia Pi Julia, together have an effective interest of 100% in the shares of the Lender.

6.3 Therefore, the Lender is an "interested person" of the Company and the Loan Agreement is an "interested person transaction" under Chapter 9 of the Listing Manual.

7. SHAREHOLDERS' APPROVAL

7.1 Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 March 2023, the Group's Latest Audited NTA is approximately S$(291,880,000).

7.2 The value of the Loan Agreement (being the maximum interest payable under the Loan Agreement) amounts to approximately S$20,600,000[1]. As the Group's Latest Audited NTA is a negative figure, the materiality of the Proposed Loan cannot be meaningfully measured. Nevertheless, the Company will convene an extraordinary general meeting to seek Shareholders' approval for the Loan Agreement under Chapter 9 of the Listing Manual.

7.3 The aggregate value of all interested person transactions entered into by the Group with the Lender for FY2024 (not including transactions below S$100,000 and transactions previously approved by shareholders) is NIL. The aggregate value of all interested person transactions entered into by the Group with all interested persons for FY2024 (not including transactions below S$100,000 and transactions previously approved by shareholders) is NIL.

8. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company will be obtaining an opinion from the IFA (as defined below) before forming its view in relation to the Loan Agreement, which will be set out in the Circular (as defined below).

9. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

The Company will be appointing an independent financial advisor ("**IFA**") to provide an opinion to the Directors who are considered independent of the Loan Agreement. The opinion of the IFA will be set out in the Circular (as defined below) to be despatched to Shareholders in due course.

10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr Sng Sze Hiang and Ms Tong Jia Pi Julia, none of the Directors (other than in his capacity as Director or Shareholder of the Company) nor (as far as the Directors are aware) substantial Shareholders of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the Loan Agreement.

11. CIRCULAR TO SHAREHOLDERS

11.1 Subject to the approval of the SGX-ST, a circular containing further information on the Loan Agreement ("**Circular**"), together with a notice of extraordinary general meeting and the IFA's opinion, will be despatched to Shareholders in due course.

11.2 The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company's securities. Stakeholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

11.3 Rules 919 and 920(1)(b)(viii) of the Listing Manual require that interested persons and their associates must not vote on any Shareholders' resolutions or approve a mandate in respect of any interested persons transactions. Accordingly, Mr Sng Sze Hiang and Ms Tong Jia Pi Julia who are interested persons as detailed in Section 10 of this Announcement, will abstain from voting at the extraordinary general meeting in relation to the Loan Agreement and will not accept nominations as proxy or otherwise for voting at the extraordinary general meeting in respect of the same unless the Shareholders who are deemed independent for the Loan Agreement appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for that resolution.

[1] Based on an exchange rate of USD1 : S$1.32 as at 30 December 2023.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Loan Agreement will be made available for inspection at the registered address of the Company at 49 Sungei Kadut Avenue, #03-01, Singapore 729673, during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Tong Jia Pi Julia
Director
30 December 2023