TT INTERNATIONAL LIMITED

Company Registration Number 198403771D

(Incorporated in Singapore)

ANNOUNCEMENT

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the "Board") of TT International Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 November 2020 in relation to the Full Year results for the financial year ended 31 March 2020. The Company wishes to provide replies as follows:

Query (a)

Please explain the material variances in the following line items on page 1 of the Financial Statements:

(i) Revenue (with reference to the material variances in the revenue of the business segments as set out on pages 16 and 17 of the Financial Statements);

Company's Response:

The Group recorded revenue of S$41.2 million in FY2020 as compared to S$93.6 million in FY2019.This represent a S$52.4 million (or approximately 56.0%) decrease in revenue in FY2020.

The decrease in revenue is affected across the board by all its business segments as follows:

Total revenue from external customers	**Year ended 31 Mar 2020 S$'000**	**Year ended 31 Mar 2019 S$'000**	**+/(-) %**
Retail	22,827	43,273	-47%
Distribution and Trading	16,473	39,945	-59%
Warehousing and Logistics services	1,328	9,620	-86%
Other business	523	720	-27%
Consolidated total	41,151	93,558	-56%

Due to severe lack of working capital, the Group was not able to purchase sufficient goods to generate sufficient revenue to sustain the operation of showrooms for its retail segment, and not able to purchase sufficient stocks to generate sufficient export and trading revenue in its distribution and trading segment. Warehousing and logistics services significantly decreased due to the closing down of warehouse retail sales activities and moving out from Big Box mall. As announced previously, the Company's Warehouse Retail Scheme ("WRS") license was terminated on 6 February 2018.

(ii) other operating income (with reference to the material variances in "event and other activities" on page 2 of the Financial Statements);

Company's Response:

Event and other activities included under Other Operating Income decreased by S$1.2 million in FY2020 from S$2.5 million in FY2019 due to reduced revenue income as a result of reduction in trade shows and exhibitions events and the closing down and moving out of Big Box mall, as well as the significant reduction in shopper traffic to the event and other activities due to the Covid-19 impacts in the last quarter of FY2020.

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(iii) staff costs;

Company's Response:

Staff costs decreased substantially by S$10.0 million from S$19.5 million in FY2019 to S$9.5 million in FY2020 due to significant reduction in headcount attributed mainly by the closing down of operations and showrooms in Big Box mall. The reduction in staff costs are in line with the reduced headcount.

(iv) staff costs; -

Company's Response:

Please refer to the Company's response to Point (iii) above.

(v) other operating expenses; and

Company's Response:

Other operating expenses decreased by S$2.3 million (approximately 10.5%) from S$21.8 million in FY2019 to S$19.5 million in FY2020. This is due to lower provision for bad debts and stock obsolescence in FY2020 and other cost savings measures, and the reduction in certain professional fees.

(vi) finance expense.

Company's Response:

Finance expense increased by S$12.0 million from S$21.2 million in FY2019 to S$33.2 million in FY2020 is mainly due to increase in accretion of scheme interest of S$16.7 million offset by reduction in loans and finance lease interest of about S$4.7 million.

Query (b)

Please explain the nature and basis of the reversal of allowance for doubtful receivables disclosed on page 2 of the Financial Statements.

Company's Response:

Allowance for doubtful receivables amounting to S$134,000 was reversed in FY2020 due to overprovision of doubtful trade debts in previous financial year.

By Order of the Board

Ho Wei Li
Company Secretary
10 November 2020