TT International Limited



the BIG convergence

2015 Annual Report

Contents

Financial Highlights 2

Chairman's Message 3

Business Review 7

Financial Contents 9

Financial Highlights

Financial Positions

	FY 2015 $'000	FY 2014 $'000	FY2013 $'000 (Restated)	FY2012 $'000 (Restated)	FY2011 $'000
Property, Plant and Equipment	642,328	340,876	133,207	125,069	124,148
Investment Properties	10,360	9,538	9,310	8,527	7,979
Intangible Assets	9,771	12,480	14,608	14,666	14,735
Other Financial Assets	2,362	2,080	2,300	2,633	6,217
Current Assets	151,806	131, 633	209,306	127,632	157,044
Current Liabilities	(488,349)	(146,240)	(121,014)	(123,637)	(171,011)
Net-Current Assets	(336,543)	(14,607)	88,292	3,995	(13,967)
Non Current Liabilities	(204,029)	(299,909)	(259,779)	(154,754)	(235,357)
Non-Controlling Interest	(46,372)	(25,968)	(3,565)	(1,389)	(691)
	77,877	24,490	(15,627)	(1,253)	(96,936)
Represented by					
Share Capital	168,751	140,563	140,563	140,563	140,563
Reserves	(90,874)	(116,073)	(156,190)	(141,816)	(237,499)
	77,877	24,490	(15,627)	(1,253)	(96,936)
Net Assets/(Liabilities) Per Share (cents)	7.76	3.00	(1.91)	(0.15)	(11.87)

Financial Results

	FY 2015 $'000	FY 2014 $'000	FY2013 $'000 (Restated)	FY2012 $'000 (Restated)	FY2011 $'000
Revenue	261,354	318,155	355,339	384,622	426,452
Profit/(Loss) before interest, depreciation, amortization and taxation	(18,831)	2,365	6,948	(2,407)	(97,861)
Profit/(Loss) before taxation	(55,151)	(26,331)	(17,418)	(11,539)	(37,310)
Taxation (Expense)/ Credit	662	(467)	(903)	(2,420)	172
Loss after taxation	(54,489)	(26,798)	(18,321)	(13,959)	(37,138)
Non-controlling interest	2,555	311	(303)	340	3,175
Profit/(Loss) attributable to shareholders	(51,934)	(26,487)	(18,624)	(13,619)	(33,963)
(Loss)/ Earning per share – Basic and diluted (cents)[1]	(5.17)	(3.24)	(2.28)	(1.67)	(4.16)

[1] Net assets per share and earnings per share for has been adjusted for prior year adjustment for 2012 to 2013

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 2015 ("FY2015").

While the year under review was marked by a very challenging operating environment, I am delighted to share with you the completion of two highly significant developments which will contribute positively to the Group in the long run.

FY 2015 Financial and Operating Performance Review

On the back of challenging operating environments in most of the markets the Group operates in, the revenue declined by 17.9% to S$261.4 million as compared to FY2014. We recorded a gross profit of S$62.4 million with gross profit margin rising to 23.9% in FY2015 from 22.4% in FY2014. The net loss for FY2015 amounted to S$54.5 million (FY2014: S$26.8 million) and this was largely contributed by expenses from the commencement of the BIG BOX operations, Scheme, unrealised foreign exchange differences, impairment of goodwill and extraordinary expenses incurred by overseas subsidiaries. Excluding the effect of these items totalling S$55.2 million, the Group's net profit for the year would be S$0.7 million.

Commencement of BIG BOX operations in FY2015

During the year, the Group commenced a new warehouse retail operations "BIG BOX" and had incurred following expenses:

	S$ million
• Commencement of depreciation	5.8
• Pre-operating expenses incurred	8.2
• Increase in staff costs arising from increase in head count to support the BIG BOX operations	3.9
• Interest expense relating to loans and bonds for BIG BOX construction	3.9
	21.8

Scheme

The Group is under the Scheme of Arrangement and incurred the following expenses:

	S$ million
• Accretion of notional interest expense on Scheme liabilities	15.7
• Legal and professional fees relating to the Scheme	2.1
• Scheme interest expense	2.9
	20.7

Others

	S$ million
• Unrealised foreign exchange losses arising from the weakening of domestic currencies in countries where the Group operates (principally Indonesia)	5.4
• Impairment of goodwill by a subsidiary	2.6
• Expansion of furniture and furnishing operations	1.9
• Taxes incurred by an overseas subsidiary	1.5
• Restructuring of overseas operations	1.3
	12.7

As at 31 March 2015, the Group's net asset value per share has improved to 7.76 Singapore cents from 3.00 Singapore cents a year ago. No dividends were proposed for FY2015.

Scheme of Arrangement – Issuance of Convertible Bonds

Pursuant to the Scheme Terms, the Company had, on 25 October 2011, issued to its Scheme Creditors, Redeemable Convertible Bonds (RCBs) amounting S$139,377,000 for the Non-sustainable Debt (as determined on 18 October 2011) of an aggregate principal amount of approximately S$139,377,000. The RCBs were issued to the Scheme Creditors on a pari passu basis on terms as set out in the Scheme Document.

Following the resolution of a disputed debt with one Scheme Creditor, new RCBs of face value amounting to approximately S$139,634,000 were issued on 3 April 2013 to Scheme Creditors (reflecting an increase of S$257,000) in exchange for those issued on 25 October 2011 on the same terms.

Subsequent to this, S$25,428,000 of disputed debts in relation to certain Scheme Creditors were resolved. Accordingly, the total number of RCBs increased by S$15,508,000 to approximately S$155,142,000.

On 17 April 2014, the Company made an offer to each Scheme creditor to convert a number of RCB into the Company's new ordinary shares ("Dilution Shares") at a conversion price of S$0.14 in the Company by way of a first dilution exercise (the "First Dilution Exercise") in accordance with the Scheme Terms.

On 14 May 2014 ("First Dilution Date"), 40 bondholders had exercised their rights to convert their RCBs into Dilution Shares. On the First Dilution Date, 20,285,041 Dilution Shares (representing approximately 2.42% of the enlarged issued share capital of the Company) were issued and quoted on the SGX-ST on 15 May 2014.

New RCBs issued to Scheme Creditors on 14 May 2014 reduced by a face value amounting S$2,840,000 (being the face value of the RCBs being converted to the Company's new ordinary shares as a result of the First Dilution Exercise). As such, only RCBs of a total face value amounting S$152,302,000 were issued to the Scheme Creditors (instead of S$155,142,000) in exchange for those issued on 3 April 2013 on the same terms.

On 17 April 2015, the Company made an offer to each Scheme creditor to convert a number of RCB into the Company's new ordinary shares ("Dilution Shares") at a conversion price of S$0.15 in the Company by way of a second dilution exercise (the "Second Dilution Exercise") in accordance with the Scheme Terms.

On 14 May 2015 ("Second Dilution Date"), 35 bondholders had exercised their rights to convert their RCBs into Dilution Shares. On the Second Dilution Date, 21,187,159 Dilution Shares (representing approximately 2.07% of the enlarged issued share capital of the Company) were issued and quoted on the SGX-ST on 15 May 2015.

Accordingly, the new RCBs issued to Scheme Creditors on 14 May 2015 reduced by a face value amounting S$3,178,000 (being the face value of the RCBs being converted to the Company's new ordinary shares as a result of the Second Dilution Exercise). As such, the Company had, on 14 May 2015, issued RCBs of a total face value amounting S$149,124,000 to the Scheme Creditors (instead of S$152,302,000).

The issuance of RCBs, and the subsequent conversion of RCBs into the Company's shares will enable the Company to resolve its outstanding liabilities under the Scheme in a manner that will be beneficial to all parties – the Company, its Scheme Creditors and, its stakeholders.

Retail Operations

The Group currently owns/operates 100 stores in six countries – Singapore, Indonesia, Brunei, Cambodia, Myanmar and Taiwan. TTI intends to increase its total Asian retail network to 300 stores, or a total of approximately 3,000,000 square feet ("sqft") retail, within the next four years.

BIG BOX

The first of the two significant developments completed during the year under review was the opening of BIG BOX on 27 December 2014. The 51%-owned BIG BOX – located in the Jurong East precinct – is the Group's flagship megastore which is intended to provide consumers with a fresh retail experience. BIG BOX has a total built up area of 1.3 million square feet ("sqft") which includes 400,000 sqft retail area (including a 70,000 sqft column-free exhibitions and events hall), and 600,000 sqft for TTI's Regional Headquarter.

Its unique "factory-to-store-front" concept offers consumers quality products and services at affordable prices and draws approximately 600,000 customers per month (as at June 2015). With a total of 700 staff, the mall currently offers leading international brands and TTI's own house brands (such as AKIRA, Mod Living, Castilla, Natural Living, Barang Barang and Novena) for electronics goods and furniture/ household items. In addition, it also offers international brands such as Habitat, Koinor, Gama, Caila, Ashley and many others. To provide a better shopper experience, BIG BOX will regularly review its store layout and product range.

We are excited that the proposed Singapore-Malaysia High-Speed Rail ("HSR") Terminus will be situated in the Jurong Gateway precinct. The terminus will not only increase capital values of properties in the vicinity but will also increase foot traffic to the mall. With the opening of Genting Hotel Jurong – the first major hotel in Singapore's West – the increasing flow of Malaysian tourists has contributed positively to shopper traffic in the mall since April 2015. With the opening of Ng Teng Fong General Hospital – a major healthcare hub for the western part of Singapore – in last month (June 2015), the Group expects shopper footfall to increase further by about 20% by the end of calendar 2015.

Indonesian Retail Business

On 6 May 2015, TTI concluded a US$42 million investment by Standard Chartered Private Equity Limited ("SCPE") into Omni Centre – a joint-venture company which now holds TTI's Indonesian retail business. TTI holds a controlling stake of about 54.9% of Omni Centre with the balance held by SCPE.

The proceeds of US$42 million investment injected by SCPE will be used to restructure the store network in Indonesia to focus only on large stores exceeding 1,200 square metres ("sqm") in size. The joint-venture company, Omni Centre now holds 39 large retail stores in Indonesia – under the "Electronic Solution" brand.

The SCPE investment has strengthened the balance sheet of the Indonesian operations which is now better positioned to enlarge its retail footprint in a competitive retail market.

Outlook

Both the opening of BIG BOX and the investment by SCPE will contribute positively to the financial performance of TTI in the long run, paving the way for the Company to explore various options to discharge the Scheme in the near future.

With full year contributions from BIG BOX and partial contribution from the Indonesia Retail Operations for FY2016, we are cautiously optimistic about the business outlook of FY2016.

We will continue to work vigorously to explore business opportunities and to improve internal efficiencies with a view to achieve profitability and enhance shareholder value in the near future and beyond.

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 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 deep appreciations to the management and staff of the Group. Without my committed team, the Group would not be able to strive and reach where it is today. Our work to transform the Group has just begun, with your strong confidence and continued support.

We also feel honoured to be part of the SG50 Celebrations. AKIRA is a proud sponsor of National Day Parade for 13 consecutive years. We will continue to progress and grow together with Singapore.

Yours sincerely,

Sng Sze Hiang
Chairman and Chief Executive Officer

Business Review

Overview of financial results for the year ended 31 March 2015 ("FY2015")

The Group's revenue decreased by 17.9% to S$261.4 million in FY2015 from S$318.2 million in FY2014. The decrease in revenue was mainly due to the soft market conditions in Indonesia and Australia.

In line with the decrease in the Group's turnover, gross profit decreased by S$8.9 million to S$62.4 million in FY2015 from S$71.3 million in FY2014, while gross profit margin increased 1.5% to 23.9% in FY2015 compared to 22.4% in FY2014.

The Group reported loss after tax amounting S$54.5 million in FY2015 compared to a loss before tax of S$26.8 million in FY2014 was largely contributed by expenses from the commencement of the BIG BOX operations, Scheme, unrealised foreign exchange differences, impairment of goodwill and extraordinary expenses incurred by overseas subsidiaries. Excluding the effects of these items totalling S$55.2 million, the Group's net profit for the year would be S$0.7 million.

Commencement of BIG BOX operations in FY2015

During the year, the Group commenced a new warehouse retail operations "BIG BOX" and had incurred following expenses:

	S$ million
• Commencement of depreciation	5.8
• Pre-operating expenses incurred	8.2
• Increase in staff costs arising from increase in head count to support the BIG BOX operations	3.9
• Interest expense relating to loans and bonds for BIG BOX construction	3.9
	21.8

Scheme

The Group is under the Scheme of Arrangement and incurred the following expenses:

	S$ million
• Accretion of notional interest expense on Scheme liabilities	15.7
• Legal and professional fees relating to the Scheme	2.1
• Scheme interest expense	2.9
	20.7

Others

	S$ million
• Unrealised foreign exchange losses arising from the weakening of domestic currencies in countries where the Group operates (principally Indonesia)	5.4
• Impairment of goodwill by a subsidiary	2.6
• Expansion of furniture and furnishing operations	1.9
• Taxes incurred by an overseas subsidiary	1.5
• Restructuring of overseas operations	1.3
	12.7

The Group's cash and cash equivalents increased to S$26.2 million in FY2015, an increase of S$5.6 million from S$20.6 million in FY2014. This increase is attributed to the net proceeds from issuance of ordinary shares of S$25.3 million and bonds of S$15.0 million, the drawdown of secured term loan amounting S$133.7 million, which was offset by S$168.4 million expenses for the construction and working capital of BIG BOX and, interest on borrowings.

Performance by Geographical segments

FY2015 turnover decreased across all geographical regions. This was mainly due to soft market conditions in Indonesia and Australia. The Group is in the process of closing its non-core operations and is refocusing on the ASEAN region.

Retail, Distribution and Trading Segment

The retail, distribution, and trading business segments contributed S$257.4 million to revenue in FY2015, or 98.5% of the Group's revenue, compared to S$314.5 million or 98.8% in FY2014.

Business Strategies

In taking confident strides forward, the Group will continue to emphasise its expertise in sourcing, trading and distribution networking. The Group will also expand its core subsidiaries in the ASEAN region as a buttress for sustainable growth and future developments. Our focus will remain targeted on businesses that are less working capital-intensive, yet able to yield higher profit margin and generate quicker cash flow. While the retail environment is likely to be challenging from the competitive trading environment, the Group will also focus on seeking fresh retail concepts and expansion. With the new BIG BOX operations and reorganisation of the Indonesian retail business, the Group hopes to establish a strong foothold in the ASEAN retail sector.

Financial Contents

Corporate Information 10

Profile of Directors and Key Management Personnel 11

Corporate Governance Report 13

Directors' Report 35

Statement by Directors 41

Independent Auditors' Report 42

Balance Sheets 44

Consolidated Income Statement 45

Consolidated Statement of Comprehensive Income 46

Consolidated Statement of Changes in Equity 47

Consolidated Statement of Cash Flows 49

Notes to the Financial Statements 51

Statistics of Shareholdings 126

Notice of Annual General Meeting 128

Proxy Form

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	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	:	1 Venture Avenue #07-07 Big Box Building Singapore 608521 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: Ronald Tay (commencing FYE 31 March 2014)	

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 30 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 31 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 21 years of experience in logistics management in the manufacturing and trading industry. He has been with the Group for more than 19 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 31 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 21 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 2015, the Group has adhered to the principles and guidelines as set out in the Code where appropriate.

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 in 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 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. The Board meets at least four times in a year. 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.

Corporate Governance Report

The directors' attendances at Board and its committee meetings held for the year ended 31 March 2015 are disclosed below.

Name of Director	Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Sng Sze Hiang	4	–	–	–
Tong Jia Pi Julia	4	–	1	1
Raymond Koh Bock Swi	4	6	1	1
Ng Leok Cheng	4	6	1	1
Yo Nagasue	2	2	1	1
Yap Hock Soon	4	–	–	–
No. of meetings held	4	6	1	1

There were no incoming directors during the course of the financial year.

When the existing 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.

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.

Corporate Governance Report

From time to time, the Board as a whole is also updated periodically by the Company's internal auditors, 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.

From time to time, the Company Secretary informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company. 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 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.

Board Composition and Balance

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 11 to 12.

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 makes 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 Statement to the shareholders as set out on pages 3 to 6 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 2015, 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.

Corporate Governance Report

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.

Corporate Governance Report

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.

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 re-appointment 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 re-appointed 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 11 and 12 of this Annual Report.

The shareholdings of the individual directors of the Company are set out on pages 35 to 37 of this Annual Report. Save as disclosed on pages 35 to 37 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 31 July 2015 are stated in the Notice of AGM set out on pages 128 to 130 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.

Corporate Governance Report

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, cashflow 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 2015 is as follows:

Name	Band	Fees (%)	Salary (%)	Bonus (%)	Others** (%)
Sng Sze Hiang	S$500,000 to S$1,000,000	–	75.8	22.0	2.2
Tong Jia Pi Julia	S$500,000 to S$1,000,000	–	75.9	21.9	2.2
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	–	90.4	7.4	2.2

** 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 required 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 n 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. As 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.

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 aggregate remuneration of 5 key management staff (who are not directors or the CEO) amounted to S$1.1million for FY2015.

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.

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.

For the financial year under review, the CEO and the Executive Director ("ED") 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. (Please refer to Guideline 11.3 below)

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 108 to 122 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 had engaged an 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.

The Group, with the assistance of the IA, has evaluated its risk profile and identified the material risks faced by the Group and the countermeasures in place and/or to be implemented in the course of time to manage or mitigate those risks for the review by the AC and the Board annually. The documentation provides an overview of the Group's key risks, how they are managed, the key personnel responsible for each identified risk type and the various assurance mechanism in place and/or to be implemented. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.

On an annual basis, the IA prepare the internal audit plan taking into consideration the risks identified which is approved by the AC and the audits are conducted by phases to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

In addition, major control weaknesses on financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

Based on the internal controls established and maintained by the Group, work performed by external and internal auditors 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 2015 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 met a total of 4 times during the year ended 31 March 2015. The Executive Directors, Company Secretary and the internal and external auditors normally attend the meetings.

The AC meets on a quarterly basis to review the quarterly and audited 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 annually reviews the adequacy of the IA function to ensure that the resources are adequate and audits are performed effectively.

The AC examines the internal audit plans, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

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 and the internal 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.

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. The Board is of the opinion that the continuous monitoring and review by the internal auditors is sufficient for the current needs of the Group.

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.

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 notifies the investors and public in advance of the dates of release of its financial results through a SGXNET announcement. Results for the first three quarters are released to shareholders no later than 45 days from the end of the quarter. Annual results are released within 60 days from the financial year end. Joint briefings for media and analysts are held in conjunction with the release of the Company's half-year and full year results, with the presence of the CEO and the Executive Directors to answer the relevant questions which the media and analysts may have.

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. The Company allows members which are nominee companies to 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 2015.

Corporate Governance Report

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 amounting to S$987,000 as at 31 March 2015.

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	1,339	–

Directors' Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2015.

Directors

The directors in office at the date of this report 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 Singapore Companies Act, Chapter 50 (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]	255,963,583	267,061,847
Tong Jia Pi Julia[^#2]	100,454,245	101,068,166
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	131,000,000	131,000,000
[*] 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, Sng Sze Hiang is deemed interested in S$3,685,574.00 Redeemable Convertible Bonds granted to his wife and S$11,645,885.00 Redeemable Convertible Bonds granted to the subsidiaries of the Company as at 31 March 2015 and there is no change to such interests as at 21 April 2015.

[#2] Pursuant to the Scheme of Arrangement of the Company effective 19 April 2010, Tong Jia Pi Julia is interested in S$3,685,574.00 Redeemable Convertible Bonds granted to her under her name and she is also deemed interested in S$11,645,885.00 Redeemable Convertible Bonds granted to the subsidiaries of the Company as at 31 March 2015 and there is no change to such interests as at 21 April 2015.

Directors' Report

By virtue of Section 7 of the Companies Act, Chapter 50, 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
TTC Sales and Marketing (SA) (Proprietary) Limited		
Ordinary shares of ZAR1 each		
Sng Sze Hiang	420,292	420,292
Tong Jia Pi Julia	420,292	420,292
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

Directors' Report

	Shareholdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
Related Corporations		
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
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

	Shareholdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
Related Corporations		
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

Except as disclosed in this report, 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 21 April 2014.

Except as disclosed under the "Share Options" section of this report, 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.

Except for salaries, bonuses, fees and benefits that are disclosed in note 27 to the financial statements, since the end of the last financial year, no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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.

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.

Directors' Report

Audit Committee

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

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

The Audit Committee has held four meetings since the last directors' report. 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 and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Sng Sze Hiang
Director

Tong Jia Pi Julia
Director

14 July 2015

Statement by Directors

The Company is being restructured under the 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, the process of ascertaining the amounts of the claims of certain related party creditors is still ongoing. In addition, there are claims that are currently disputed and/or contingent in nature, for which the amounts have not yet been determined.

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 2015, 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 44 to 125 are drawn up so as to give a true and fair view of the financial position and performance of the Group and of the Company as at 31 March 2015 and the results, 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 and Singapore Financial Reporting Standards; 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.

On behalf of the Board of Directors

Sng Sze Hiang
Director

Tong Jia Pi Julia
Director

14 July 2015

Independent auditors' report

Members of the Company
TT International Limited

Report on the financial statements

We were engaged to audit the accompanying financial statements of TT International Limited (the "Company") and its subsidiary corporations (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2015, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 125.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

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 Company's ability to continue as a going concern is dependent on the successful implementation of the Scheme, the profitability of future operations, the ability to secure financing as and when required, and the continuing support of bank and other creditors, suppliers and other parties. The Group has incurred a net loss of $54,489,000 for the year ended 31 March 2015 as set out on page 45. In addition, as at 31 March 2015, the Group and the Company are in a net current liabilities position of $336,543,000 and $145,566,000, respectively. These factors indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 31 March 2015 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.

These matters are explained in greater detail in note 2 (and other notes) to these financial statements.

Independent auditors' report

Disclaimer of opinion

Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements of the Group or the financial position of the Company.

Report on other legal and regulatory requirements

In our opinion, except for the effect of the matters described in the Basis for disclaimer of opinion paragraphs, 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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

14 July 2015

Balance sheets

As at 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	5	642,328	340,876	403	337
Investment properties	6	10,360	9,538	–	–
Subsidiaries	7	–	–	19,885	19,885
Intangible assets	8	9,771	12,480	–	–
Deferred tax assets	9	2,362	2,080	–	–
Unsecured loan to a subsidiary	11	–	–	89,900	89,900
		664,821	364,974	110,188	110,122
Current assets					
Inventories	10	52,446	50,609	–	–
Trade and other receivables	11	72,795	60,381	72,283	47,365
Cash and cash equivalents	12	26,181	20,643	39	87
Assets held for sale	13	384	–	–	–
		151,806	131,633	72,322	47,452
Total assets		816,627	496,607	182,510	157,574
Equity					
Share capital	14	168,751	140,563	168,751	140,563
Reserves	15	149,278	72,145	121	121
Accumulated losses		(240,152)	(188,218)	(275,779)	(247,263)
Equity attributable to owners of the Company		77,877	24,490	(106,907)	(106,579)
Non-controlling interests		46,372	25,968	–	–
Total equity		124,249	50,458	(106,907)	(106,579)
Non-current liabilities					
Borrowings	16	161,746	276,521	70,456	209,309
Derivative financial liabilities	16(b)	976	1,294	1,073	1,373
Deferred tax liabilities	9	41,307	22,094	–	–
		204,029	299,909	71,529	210,682
Current liabilities					
Trade and other payables	18	185,875	111,847	69,556	53,453
Borrowings	16	302,045	33,099	148,332	18
Provisions	17	353	1,008	–	–
Current tax payable		2	286	–	–
Liabilities held for sale	13	74	–	–	–
		488,349	146,240	217,888	53,471
Total liabilities		692,378	446,149	289,417	264,153
Total equity and liabilities		816,627	496,607	182,510	157,574

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

Consolidated income statement

Year ended 31 March 2015

	Note	2015 $'000	2014 $'000
Revenue		261,354	318,155
Other operating income		6,556	5,994
		267,910	324,149
Changes in inventories of finished goods		1,837	4,591
Purchase of goods		(200,840)	(251,458)
Staff costs		(37,180)	(28,379)
Depreciation	5	(12,309)	(5,696)
Other operating expenses		(50,616)	(46,596)
Loss from operations		(31,198)	(3,389)
Finance income		66	277
Finance expense			
– Interest expense paid/payable		(8,595)	(4,209)
– Accretion of interest expense		(15,742)	(18,927)
– Others		318	(83)
		(24,019)	(23,219)
Net finance expense	20	(23,953)	(22,942)
Loss before income tax		(55,151)	(26,331)
Income tax credit/(expense)	21	662	(467)
Loss for the year	19	(54,489)	(26,798)
Attributable to:			
Owners of the Company		(51,934)	(26,487)
Non-controlling interests		(2,555)	(311)
Loss for the year		(54,489)	(26,798)

		2015 Cents	2014 Cents
Earnings per share			
– Basic and diluted	22	(5.39)	(3.24)

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

Consolidated statement of comprehensive income

Year ended 31 March 2015

	2015 $'000	2014 $'000
Loss for the year	(54,489)	(26,798)
Items that will not be reclassified to profit or loss:		
Net surplus on revaluation of property, plant and equipment, net of tax	98,595	91,657
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries	1,497	(2,345)
	1,497	(2,345)
Other comprehensive income for the year, net of tax	100,092	89,312
Total comprehensive income for the year	45,603	62,514
Total comprehensive income attributable to:		
Owners of the Company	25,199	40,117
Non-controlling interests	20,404	22,397
Total comprehensive income for the year	45,603	62,514

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

Consolidated statement of changes in equity

Year ended 31 March 2015

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 2013	140,563	121	32,768	(27,348)	(161,731)	(15,627)	3,565	(12,062)
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(26,487)	(26,487)	(311)	(26,798)
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	–	–	68,532	–	–	68,532	23,125	91,657
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	(1,928)	–	(1,928)	(417)	(2,345)
Total other comprehensive income	–	–	68,532	(1,928)	–	66,604	22,708	89,312
Total comprehensive income for the year	–	–	68,532	(1,928)	(26,487)	40,117	22,397	62,514
Transactions with owners, recorded directly in equity								
Distributions to owners								
Dividend payments to non-controlling interest of subsidiaries	–	–	–	–	–	–	(92)	(92)
Total distributions to owners	–	–	–	–	–	–	(92)	(92)
Change in ownership interest in a subsidiary								
Change of non-controlling interest in a subsidiary	–	–	–	–	–	–	98	98
Total change in ownership interest	–	–	–	–	–	–	98	98
At 31 March 2014	140,563	121	101,300	(29,276)	(188,218)	24,490	25,968	50,458

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

Consolidated statement of changes in equity

Year ended 31 March 2015

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 2014	140,563	121	101,300	(29,276)	(188,218)	24,490	25,968	50,458
Total comprehensive income for the year	–	–	–	–	(51,934)	(51,934)	(2,555)	(54,489)
Loss for the year								
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	–	–	76,176	–	–	76,176	22,419	98,595
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	957	–	957	540	1,497
Total other comprehensive income	–	–	76,176	957	–	77,133	22,959	100,092
Total comprehensive income for the year	–	–	76,176	957	(51,934)	25,199	20,404	45,603
Transactions with owners, recorded directly in equity								
Contribution by owners								
Issuance of new shares upon RCB conversion	2,840	–	–	–	–	2,840	–	2,840
Issuance of new shares	25,348	–	–	–	–	25,348	–	25,348
Total contribution by owners	28,188	–	–	–	–	28,188	–	28,188
At 31 March 2015	168,751	121	177,476	(28,319)	(240,152)	77,877	46,372	124,249

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

Consolidated statement of cash flows

Year ended 31 March 2015

	2015 $'000	2014 $'000
Cash flows from operating activities		
Loss for the year	(54,489)	(26,798)
Adjustments for:		
Deficit/(surplus) on revaluation of property, plant and equipment and recovery of previously recognised revaluation loss of property, plant and equipment in profit or loss	300	(1,162)
Changes in fair value of investment properties	(584)	(192)
Impairment of goodwill	2,651	2,070
Impairment of other receivables	–	306
Allowance for doubtful debts	545	4,405
Allowance for stock obsolescence (written back)/made	(60)	234
Depreciation and amortisation	12,367	5,754
Loss/(gain) on disposal of property, plant and equipment	148	(23)
Exchange loss, unrealised	5,424	6,105
Inventories written off	378	232
Finance expense	24,019	23,219
Finance income	(66)	(277)
Income tax (credit)/expense	(662)	467
	(10,029)	14,340
Changes in working capital:		
Inventories	(5,032)	(7,884)
Trade and other receivables	(15,102)	(2,738)
Trade and other payables	71,208	12,315
Bills payable and trust receipts	(8,214)	8,434
Provisions	(568)	(914)
Deposits and advance payments from customers	515	2,131
Cash generated from operations	32,778	25,684
Income tax paid	(497)	(633)
Interest income received	66	277
Interest paid on bills payable and trust receipts	(71)	(83)
Net cash generated from operating activities	32,276	25,245
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	382	88
Purchase of property, plant and equipment	(196,168)	(99,787)
Net cash used in investing activities	(195,786)	(99,699)
Balance carried forward	(163,510)	(74,454)

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

Consolidated statement of cash flows

Year ended 31 March 2015

	Note	2015 $'000	2014 $'000
Balance brought forward		(163,510)	(74,454)
Cash flows from financing activities			
Restricted bank deposits		(9,371)	(1,577)
Repayment of bank overdrafts		(1,103)	(1,197)
Dividend payments to non-controlling interests of subsidiaries		–	(92)
Interest paid on borrowings		(8,523)	(4,126)
Payment of obligations under finance leases		(401)	(440)
Proceeds from obligations under finance leases		608	603
Proceeds from loans from directors		351	988
Proceeds from loans from non-controlling shareholders of a subsidiary		914	–
Proceeds from issuance of ordinary shares		25,348	–
Proceeds from subscription of ordinary shares of subsidiary		–	98
Payment of borrowing related costs		–	(7,728)
Proceeds from interest-bearing borrowing		154,897	6,197
Repayment of borrowings		(1,310)	(1,187)
Net cash generated from/(used in) financing activities		161,410	(8,461)
Net decrease in cash and cash equivalents		(2,100)	(82,915)
Cash and cash equivalents at 1 April		16,476	100,290
Effect of foreign exchange rate changes on cash held in foreign currencies		(630)	(899)
Cash and cash equivalents at 31 March	12	13,746	16,476

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 July 2015.

1 Domicile and activities

TT International Limited (the "Company") is incorporated in Singapore and has its registered office at 1 Venture Avenue, #07-07 Big Box, Singapore 608521.

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") is $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 is determined after deducting the total Sustainable Debt from the Restructured Debt. The amount of Sustainable Debt owed to each Scheme Creditor shall be 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 shall be 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 amount to $81,047,000. The crystallised portion of Non-sustainable Debt of $139,377,000 were converted into Redeemable Convertible Bonds ("RCBs"). These RCBs were issued by the Company at par.

2 Scheme of arrangement and financial reporting (Continued)

Scheme of arrangement **(Continued)**

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

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 Debts 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.

At the date of these financial statements, the process of determining the final amounts of certain claims which are currently disputed and/or contingent in nature have not been resolved, finalised and/or crystallised (see note 25).

2 Scheme of arrangement and financial reporting (Continued)

Financial reporting

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:

a) the successful implementation of the Scheme;

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

c) the controlling shareholders and key management personnel of the Company remaining substantially unchanged;

d) the ability to secure financing as and when required; and

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

Based on these financial statements, the Group has incurred a net loss of $54,489,000 for the year ended 31 March 2015. In addition, as at 31 March 2015, the Group and the Company are in a net current liabilities position of $336,543,000 and $145,566,000, respectively.

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.

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.

2 Scheme of arrangement and financial reporting (Continued)

Financial reporting **(Continued)**

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the statements as at 31 March 2015 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 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 ("FRS").

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 and has been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs 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.

3 Basis of preparation (Continued)

3.4 Use of estimates and judgements (Continued)

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 property
- Note 8 – impairment of goodwill and trademarks
- Note 4.16 and 9 – recognition of deferred tax assets
- Note 11 – impairment loss on trade and other receivables
- Note 16 and 24 – measurement of borrowings
- Note 17 – measurement of provisions
- Note 2 and 26 – measurement of contingent liabilities

3.5 Changes in accounting policies

Subsidiaries

As a result of FRS 110 Consolidated Financial Statements, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

The Group reassessed the control conclusion for its investees at 1 January 2014 and concluded that there is no change on the control conclusion.

Disclosure of interest in other subsidiaries

From 1 January 2014, as a result of FRS 112 Disclosure of Interests in Other Entities, the Group has expanded its disclosures about its interests in subsidiaries (see note 7).

3 Basis of preparation (Continued)

3.5 Changes in accounting policies (Continued)

Offsetting of financial assets and financial liabilities

Under the Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The adoption of the amendments to FRS 32 has no impact on the recognised assets and liabilities of the Company.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 3.5, which addresses changes in accounting policies.

4.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which 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.

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.

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.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

Business combinations (Continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For 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, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

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.

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.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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.

Accounting for subsidiaries by the Company

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

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.

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.

4 Significant accounting policies (Continued)

4.2 Foreign currencies (Continued)

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 acquisition were used.

Foreign currency 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.

4.3 Property, plant and equipment

Property, plant and equipment are stated 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.

4 Significant accounting policies (Continued)

4.3 Property, plant and equipment (Continued)

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 determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses 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.

Freehold land and leasehold land and buildings under construction are 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. 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.

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	5 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 as investment property. 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. It does not include properties held for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment property is measured at fair value, with any change recognised in profit or loss. Rental income from investment properties is accounted for in the manner described in note 4.13.

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 4.9), 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 4.9.

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

Non-derivative financial assets

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)

Loans and receivables

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

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

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.

Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: borrowings, provisions, and trade and other payables.

The Group initially recognises subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

Share capital

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.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. As the derivative instruments are not designated in a hedge relationship for the purpose of hedge accounting, changes in the fair value of all its derivative instruments are recognised immediately in profit or loss and are included in finance income and finance expense.

Separable embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the profit or loss. Multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative if they share the same underlying risk exposures, are interdependent of each other and are not readily separable.

Changes in the fair value of separable embedded derivatives are recognised in profit or loss and are included in finance income and finance expense.

4 Significant accounting policies (Continued)

4.6 Financial instruments (Continued)

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 and 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.

Intra-group guarantees

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.

A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

4 Significant accounting policies (Continued)

4.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than that suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

Non-derivative financial assets (Continued)

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment allowances attributable to the application of effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

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. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at the reporting date. 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. 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 groups of assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

4 Significant accounting policies (Continued)

4.7 Impairment (Continued)

Non-financial assets (Continued)

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 or amortisation, if no impairment loss had been recognised.

4.8 Non-current assets held for sale or distribution

Assets or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

4 Significant accounting policies (Continued)

4.9 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 are 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 that were previously the subject of a sale and leaseback transaction. These assets are also 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.

4.10 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 Significant accounting policies (Continued)

4.11 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 2015 and 2014, 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)

4.12 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.

4.13 Revenue recognition

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, goods and services taxes or other sales taxes, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of consumer electronics and furniture and furnishing products, transfer usually occurs when the product is received by the customer; however, for some international shipments, transfer occurs upon loading of the goods on to the relevant carrier.

Warehouse and logistics service

Revenue from warehousing and logistics services rendered is recognised in profit or loss in which the services are rendered.

4 Significant accounting policies (Continued)

4.13 Revenue recognition (Continued)

Rental income

Rental income receivable under operating leases is recognised in profit or loss 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 to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

4.14 Finance income and expense

Finance income comprises interest income on bank balances and fixed deposits, dividend income and fair value gains on remeasurement 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 remeasurement 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.

4.15 Government grants

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

4.16 Income tax expense

Income 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.

4 Significant accounting policies (Continued)

4.16 Income tax expense (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.

A deferred tax asset is 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 utilised. 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.

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.

4 Significant accounting policies (Continued)

4.16 Income tax expense (Continued)

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.

4.17 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.

4.18 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 Significant accounting policies (Continued)

4.19 New standards and interpretations not adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2015 have not been applied in preparing these financial statements. Those which may be relevant to the Group that may have a significant effect on the financial statements of the Group and the Company in future financial periods, and which the Group does not plan to early adopt are set out below.

- FRS 108 *Operating Segments* has been amended to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. The disclosure include:

  (i) Factors used to identify the entity's reportable segments, including the basis of organisation;

  (ii) A brief description of the operating segment that have been aggregated;

  (iii) The economic indicators that have been assessed in determining that the operating segments share similar economic characteristics; and

  (iv) Types of products and services from which each reportable segment derives its revenues.

The Group is currently assessing the additional disclosure requirements.

- FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets* have been amended to clarify that at the date of revaluation, the gross carrying amount:

  (i) is adjusted in a manner that is consistent with the valuation of the carrying amount of the asset – e.g. restated in proportion to the change in the carrying amount or by reference to observable market date; and

  (ii) the accumulated depreciation (amortisation) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to FRS 108, FRS 16 and FRS 38 are effective for annual periods beginning on or after 1 July 2014 with early adoption permitted.

5 Property, plant and equipment

Group	At valuation			At cost						
	Freehold land and buildings $'000	Leasehold land and buildings $'000	Leasehold land and building under construction $'000	Leasehold land and building under construction $'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 2013	4,563	27,198	–	90,860	4,735	11,006	8,564	7,062	3,734	157,722
Translation differences on consolidation	(438)	195	–	–	(362)	(1,144)	(821)	(585)	(96)	(3,251)
Additions	–	–	–	96,696	45	655	294	1,272	825	99,787
Transfer	–	–	187,556	(187,556)	–	–	–	–	–	–
Surplus on revaluation recognised directly in equity	–	3,210	111,444	–	–	–	–	–	–	114,654
Surplus on revaluation recognised directly in profit or loss	78	–	–	–	–	–	–	–	–	78
Disposals	–	–	–	–	(35)	(42)	(54)	(14)	(332)	(477)
Reversal of depreciation on revaluation	(83)	(3,055)	–	–	–	–	–	–	–	(3,138)
At 31 March 2014	4,120	27,548	299,000	–	4,383	10,475	7,983	7,735	4,131	365,375
At 1 April 2014	4,120	27,548	299,000	–	4,383	10,475	7,983	7,735	4,131	365,375
Translation differences on consolidation	(372)	1,339	–	–	(142)	(412)	(277)	(285)	(48)	(197)
Additions	–	–	178,145	–	144	8,291	6,274	2,381	933	196,168
Transfer	–	477,145	(477,145)	–	–	–	–	–	–	–
Surplus on revaluation recognised directly in equity	–	117,774	–	–	–	–	–	–	–	117,774
Deficit on revaluation recognised directly in profit or loss	(300)	–	–	–	–	–	–	–	–	(300)
Reclassification to assets held for sale	–	–	–	–	–	–	(4)	(7)	–	(11)
Disposals	–	–	–	–	(92)	(475)	(271)	(290)	(727)	(1,855)
Reversal of depreciation on revaluation	(75)	(9,102)	–	–	–	–	–	–	–	(9,177)
At 31 March 2015	3,373	614,704	–	–	4,293	17,879	13,705	9,534	4,289	667,777

5 Property, plant and equipment (Continued)

Group	At valuation			At cost						
	Freehold land and buildings $'000	Leasehold land and buildings $'000	Leasehold land and building under construction $'000	Leasehold land and building under construction $'000	Plant and machinery $'000	Renovations $'000	Furniture, fittings and office equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation										
At 1 April 2013	–	–	–	–	3,423	6,767	7,435	4,242	2,648	24,515
Translation differences on consolidation	–	–	–	–	(360)	(706)	(726)	(324)	(46)	(2,162)
Depreciation charge for the year	83	3,055	–	–	35	1,207	311	605	400	5,696
Disposals	–	–	–	–	(35)	(28)	(32)	(7)	(310)	(412)
Reversal of depreciation on revaluation	(83)	(3,055)	–	–	–	–	–	–	–	(3,138)
At 31 March 2014	–	–	–	–	3,063	7,240	6,988	4,516	2,692	24,499
At 1 April 2014	–	–	–	–	3,063	7,240	6,988	4,516	2,692	24,499
Translation differences on consolidation	–	–	–	–	(138)	(280)	(243)	(159)	(27)	(847)
Depreciation charge for the year	75	9,102	–	–	17	1,412	497	719	487	12,309
Reclassification to assets held for sale	–	–	–	–	–	–	(4)	(7)	–	(11)
Disposals	–	–	–	–	(67)	(269)	(152)	(231)	(605)	(1,324)
Reversal of depreciation on revaluation	(75)	(9,102)	–	–	–	–	–	–	–	(9,177)
At 31 March 2015	–	–	–	–	2,875	8,103	7,086	4,838	2,547	25,449
Carrying amounts										
At 31 March 2014	4,120	27,548	299,000	–	1,320	3,235	995	3,219	1,439	340,876
At 31 March 2015	3,373	614,704	–	–	1,418	9,776	6,619	4,696	1,742	642,328

5 Property, plant and equipment (Continued)

Company	At valuation: Freehold building $'000	At cost: Furniture, fittings and office equipment $'000	At cost: Computers $'000	At cost: Motor vehicles $'000	Total $'000
Cost/Valuation					
At 1 April 2013	284	194	1,162	806	2,446
Additions	–	18	63	–	81
Disposals	–	(1)	–	(255)	(256)
At 31 March 2014	284	211	1,225	551	2,271
At 1 April 2014	284	211	1,225	551	2,271
Additions	–	6	141	–	147
Disposals	–	–	–	(255)	(255)
At 31 March 2015	284	217	1,366	296	2,163
Accumulated depreciation					
At 1 April 2013	114	161	1,055	782	2,112
Depreciation charge for the year	5	9	45	18	77
Disposals	–	–	–	(255)	(255)
At 31 March 2014	119	170	1,100	545	1,934
At 1 April 2014	119	170	1,100	545	1,934
Depreciation charge for the year	6	10	61	4	81
Disposals	–	–	–	(255)	(255)
At 31 March 2015	125	180	1,161	294	1,760
Carrying amounts					
At 31 March 2014	165	41	125	6	337
At 31 March 2015	159	37	205	2	403

5 Property, plant and equipment (Continued)

Leasehold land and building previously under construction comprises the development of an 8-storey retail and warehousing complex under the Warehouse Retail Scheme in Jurong, Singapore ("Big Box"). Costs incurred for the construction of Big Box during the year totalled $178,145,000 (2014: $96,696,000). Included in this amount are capitalised borrowing costs of $3,477,000 (2014: $23,000). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 2.86% (2014: 3.16%). During the year, the construction of Big Box was completed and the balance was transferred to leasehold land and buildings.

Freehold and leasehold land and buildings was revalued by an 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 $117,774,000 (2014: $115,738,000) had been transferred to the revaluation reserves of the Group during the year which is partially offset by a transfer of $Nil (2014: $1,084,000) to the profit or loss on revaluation during the year. A revaluation deficit amounting to $300,000 (2014: revaluation gain of $78,000) has been recorded in the profit or loss of the Group during the year.

As at 31 March 2015, leasehold land and buildings with carrying amount of $580,000,000 (2013: $299,000,000) is pledged as security to secure a bank loan (see note 16).

The carrying amount of freehold and leasehold land and buildings of the Group would have been $371,481,000 (2014: $198,211,000) 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 $19,178,000 (2014: $21,913,000) (note 9).

As at 31 March 2015, property, plant and equipment with a carrying amount of $1,501,000 (2014: $1,193,000) for the Group and $Nil (2014: $2,800) of the Company were acquired under finance lease agreements. The amounts outstanding under the finance lease agreements are set out in note 16 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 16 to the financial statements.

6 Investment properties

	Note	2015 $'000	2014 $'000
Group			
At 1 April		9,538	9,310
Translation differences on consolidation		238	36
Changes in fair value	19	584	192
At 31 March		10,360	9,538

Investment properties were revalued at the reporting date by firms of independent professional valuers who have 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 2 to 3 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 16 to the financial statements.

7 Subsidiaries

	2015 $'000	2014 $'000
Company		
At cost:		
Quoted equity investment	1,767	1,767
Unquoted equity investments	74,720	74,720
Impairment losses	(56,602)	(56,602)
	19,885	19,885
Market value of quoted equity investment	3,777	7,557

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

	2015 $'000	2014 $'000
Company		
At 1 April	56,602	53,535
Impairment losses made	–	3,067
At 31 March	56,602	56,602

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 2015 %	2014 %
ƛ Akira Corporation Pte Ltd	Trading in electrical and electronic products	Singapore	100	100
ƛ Big Box Pte Ltd	Property investment and management and rental of leasehold building	Singapore	75	75
ƛ Big Box Singapore	Warehouse retail project	Singapore	100	100
ƛ Castilla Design Pte Ltd	Property investment and management and rental of leasehold building	Singapore	100	100
ƛ Furniture & Furnishings Pte Ltd	Retail, wholesale and export of furniture and furnishing products	Singapore	100	100
ƛ Novena Furnishing Centre Pte Ltd	Property investment and management and rental of leasehold building	Singapore	100	100
* PT Electronic Solution	Trading and retailing of electrical and electronics products as well as furniture and furnishing products	Indonesia	100	100
@ Tainahong Trading Limited	Trading of electrical and electronics products	Hong Kong	100	100
ƛ Food Global Pte Ltd	Restaurants and fast food operations	Singapore	100	100
Ø TTA Holdings Ltd and its subsidiary	Investment holding	Australia	85.5	85.5
∞ JSA Gulf FZE	General trading	Dubai, U.A.E	100	100
ƛ Aki Habara Electronic Corporation Pte Ltd	Brand management	Singapore	100	100

ƛ Audited by KPMG LLP Singapore.
* Audited by Ernst & Young, Indonesia.
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), before any intra-group eliminations.

	31 March 2015		
NCI Percentage	**25%**	**14.5%**	**Total**
	$'000	**$'000**	**$'000**
Non-current assets	580,205	7,209	587,414
Current assets	18,610	10,524	29,134
Non-current liabilities	(197,740)	26	(197,714)
Current liabilities	(195,200)	(4,536)	(199,736)
Net assets	205,875	13,223	219,098
Net assets attributable to NCI	51,469	1,917	53,386
Revenue	–	29,164	29,164
Profit/(Loss)	3,827	(5,975)	(2,148)
Other comprehensive income	92,770	–	92,770
Total comprehensive income	96,597	23,189	119,786
Attributable to NCI:			
Profit/(Loss)	957	(866)	91
Other comprehensive income	23,193	–	23,193
Total comprehensive income allocated to NCI	24,150	(866)	23,284
Cash flow from operating activities	10,088	10,398	20,486
Cash flow from investing activities	(142,347)	(21)	(142,368)
Cash flow from financing activities, before dividends to NCI	129,801	(13,217)	116,584
Net (decrease)/increase in cash and cash equivalents	(2,458)	(2,840)	(5,298)

8 Intangible assets

Group	Note	Goodwill $'000	Trademarks with indefinite useful lives $'000	Trademark with finite useful life $'000	Total $'000
Cost					
At 31 March 2014 and 31 March 2015		8,512	12,931	1,100	22,543
Accumulated amortisation and impairment losses					
At 1 April 2013		3,529	4,060	346	7,935
Amortisation charge for the year	18	–	–	58	58
Impairment loss	18	2,070	–	–	2,070
At 31 March 2014		5,599	4,060	404	10,063
Amortisation charge for the year	18	–	–	58	58
Impairment loss	18	2,651	–	–	2,651
At 31 March 2015		8,250	4,060	462	12,772
Carrying amounts					
At 31 March 2014		2,913	8,871	696	12,480
At 31 March 2015		262	8,871	638	9,771

Impairment tests for CGU containing goodwill

Goodwill and trademarks are allocated to the retail and distribution business segment of the Group in respect of the consumer electronics and private label business and furniture and furnishing business, 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)

Impairment tests for CGU containing goodwill (Continued)

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

	Group	
	2015	2014
	$'000	$'000
Consumer electronics and private label business	3,679	6,388
Furniture and furnishing business	6,092	6,092
	9,771	12,480

Consumer electronics and private label business

The recoverable amount of the goodwill in respect of the consumer electronics and private label business is determined based on value in use calculations using cash flow projections from the 1 to 5 years business plans and past operating results. These calculations used cash flow projections based on financial budgets approved by management. Key assumptions used took into account of established distribution network and management's assessment of the market conditions. The discount rate used in the cash flow projections was a pre-tax measure estimated based on the industry historical weighted average cost of capital of 8.4% to 12.9% (2014: 9% to 15.9%). A revenue growth rate of 0% to 3% (2014: 0% to 5%), expenses growth rate of 1% to 3% (2014: 1% to 5%) and terminal growth rate of 0% (2014: 0%) was used in the cash flow projections.

During the year, following the loss before tax incurred by a CGU in the consumer electronics and private label business during the year that was largely attributable to market price repositioning and incentives paid to retailers to clear excessive stock, the Group assessed the recoverable amount of goodwill of the CGU to be $262,000 (2014: $2,913,000) and an impairment of goodwill of $2,651,000 (2014: Nil) was recorded in other operating expenses. Accordingly, the impairment loss on goodwill is recorded in the distribution and trading business segment (see note 23).

8 Intangible assets (Continued)

Furniture and furnishing business

The Group assessed the recoverable amount of goodwill and intangible assets with indefinite useful lives and recognised an impairment loss of Nil (2014: $2,070,000) which is included in other operating expenses. The recoverable amount of the goodwill and intangible assets is determined based on cash flows projected from the 1 to 5 years business plan and past operating results. These calculations used cash flow projections based on financial budgets approved by management. Key assumptions that are used related to the budgeted revenue and gross margin which are determined based on past performances and management's expectation of market conditions. The discount rate used in the cash flow projections was a pre-tax measure estimated based on industry historical average weighted cost of capital of 8.4% (2014: 8.0%). A growth rate of 1% – 3% (2014: 1% – 3%) of revenue and expenses and a terminal growth rate of 0% (2014: 0%) was used in the cash flow projections. The recoverable amount was estimated to be higher than its carrying amount and no impairment was required.

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 2013 $'000	Exchange translation differences $'000	Recognised in profit or loss (note 21) $'000	Recognised in other compre-hensive income $'000	At 31 March 2014 $'000	Exchange translation differences $'000	Recognised in profit or loss (note 21) $'000	Recognised in other compre-hensive income $'000	Reclass to assets held for sale $'000	At 31 March 2015 $'000
Group										
Inventories	724	(74)	32	–	682	(57)	69	–	–	694
Tax value of loss carry-forward recognised	34	–	–	–	34	–	1,361	–	–	1,395
Other items	1,542	(164)	(14)	–	1,364	(119)	(688)	–	(284)	273
Property, plant and equipment	(178)	(3)	–	(21,913)	(22,094)	(28)	(7)	(19,178)	–	(41,307)
	2,122	(241)	18	(21,913)	(20,014)	(204)	735	(19,178)	(284)	(38,945)

9 Deferred tax (Continued)

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	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax assets	2,362	2,080	–	–
Deferred tax liabilities	(41,307)	(22,094)	–	–

At the reporting date, tax losses amounting to $43,224,414 (2014: $41,217,000) and $25,827,252 (2014: $16,004,000) of the Company and certain subsidiaries, respectively have not been recognised 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	
	2015 $'000	2014 $'000
Inventories	57,549	56,450
Allowance for inventories obsolescence made	(5,103)	(5,841)
	52,446	50,609

Information on inventories that are pledged as security for the Group's borrowings are set out in note 16 to the financial statements.

During the year, allowances of $60,000 were written back (2014: $234,000 allowance made) and inventories of $378,000 (2014: $232,000) were written off and are included in other operating expenses (see note 19).

11 Trade and other receivables

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	57,770	31,424	967	911
Allowance for doubtful receivables	(12,175)	(11,944)	(824)	(824)
Net trade receivables	45,595	19,480	143	87
Other receivables	16,025	12,484	4,315	4,178
Allowance for doubtful receivables	(4,215)	(4,215)	(4,178)	(4,178)
Net other receivables	11,810	8,269	137	–
Trade amounts due from subsidiaries	–	–	36,947	42,046
Allowance for doubtful receivables	–	–	(32,968)	(31,107)
Net trade receivables from subsidiaries	–	–	3,979	10,939
Non-trade amounts due from subsidiaries	–	–	113,583	82,342
Allowance for doubtful receivables	–	–	(46,176)	(46,602)
Net non-trade amounts due from subsidiaries	–	–	67,407	35,740
Unsecured loan to a subsidiary	–	–	89,900	89,900
Advances to staff	81	118	2	7
Deposits	8,840	4,225	276	256
Advance payments to suppliers	2,098	16,249	–	–
	11,019	20,592	90,178	90,163
Loans and receivables	68,424	48,341	161,844	136,929
Prepaid operating expenses	3,829	4,258	50	47
Deferred financing costs	–	7,419	–	–
Tax recoverable	542	363	289	289
	72,795	60,381	162,183	137,265
Non-current	–	–	89,900	89,900
Current	72,795	60,381	72,283	47,365
	72,795	60,381	162,183	137,265

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

11 Trade and other receivables (Continued)

The Group obtained a Term Loan Facility of $125,000,000 granted jointly by The Great Eastern Life Assurance Company Limited and The Overseas Assurance Corporation Limited on 24 April 2013 for the construction of the Big Box. In connection with this facility, the Group has incurred facility related transaction costs that are deferred up to the drawdown of the facility ("Deferred financing costs").

The unsecured loan to a subsidiary represents a loan extended by the Company to a subsidiary to develop Big Box (note 5). The loan is unsecured and interest-free, and is carried at cost instead of fair value because the timing and amount of repayment cannot be reliably estimated as these are subject to the agreement of all parties as well as the subsidiary's refinancing ability.

Information on trade receivables that are pledged as security for the Group's borrowings are set out in note 16 to the financial statements.

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.

The ageing of trade and other receivables due from external parties at the reporting date is:

	Gross 2015 $'000	Allowance for doubtful receivables 2015 $'000	Gross 2014 $'000	Allowance for doubtful receivables 2014 $'000
Group				
Not past due	24,046	–	20,301	–
Past due 0 – 1 month	4,102	–	4,371	–
Past due 1 – 2 months	3,410	–	1,456	–
Past due 2 – 3 months	4,459	–	530	–
Past due 3 – 4 months	4,492	–	258	–
More than 4 months	33,286	(16,390)	16,992	(16,159)
	73,795	(16,390)	43,908	(16,159)
Company				
Not past due	205	–	12	–
Past due 0 – 1 month	–	–	–	–
Past due 1 – 2 months	–	–	–	–
Past due 2 – 3 months	–	–	–	–
Past due 3 – 4 months	–	–	–	–
More than 4 months	5,077	(5,002)	5,077	(5,002)
	5,282	(5,002)	5,089	(5,002)

11 Trade and other receivables (Continued)

The Group and the Company believe that the unimpaired amounts that are past due by more than 4 months are still collectible, based on historic payment behaviour and analysis of customer credit risk, including underlying customers' credit ratings, when available.

The change in allowance for doubtful receivables in respect of trade receivables and other receivables due from external parties during the year is as follows:

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
At 1 April		16,159	13,379	5,002	5,131
Allowance made	19	545	4,711	–	–
Allowance utilised		(32)	(1,783)	–	(129)
Foreign currency translation difference		(282)	(148)	–	–
At 31 March		16,390	16,159	5,002	5,002

The change in allowance for doubtful receivables in respect of trade and non-trade amounts due from related parties during the year is as follows:

	Company	
	2015 $'000	2014 $'000
At 1 April	77,709	34,508
Allowance made	1,469	43,201
Allowance utilised	(34)	–
At 31 March	79,144	77,709

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.

12 Cash and cash equivalents

	Note	2015 $'000	2014 $'000
Group			
Cash at bank and in hand		19,479	17,605
Fixed deposits		6,702	3,038
Cash and cash equivalents in the balance sheet		26,181	20,643
Bank overdrafts	16	(1,487)	(2,590)
Restricted bank deposits		(10,948)	(1,577)
Cash and cash equivalents in the consolidated statement of cash flows		13,746	16,476
Company			
Cash at bank and in hand		39	87
Cash and cash equivalents in the balance sheet		39	87

Restricted bank deposits are bank balances of a subsidiary pledged to a financial institution to obtain a credit facility. The Group has pledged $9,946,000 (2014: $1,577,000) restricted bank deposits during the year as a result of drawdown of the secured loan amounting to $120,000,000 (see note 16(c)). In addition, a fixed deposit of $1,003,000 was pledged in connection with a bank guarantee.

13 Disposal group held for sale

In March 2015, management committed to a plan to sell a subsidiary within the Group to a third party for a consideration of $310,000 which represents the net asset value of the subsidiary as of 31 March 2015. Accordingly, this subsidiary is presented as a disposal group held for sale. The subsidiary was disposed in April 2015.

No impairment losses has been made and no cumulative income or expenses were included in OCI relating to the disposal group.

13 Disposal group held for sale (Continued)

Assets and liabilities of disposal group held for sale

At 31 March 2015, the disposal group comprised the following assets and liabilities:

	Note	2015 $'000	2014 $'000
Group			
Property, plant and equipment	5	*	–
Deferred tax assets	9	284	–
Inventories		32	–
Trade and other receivables		68	–
Assets held for sale		384	–
			–
Current tax payable		74	–
Liabilities held for sale		74	–

* Less than $1,000.

The assets and liabilities held for sale is included in other business segment (see note 23).

14 Share capital

	Note	Number of shares	Share capital S$'000
Fully paid ordinary shares, with no par value:			
At 1 April 2014		816,541	140,563
Issuance of shares upon RCBs conversion	16(b)	20,285	2,840
Share placements		167,300	25,348
At 31 March 2015		1,004,126	168,751

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 $2,840,000 into 20,285,041 of the Company's new ordinary shares at a conversion price of $0.14 by way of first dilution exercise ("the First Dilution Exercise") (see note 16(b)).

On June 2014, the Company issued 167,300,000 placement shares at an issue price of $0.1545 per share and raised $25.3 million in gross proceeds.

14 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 the 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 (note 2).

15 Reserves

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Capital reserves (distributable):				
– Realised gain on disposal of assets	54	54	54	54
– RCBs – equity component	67	67	67	67
Fair value and revaluation reserves	177,476	101,300	–	–
Foreign currency translation reserve	(28,319)	(29,276)	–	–
	149,278	72,145	121	121

The redeemable convertible bonds – equity component relates to the RCBs holders' right of conversion annually commencing from 3rd to 5th anniversary of the Scheme Effective Date (see note 16).

The fair value and revaluation reserves include the cumulative net change in the fair value of available-for-sale investments held until the investments are derecognised and 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 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.

16 Borrowings

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current liabilities					
Amounts due to Scheme Creditors					
– Sustainable Debt	(a)	–	77,714	–	79,647
– RCBs – loan component	(b)	55,087	105,178	70,455	129,653
		55,087	182,892	70,455	209,300
Secured bank loans	(c)	–	1,766	–	–
Unsecured bank loans	(c)	537	864	–	–
Unsecured loans from non-controlling shareholders of a subsidiary	(d)	90,300	90,300	–	–
Bondholders' loans	(e)	15,000	–	–	–
Finance lease liabilities	(f)	822	699	1	9
		161,746	276,521	70,456	209,309
Current liabilities					
Amounts due to Scheme Creditors					
– Sustainable Debt	(a)	83,283	–	84,474	–
– RCBs – loan component	(b)	57,424	–	63,850	–
		140,707	–	148,324	–
Secured bank overdrafts	(c)	1,487	2,590	–	–
Secured bank loans	(c)	35,905	14,976	–	–
Secured term loan (non-bank)	(c)	121,419	4,710	–	–
Unsecured bank loans	(c)	413	576	–	–
Unsecured loan from non-controlling shareholder		914	–	–	–
Bills payable and trust receipts	(c)	856	9,971	–	–
Finance lease liabilities	(f)	344	276	8	18
		302,045	33,099	148,332	18
Total borrowings excluding finance lease liabilities		462,624	308,645	218,779	209,300
Finance lease liabilities		1,166	975	9	27
		463,790	309,620	218,788	209,327

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.

16 Borrowings (Continued)

(a) Sustainable debt

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Amortised cost as at 1 April	77,714	72,053	79,647	73,731
Interest accretion	5,569	5,661	4,827	5,916
Amortised cost as at 31 March	83,283	77,714	84,474	79,647

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. On 20 March 2015, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debts by up to 12 months. Please refer to note 2 for more details.

(b) RCBs – loan component

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Amortised cost as at 1 April	105,178	91,912	129,653	103,853
Issuance of shares upon RCBs conversion	(2,840)	–	(2,840)	–
Interest accretion	10,173	13,266	7,492	25,800
Amortised cost as at 31 March	112,511	105,178	134,305	129,653

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.

16 Borrowings (Continued)

(b) RCBs – loan component (Continued)

The key conversion terms and conditions are as follows:

(i) The RCBs holders' right of conversion is annually commencing on the 3rd and ending 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 is $67,000 (2014: $67,000) (see note 15).

(ii) The RCBs holders' right of conversion commences on 6th 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 2014, 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, 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 Debts by up to 12 months.

As at the reporting date, the fair value of the derivative financial liability component is $976,000 (2014: $1,294,000) and $1,073,000 (2014: $1,373,000) of the Group and 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.

16 Borrowings (Continued)

(c) Bank borrowings and term loan

As at the reporting date, the Group's bank borrowings of $32,762,000 (2014: $29,125,000) bear floating interest rates of 4.84% to 7.18% (2014: 4.40% to 6.04%) and $6,435,000 (2014: 1,618,000) bear fixed interest rates of 3.89% to 4.66% (2014: 4.40% to 5.96%).

During the year, the Group drewdown an additional loan amounting to $120,000,000 (2014: $4,710,000) with a fixed interest rate of 6% (2014: 6%).

The Group's borrowings are secured by the following:

(i) legal mortgages on subsidiaries' leasehold land and buildings and investment properties as at 31 March 2015 with carrying amounts of $619,614,000 (2014: $15,109,000) and $7,400,000 (2014: $6,900,000), respectively;

(ii) legal mortgage on a subsidiary's leasehold land and building under construction as at 31 March 2015 with carrying amount of $Nil (2014:$299,000,000);

(iii) a subsidiary's plant and machinery as at 31 March 2015 with a carrying amount of $47,000 (2014: $47,000);

(iv) a subsidiary's trade receivables as at 31 March 2015 with a total carrying amount of $33,836,000 (2014: $820,000); and

(v) a subsidiary's inventories as at 31 March 2015 with a carrying amount of $17,336,000 (2014: $20,718,000).

The substantial shareholders of the Company had also provided personal guarantees for the unsecured borrowings amounting to $39.9 million.

(d) Unsecured loans from non-controlling shareholders of a subsidiary

During the previous financial year, Prima BB Limited ("Prima") and Utraco Investment Pte Ltd ("Utraco"), being the non-controlling shareholders of a subsidiary of the Company, extended loans amounting to $90,300,000 to the subsidiary to develop Big Box (see also note 5).

The loans from these non-controlling shareholders of the subsidiary are unsecured and interest-free, and are carried at cost instead of fair value because the timing and amount of repayment cannot be reliably estimated as these are subject to the agreement of all parties as well as the subsidiary's refinancing ability. In connection with the issuance of these loans, the subsidiary had granted the non-controlling shareholders the option to capitalise $1,700,000 of the outstanding loans into the preference shares of the subsidiary on 25 February 2015 and ending 3 months thereafter.

16 Borrowings (Continued)

(e) Bondholder's loan

During the financial year, the bondholder's extended a loan amounting to $15,000,000 (2014: Nil) to a subsidiary of the Group to develop Big Box. The loan is unsecured and bears an interest of 10% per annum.

(f) Finance lease liabilities

As at reporting date, the Group and the Company had obligations under finance leases that bear fixed interest rates ranging from 4.52% to 9.43% (2014: 3.91% to 9.77%), that are payable as follows:

	31 March 2015			31 March 2014		
	Principal $'000	Interest $'000	Payments $'000	Principal $'000	Interest $'000	Payments $'000
Group						
Payable within 1 year	344	67	412	276	62	338
Payable after 1 year but within 5 years	741	95	836	651	97	748
Payable after 5 years	81	3	83	48	1	49
	822	98	919	699	98	797
	1,166	165	1,331	975	160	1,135
Company						
Payable within 1 year	8	–	8	18	1	19
Payable after 1 year but within 5 years	1	–	1	9	–	9
	9	–	9	27	1	28

16 Borrowings (Continued)

(f) Finance lease liabilities (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 but within 5 years $'000	More than 5 years $'000	Total $'000
Group					
31 March 2015					
Non-derivative financial liabilities					
Borrowings	373,490	313,083	57,065	15,950	386,098
Derivative financial liabilities	976	–	–	976	976
Trade and other payables	185,875	185,875	–	–	185,875
Unsecured loans from non-controlling shareholders of a subsidiary	90,300	–	–	90,300	90,300
Recognised financial liabilities	650,641	498,958	57,065	107,226	663,249
31 March 2014					
Non-derivative financial liabilities					
Borrowings	219,320	35,054	141,047	118,999	295,100
Derivative financial liabilities	1,294	–	–	1,294	1,294
Trade and other payables	111,847	111,847	–	–	111,847
Unsecured loans from non-controlling shareholders of a subsidiary	90,300	–	–	90,300	90,300
Recognised financial liabilities	422,761	146,901	141,047	210,593	498,541
Company					
31 March 2015					
Non-derivative financial liabilities					
Borrowings	218,788	151,292	50,165	20,291	221,748
Derivative financial liabilities	1,073	–	–	1,073	1,073
Trade and other payables	69,556	69,556	–	–	69,556
Recognised financial liabilities	289,417	220,848	50,165	21,364	292,377
Intra-group financial guarantees	–	32,163	–	–	32,163
	289,417	253,011	50,165	21,364	324,540
31 March 2014					
Non-derivative financial liabilities					
Borrowings	209,327	19	151,019	124,817	275,855
Derivative financial liabilities	1,373	–	–	1,373	1,373
Trade and other payables	53,453	53,453	–	–	53,453
Recognised financial liabilities	264,153	53,472	151,019	126,190	330,681
Intra-group financial guarantees	–	37,322	–	–	37,322
	264,153	90,794	151,019	126,190	368,003

17 Provisions

	31 March 2015			31 March 2014		
	Warranties $'000	Restructuring $'000	Total $'000	Warranties $'000	Restructuring $'000	Total $'000
Group						
At beginning of financial year	1,008	–	1,008	1,272	650	1,922
Provision (written back)/made	(38)	–	(38)	2,678	–	2,678
Provision utilised	(617)	–	(617)	(2,942)	(650)	(3,592)
At end of financial year	353	–	353	1,008	–	1,008
Company						
At beginning of financial year	–	–	–	–	650	650
Provision utilised	–	–	–	–	(650)	(650)
At end of financial year	–	–	–	–	–	–

Warranties

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

Restructuring

The provision for restructuring includes the estimated cost of closure of business locations in certain markets made by the Group and the Company.

18 Trade and other payables

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade payables	35,307	24,442	–	–
Accrued operating expenses	126,248	64,881	49,025	32,973
Deposits from customers	5,463	5,988	–	–
Advance payments by customers	1,340	300	–	–
Other payables	16,178	15,248	8,248	7,472
Amount due to a director	1,339	988	–	–
Amounts due to subsidiaries				
– trade	–	–	1,099	1,252
– non-trade	–	–	11,184	11,756
	185,875	111,847	69,556	53,453

Included in other payables at 31 March 2015 is an amount of $616,000 (2014: $540,000) 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.

19 Loss for the year

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

	Note	Group 2015 $'000	2014 $'000
Loss/(gain) on disposal of property, plant and equipment		148	(23)
Audit fees paid/payable to:			
– auditors of the Company		334	294
– other auditors		188	208
Non-audit fees paid/payable to:			
– auditors of the Company		154	149
– other auditors		95	64
Exchange loss, net		5,690	5,821
Rental income from investment properties		(985)	(983)
Operating expenses on investment properties		286	135
Amortisation of intangible assets	8	58	58
Impairment of intangible assets	8	2,651	2,070
Bad debts written off		77	57
Allowance for doubtful receivables:			
– trade	11	545	4,405
– non-trade	11	–	306
Inventories written off	10	378	232
Allowance for inventories obsolescence (written back)/made	10	(60)	234
Operating lease expenses		12,334	12,423
Contributions to defined contribution plans included in staff costs		2,788	1,877
Changes in fair value of investment properties	6	(584)	(192)
Recovery of previously recognised revaluation loss on property, plant and equipment in profit or loss	5	–	(1,084)
Deficit/(surplus) on revaluation of property, plant and equipment recognised in profit or loss	5	300	(78)
Government grants		(405)	(385)
Fair value gain of derivative financial liabilities	24	(318)	83

20 Finance income and expense

	Group	
	2015 $'000	2014 $'000
Interest income from:		
– bank deposits	65	271
– others	1	6
Finance income	66	277
Interest expense paid/payable on:		
– bank term loans, bills payable and trust receipts	(1,715)	(1,644)
– finance lease liabilities	(72)	(70)
– Sustainable Debt	(2,912)	(2,494)
– others	(3,896)	(1)
	(8,595)	(4,209)
Accretion of interest expense:		
– Sustainable Debt	(5,569)	(5,661)
– RCBs – loan component	(10,173)	(13,266)
	(15,742)	(18,927)
Others:		
– Net change in fair value of derivative financial liabilities	318	(83)
Finance expense	(24,019)	(23,219)

21 Income tax (credit)/expense

	Note	Group 2015 $'000	2014 $'000
Current tax expense			
Current year		27	478
Under/(Over) provision in prior years		46	(29)
		73	449
Deferred tax (credit)/expense			
Origination and reversal of temporary differences		(679)	18
Over provision in prior years		(56)	–
	9	(735)	18
Income tax (credit)/expense		(662)	467
Reconciliation of effective tax rate			
Loss before income tax		(55,151)	(26,331)
Income tax using domestic tax rate of 17%		(9,376)	(4,476)
Effect of tax rates in foreign jurisdictions		(1,347)	190
Non-deductible expenses		8,492	6,365
Tax exempt revenue		(5,377)	(2,102)
Utilisation of previously unrecognised tax benefits		(433)	(376)
Tax benefits not recognised		7,389	895
Over provision in prior years (net)		(10)	(29)
		(662)	467

22 Earnings per share

	Group	
	2015 $'000	2014 $'000
Basic earnings per share is based on:		
Loss attributable to owners of the Company	51,934	26,487

	2015 No. of shares '000	2014 No. of shares '000
Issued ordinary shares at 1 January	816,541	816,541
Issuance of shares upon RCB conversion	17,895	–
Share placements	128,798	–
Weighted average number of ordinary shares at 31 March	963,234	816,541

Diluted earnings per share is the same as basic earnings per share because the Group's outstanding RCBs (note 16) 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 retail 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 is 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 $'000	Distribution and trading $'000	Warehousing and logistics services $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
31 March 2015						
Revenue and expenses						
Total revenue from external customers	152,504	104,779	3,011	1,060	–	261,354
Inter-segment revenue	79	–	528	10	(617)	–
Total revenue	152,583	104,779	3,539	1,070	(617)	261,354
Finance income	57	9	–	–	–	66
Finance expense	(5,118)	(464)	(2)	–	–	(5,684)
Depreciation	(7,957)	(595)	(2,341)	(19)	–	(10,912)
Amortisation	–	(58)	–	–	–	(58)
Reportable segment (loss) before income tax	(9,073)	(12,645)	(6,392)	(3,787)	–	(31,897)
Other material non-cash items						
Impairment loss on goodwill	–	2,651	–	–	–	2,651
Gain in fair value of investment properties	–	84	–	500	–	584
Deficit on revaluation of property, plant and equipment recognised in profit or loss	–	300	–	–	–	300
Assets and liabilities						
Reportable segment assets	734,511	46,661	12,870	871	–	794,913
Capital expenditure	194,043	679	1,055	391	–	196,168
Segment liabilities	409,175	18,866	2,596	10,375	–	441,012

23 Segment reporting (Continued)

Business segments (Continued)

	Retail $'000	Distribution and trading $'000	Warehousing and logistics services $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
31 March 2014						
Revenue and expenses						
Total revenue from external customers	179,319	135,180	2,464	1,192	–	318,155
Inter-segment revenue	–	–	1,874	848	(2,722)	–
Total revenue	179,319	135,180	4,338	2,040	(2,722)	318,155
Finance income	124	152	–	–	–	276
Finance expense	(882)	(674)	–	–	–	(1,556)
Depreciation	(2,252)	(534)	(1,623)	(24)	–	(4,433)
Amortisation	–	(58)	–	–	–	(58)
Reportable segment profit/(loss) before income tax	2,604	(989)	(3,553)	(3,640)	–	(5,578)
Other material non-cash items						
Impairment loss on goodwill	2,070	–	–	–	–	2,070
Impairment loss on other receivables	306	–	–	–	–	306
Gain in fair value of investment properties	–	192	–	–	–	192
Recovery of previously unrecognised revaluation loss of property, plant and equipment	–	1,162	–	–	–	1,162
Assets and liabilities						
Reportable segment assets	389,442	68,248	8,064	6,991	–	472,745
Capital expenditure	99,256	375	1	155	–	99,787
Segment liabilities	175,762	32,284	542	10,438	–	219,026

23 Segment reporting (Continued)

Business segments (Continued)

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

	2015 $'000	2014 $'000
Revenue		
Total revenue for reporting segments	261,971	320,877
Elimination of inter-segment revenue	(617)	(2,722)
Consolidated revenue	261,354	318,155
Profit or loss		
Total profit/(loss) before income tax for reporting segments	(31,897)	(5,578)
Other unallocated amounts	(23,254)	(20,753)
Consolidated loss before tax	(55,151)	(26,331)
Assets		
Total assets for reportable segments	794,913	472,745
Other unallocated amounts*	21,714	23,862
Consolidated total assets	816,627	496,607
Liabilities		
Total liabilities for reportable segments	441,012	219,026
Other unallocated amounts*	251,366	227,123
Consolidated total liabilities	692,378	446,149

* Included in other unallocated liabilities amounts are the amounts due to Scheme Creditors with carrying amounts of $195,794,000 (2014: $182,892,000).

23 Segment reporting (Continued)

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.

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

	Revenue $'000	Non-current assets $'000
31 March 2015		
ASEAN[1]	207,253	634,448
East Asia and other countries	39,849	20,221
Africa and Middle East	13,388	10,132
CIS[2], Russia and Eastern Europe	864	20
	261,354	664,821
31 March 2014		
ASEAN[1]	226,407	340,195
East Asia and other countries	70,927	17,587
Africa and Middle East	19,178	7,170
CIS[2], Russia and Eastern Europe	1,643	22
	318,155	364,974

[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.

24 Financial risk management (Continued)

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.

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.

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. The credit risks of trade and other receivables that were not past due or impaired at the reporting date is acceptably low.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries.

The maximum exposure of the Company in respect of the intra-group financial guarantees at the end of the reporting period is $32,163,000 (2014: $37,322,000) of which $4,346,000 in relation to a bank facility has been drawn down by subsidiaries. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to meet the Group's operating commitments.

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.

24 Financial risk management (Continued)

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.

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 2015, 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 $866,000 (2014: $823,000). Similarly, a general decrease in interest rates by 50 basis points will have the equal but opposite effect.

For the year ended 31 March 2015, 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 (2014: $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.

24 Financial risk management (Continued)

Foreign currency risk (Continued)

	US Dollar $'000	Euro $'000	Others $'000	Total $'000
Group				
31 March 2015				
Trade and other receivables	1,740	633	29	2,402
Cash and cash equivalents	1,173	14	5	1,192
Trade and other payables	(10,028)	–	(15)	(10,043)
Borrowings	(29,772)	–	–	(29,772)
Net currency exposure	(36,887)	647	19	(36,221)
31 March 2014				
Trade and other receivables	1,903	214	6	2,123
Cash and cash equivalents	1,574	15	25	1,614
Trade and other payables	(12,288)	–	(35)	(12,323)
Borrowings	(16,155)	–	–	(16,155)
Net currency exposure	(24,966)	229	(4)	(24,741)

	US Dollar $'000	Australian Dollar $'000	Others $'000	Total $'000
Company				
31 March 2015				
Trade and other receivables	4,226	–	48	4,274
Cash and cash equivalents	24	–	7	31
Trade and other payables	(1,021)	–	(181)	(1,202)
Net currency exposure	3,229	–	(126)	3,103
31 March 2014				
Trade and other receivables	3,936	6,000	1	9,937
Cash and cash equivalents	15	–	7	22
Trade and other payables	(1,226)	–	(154)	(1,380)
Net currency exposure	2,725	6,000	(146)	8,579

24 Financial risk management (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

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

	Group $'000	Company $'000
31 March 2015		
US Dollar	(3,689)	323
Euro	65	–
Others	2	(13)
31 March 2014		
US Dollar	(2,497)	273
Euro	23	–
Australian Dollars	–	600
Others	*	(15)

* *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.

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.

24 Financial risk management (Continued)

Accounting classification and fair value

The fair values of financial assets and liabilities, together with the carrying amount shown on the balance sheet, are as follows:

	Designated as at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group					
31 March 2015					
Trade and other receivables	–	68,424	–	68,424	68,424
Cash and cash equivalents	–	26,181	–	26,181	26,181
	–	94,605	–	94,605	94,605
Borrowings – Scheme Creditors	–	–	(195,794)	(195,794)	(200,438)
Borrowings – others	–	–	(267,996)	(267,996)	(267,996)
Derivative financial liabilities	(976)	–	–	(976)	(976)
Trade and other payables	–	–	(185,575)	(185,875)	(185,875)
	(976)	–	(649,665)	(650,641)	(655,285)
31 March 2014					
Trade and other receivables	–	48,341	–	48,341	48,341
Cash and cash equivalents	–	20,643	–	20,643	20,643
	–	68,984	–	68,984	68,984
Borrowings – Scheme Creditors	–	–	(182,892)	(182,892)	(194,387)
Borrowings – others	–	–	(126,728)	(126,728)	(126,728)
Derivative financial liabilities	(1,294)	–	–	(1,294)	(1,294)
Trade and other payables	–	–	(111,847)	(111,847)	(111,847)
	(1,294)	–	(421,467)	(422,761)	(434,256)

24 Financial risk management (Continued)

Accounting classification and fair value (Continued)

	Designated as at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company					
31 March 2015					
Trade and other receivables	–	161,844	–	161,844	161,844
Cash and cash equivalents	–	39	–	39	39
	–	161,883	–	161,883	161,883
Borrowings – Scheme Creditors	–	–	(218,779)	(218,779)	(214,005)
Borrowings – others	–	–	(9)	(9)	(9)
Derivative financial liabilities	(1,073)	–	–	(1,073)	(1,073)
Trade and other payables	–	–	(69,556)	(69,556)	(69,556)
	(1,073)	–	(288,344)	(289,417)	(284,643)
31 March 2014					
Trade and other receivables	–	136,929	–	136,929	136,929
Cash and cash equivalents	–	87	–	87	87
	–	137,016	–	137,016	137,016
Borrowings – Scheme Creditors	–	–	(209,300)	(209,300)	(209,410)
Borrowings – others	–	–	(27)	(27)	(27)
Derivative financial liabilities	(1,373)	–	–	(1,373)	(1,373)
Trade and other payables	–	–	(53,453)	(53,453)	(53,453)
	(1,373)	–	(262,780)	(264,153)	(264,263)

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. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

24 Financial risk management (Continued)

Determination of fair values

Property, plant and equipment

The fair values of freehold land and buildings, leasehold land and buildings and leasehold land and building under construction are determined based on annual independent professional valuations, using valuation methods such as residual land value method, income capitalization method, discounted cash flow and comparison method. The key assumptions used to determine the fair values include capitalization rate, terminal yield and discount rate.

Intangible assets

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and/or eventual sale of the assets.

Investment properties

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on market values (i.e. market comparison approach), 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 after proper marketing wherein the parties had each acted knowledgeably. Such valuation is based on price per square metre for the buildings derived from observable market data from an active and transparent market.

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 term and reversion approach capitalises net rental income on a fully leased basis with regards to the current passing rental income from existing tenancies and potential future reversionary income at the market level.

Investments in quoted equity securities

The fair value of available-for-sale quoted equity securities is determined by reference to their quoted bid prices at the reporting date.

24 Financial risk management (Continued)

Determination of fair values (Continued)

RCBs – Derivative liability component

The Group engaged a professional valuer to assess the fair value of the derivative liability component of the RCBs relating to the Scheme at each reporting date. The value of the derivative component is 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 is then determined by estimating the aggregated expected pay off using monte carlo simulations.

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 Group has engaged a professional valuer to assess the fair value of the Sustainable Debt and loan component of RCBs relating to the Scheme at each reporting date. Fair value is 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. In arriving at the fair value, it is assumed that there are no redemptions of issued RCBs, contingent claims (see note 26) are extinguished in April 2015, certain disputed debts are resolved and crystallised with any balances being extinguished and a rebalancing of sustainable Debt and RCBs would only occur within 12 months from April 2015.

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 16), all other financial assets and liabilities are discounted to determine their fair values.

24 Financial risk management (Continued)

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.

The fair value of property, plant and equipment and investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

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).

24 Financial risk management (Continued)

Fair value hierarchy (Continued)

Financial assets and financial liabilities carried at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 March 2015				
Derivative financial liabilities	–	–	(976)	(976)
31 March 2014				
Derivative financial liabilities	–	–	(1,294)	(1,294)
Company				
31 March 2015				
Derivative financial liabilities	–	–	(1,073)	(1,073)
31 March 2014				
Derivative financial liabilities	–	–	(1,373)	(1,373)

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed*:

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group					
31 March 2015					
Borrowings – Scheme Creditors	16	–	–	(200,438)	(200,438)
31 March 2014					
Borrowings – Scheme Creditors	16	–	–	(194,387)	(194,387)
Company					
31 March 2015					
Borrowings – Scheme Creditors	16	–	–	(214,005)	(214,005)
31 March 2014					
Borrowings – Scheme Creditors	16	–	–	(209,410)	(209,410)

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

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.

	Derivative financial liabilities $'000	Amount due to Scheme Creditors $'000
Group		
Balance at 1 April 2013	(1,211)	(194,436)
Changes in fair value	(83)	49
Balance at 31 March 2014	(1,294)	(194,387)
Changes in fair value	318	(6,051)
Balance at 31 March 2015	(976)	(200,438)
Company		
Balance at 1 April 2013	(1,310)	(210,452)
Changes in fair value	(63)	1,042
Balance at 31 March 2014	(1,373)	(209,410)
Changes in fair value	(300)	(4,595)
Balance at 31 March 2015	(1,073)	(214,005)

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 from 47.1% to 54.8%	The estimated fair value varies inversely with changes in the exercise price and illiquidity discount.
Sustainable Debt	Credit spreads from 5.35% to 7.22%	The estimated fair value varies inversely with changes in credit spreads.
RCBs – loan component	Credit spreads from 7.04% to 7.96%	The estimated fair value varies inversely with changes in credit spreads.

24 Financial risk management (Continued)

Level 3 fair values (Continued)

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 2015				
Property, plant and equipment	–	27,967	590,110	618,077
Investment properties	–	7,400	2,960	10,360
Assets held for sale	384	–	–	384
	384	35,367	593,070	628,821
31 March 2014				
Property, plant and equipment	–	24,796	305,872	330,668
Investment properties	–	6,900	2,638	9,538
	–	31,696	308,510	340,206
Company				
31 March 2015				
Property, plant and equipment	–	159	–	159
31 March 2014				
Property, plant and equipment	–	165	–	165

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.

24 Financial risk management (Continued)

Level 3 fair values (Continued)

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 2013	97,632	2,409
Reversal of depreciation on revaluation	(1,521)	–
Capital expenditure	96,696	–
Changes in fair value recognised in other comprehensive income	113,065	–
Changes in fair value recognised in the profit or loss	–	229
Balance at 31 March 2014	305,872	2,638
Balance at 1 April 2014	305,872	2,638
Reversal of depreciation on revaluation	(6,882)	–
Capital expenditure	178,144	–
Changes in fair value recognised in other comprehensive income	112,976	–
Changes in fair value recognised in the profit or loss	–	322
Balance at 31 March 2015	590,110	2,960

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 6.75% to 11.5% – Discount rate of 7.5% – Terminal yield of 7.0%	The estimated fair value varies inversely against the capitalisation, discount and terminal yield rates.
Investment properties	– Capitalisation rate of 7.5%	The estimated fair value varies inversely against the capitalisation rate.

24 Financial risk management (Continued)

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	
	2015 $'000	2014 $'000
Payable:		
– Within 1 year	9,792	9,214
– After 1 year but within 5 years	8,798	11,246
– After 5 years	1,430	1,588
	20,020	22,048

25 Commitments (Continued)

Lease commitments (Continued)

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

	Group	
	2015 $'000	2014 $'000
Receivable:		
– Within 1 year	754	1,175
– After 1 year but within 5 years	720	236
– After 5 years	15	70
	1,489	1,481

Capital commitments

During the prior financial year, the Group entered into a contract of $6,325,000 for purchase of a new accounting system, of which $Nil was incurred as at the reporting date. At the reporting date, the Group had entered into a contract to construct Big Box for $179,430,000 (2014: $179,430,000), of which $178,690,000 has been incurred (2014: $93,484,000).

26 Contingent liabilities

Bank guarantees

The Company had provided unsecured guarantees amounting to $32,163,000 (2014: $37,322,000) to banks in respect of credit facilities granted to its subsidiaries. The facilities utilised by the subsidiaries as at 31 March 2015 amounted to $4,346,000 (2014: $14,006,000).

One of the subsidiaries in the Group had provided unsecured guarantees amounting to $12,695,000 (2014: $12,090,000) to a bank in respect of credit facilities granted to its subsidiary. As at 31 March 2015, $12,543,000 (2014: $11,810,000) was utilised.

Disputed debts and contingent claims

As disclosed in note 2 to the financial statements, there are disputed debts of $60,857,000 and contingent claims of $97,546,000 under the Scheme and as at the reporting date, these contingent claims were considered in connection with the valuation of the Scheme Debts (see note 25). Whilst the directors have accounted for such potential liabilities arising from these disputed contingent claims as defined under the Scheme, the amounts will be adjusted when the process of determining the final amounts of claims which are currently disputed and/or contingent in nature is resolved, finalised and/or crystallised.

26 Contingent liabilities (Continued)

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 (2014: $1,048,781), arising from tax positions that are being questioned by the local tax authorities. The subsidiary has filed appeals against each of the claims made by the local tax authorities. As at 31 March 2015, 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	
	2015 $'000	2014 $'000
Short-term employee benefits	2,031	1,797
Contributions to defined contribution plans	34	32

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

During the year, a director advanced financing to the Group and its subsidiaries amounting to $1,339,000 (2014: $987,000) as at 31 March 2015.

28 Subsequent events

On 2 April 2015, the Company announced that Prima and Utraco have both served a notice to exercise the Equity Options in respect of all of the Preference Shares which are the subject of the Equity Options. Payment of the issue price will be by way of capitalisation of the relevant amount of the Prima Shareholders' Loan and Utraco Shareholders' Loan respectively (see note 16(d)). Accordingly, on 2 April 2015, Big Box Pte. Ltd., a subsidiary of the Company has allotted and issued 1,216,000 Preference Shares to Prima and 1,984,000 Preference Shares to Utraco.

In April 2015, the Group sold a subsidiary which is classified as a disposal group held for sale as at 31 March 2015.

28 Subsequent events (Continued)

On 7 May 2015, the Group announced the completion of acquisition of the assets of PT Elok Surya Indonesia and PT Elektronik Sukses Indonesia (collectively, the "Acquisition"). In connection with the Acquisition, the investment in Omni Centre Pte. Ltd. (the "JV Company") by Standard Chartered Private Equity Limited ("SCPE") pursuant to the share subscription agreement dated 16 October 2014 between Omni Capital Pte. Ltd. (a wholly owned subsidiary of the Company) and SCPE (as announced by the Company on 17 October 2014, 22 October 2014 and 16 February 2015) was completed on 6 May 2015. SCPE's investment in the JV Company was via a subscription of shares of the JV Company for US$42 million representing 45.069% of the total issued and paid-up share capital of the JV Company on a fully diluted basis.

On 17 April 2015, the Company made an offer to each Scheme Creditor to convert a number of RCB into the Company's new ordinary shares ("Dilution Shares") at a conversion price of S$0.15 in the Company by way of a second dilution exercise (the "Second Dilution Exercise") in accordance with the Scheme Terms. On 14 May 2015 ("Second Dilution Date"), 35 bondholders had exercised their rights to convert their RCBs into Dilution Shares. On the Second Dilution Date, 21,187,159 Dilution Shares (representing approximately 2.07% of the enlarged issued share capital of the Company) were issued and quoted on the SGX-ST on 15 May 2015.

Statistics of Shareholdings

As at 30 June 2015

No of Issued Shares	–	1,025,313,701
Class of shares	–	Ordinary shares
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 30 June 2015.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	103	2.82	1,868	0.00
100 – 1,000	215	5.88	108,330	0.01
1,001 – 10,000	695	19.00	4,288,860	0.42
10,001 – 1,000,000	2,548	69.65	265,300,572	25.88
1,000,001 and above	97	2.65	755,614,071	73.70
	3,658	100.00	1,025,313,701	100.01

Shareholdings Held in Hands of Public

62% 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	138,421,667	13.50
2	KBC Bank N.V.	131,000,000	12.78
3	Tong Jia Pi Julia	102,779,306	10.02
4	Lim Hock Chee	39,504,000	3.85
5	DBS Nominees Pte Ltd	26,582,663	2.59
6	Winmark Investments Pte Ltd	20,300,000	1.98
7	Cheng Li	19,417,000	1.89
8	OCBC Securities Private Ltd	19,066,896	1.86
9	CIMB Securities (S) Pte Ltd	18,701,452	1.82
10	Raffles Nominees (Pte) Ltd	18,219,687	1.78
11	Teh Kiu Cheong @ Teong Cheng @ Cheng Chiu Chang	11,273,000	1.10
12	Phillip Securities Pte Ltd	7,849,400	0.77
13	Koh Pau Moy	6,614,000	0.65
14	Chang Koon Chean	6,472,000	0.63
15	OCBC Nominees Singapore Pte Ltd	6,147,880	0.60
16	United Overseas Bank Nominees Pte Ltd	5,959,130	0.58
17	Daw May Yee @ Htout Kyain	5,850,000	0.57
18	Tan Woi @ Tan Siew Hwa	5,294,000	0.52
19	Lee Chong Chin	5,100,000	0.50
20	Maybank Kim Eng Securities Pte Ltd	4,944,999	0.48
		599,497,080	58.47

Statistics of Shareholdings

As at 30 June 2015

SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

	Shareholdings beneficially held by the substantial shareholder		Other shareholdings in which the substantial shareholder is deemed to have an interest	
Substantial Shareholder	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Sng Sze Hiang	269,421,667	26.28	102,779,306 [#1]	10.02
2. Tong Jia Pi Julia	102,779,306	10.02	269,421,667 [#2]	26.28

[#1] Sng Sze Hiang is deemed interested in 102,779,306 shares beneficially owned by his wife, Tong Jia Pi Julia.

[#2] Tong Jia Pi Julia is deemed interested in 269,421,667 shares beneficially owned by her husband.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at No. 1 Venture Avenue #07-07 Big Box, Singapore 608521 on 31 July 2015 at 11.00 a.m. to transact the following business:

Ordinary Business

1 To receive and consider the audited Financial Statements for the year ended 31 March 2015 and the reports of the Directors and Auditors thereon. (Resolution 1)

2 To approve Directors' Fees of S$150,000 for the year ended 31 March 2015. (Year 2014: S$150,000) (Resolution 2)

3 To re-elect the following Directors retiring by rotation in accordance with Article 93 of the Company's Articles of Association: [See Explanatory Note (a)]

(a) Mr Ng Leok Cheng (Resolution 3a)
(b) Ms Tong Jia Pi Julia (Resolution 3b)

4 To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. (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 ("SGXST"), 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 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 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) 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) 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) shall be based on the total number of issued shares (excluding treasury shares) 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 Articles of Association 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)

Notice of Annual General Meeting

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: 15 July 2015

Proxies:–

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

An instrument appointing a proxy must be deposited at the Company's registered office at No. 1 Venture Avenue #07-07 Big Box, Singapore 608521 not less than 48 hours before the time appointed for holding the Meeting.

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 2015.

Mr Ng Leok Cheng, if re-appointed, will remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered an Independent Director. Information on Mr Ng's shareholdings can be found in the Directors' report of the Annual Report 2015. There are no other relationships including immediate family relationships between Mr Ng and the other Directors, the Company or its 10% shareholders.

Ms Tong Jia Pi Julia, if re-elected, will remain as Executive Director and a member of each of the Executive Committee, Nominating Committee and Remuneration Committee. Information on Ms Tong's shareholdings can be found in the Directors' report and on the "Statistics of Shareholdings" section of the Annual Report 2015. There are no other relationships including immediate family relationships between Ms Tong and the other Directors, the Company or its 10% shareholders, except for her spouse, Mr Sng Sze Hiang who is the Chairman and CEO as well as a substantial shareholder of the Company.

(b) 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) 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.

TT INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198403771D)

PROXY FORM

IMPORTANT

1 For investors who have used their CPF monies to buy shares of TT International Limited, this report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2 This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____, NRIC/Passport/Co. Registration No. _____

of _____

being a member/members of TT International Limited 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 and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at No. 1 Venture Avenue #07-07 Big Box, Singapore 608521 on 31 July 2015 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the Annual General Meeting.)

No.	Resolutions	For	Against
1	To adopt the reports and accounts		
2	To approve directors' fees		
3	To re-elect the following directors retiring under Article 93:–		
	(a) Mr Ng Leok Cheng		
	(b) Ms Tong Jia Pi Julia		
4	To re-appoint KPMG LLP as auditors		
	Special Business		
5	To authorise directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		

Dated this _____ day of _____ 2015

Total Number of Shares Held

_____

Signature(s) of Member(s) or Common Seal

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes

1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf, save for members which are nominee companies who may appoint more than two proxies to attend and vote at the meeting. A proxy need not be a member of the Company.

3 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at No. 1 Venture Avenue #07-07 Big Box, Singapore 608521 not less than 48 hours before the time appointed for the meeting.

4 Where a member appoints more than one proxy, he shall specify the number of shares to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

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 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.



the BIG convergence

TT International Limited
1 Venture Avenue #07-07 Singapore 608521
Tel: (65) 6793 0110 Fax (65) 6793 0220 Website: www.tt-intl.com