TT International Limited
Unaudited Financial Statements for the Second Quarter and Half Year Ended 30 September 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i). An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group					
		Quarter Ended			Half Year Ended		
	Note	30/9/2017	30/9/2016	+/(-)	30/9/2017	30/9/2016	+/(-)
		S$'000	S$'000	%	S$'000	S$'000	%
Revenue	1(a)(1)	63,132	76,378	(17.3)	133,191	161,347	(17.5)
Other operating income	1(a)(2)	1,353	1,252	8.1	3,393	3,171	7.0
		64,485	77,630	(16.9)	136,584	164,518	(17.0)
Changes in inventories of finished goods	1(a)(1)	(5,608)	(5,965)	(6.0)	(9,546)	(5,162)	84.9
Purchase of goods	1(a)(1)	(43,768)	(48,206)	(9.2)	(93,763)	(111,389)	(15.8)
Staff costs		(8,925)	(10,073)	(11.4)	(17,996)	(19,658)	(8.5)
Depreciation		(7,220)	(8,210)	(12.1)	(14,310)	(16,419)	(12.8)
Other operating expenses	1(a)(3)	(10,957)	(12,291)	(10.9)	(21,579)	(26,127)	(17.4)
Loss from operations		(11,993)	(7,115)	68.6	(20,610)	(14,237)	44.8
Finance income	1(a)(4)	454	394	15.2	929	771	20.5
Finance expense	1(a)(5)	(7,035)	(6,931)	1.5	(13,142)	(13,464)	(2.4)
Net finance expense		(6,581)	(6,537)	0.7	(12,213)	(12,693)	(3.8)
Loss before income tax		(18,574)	(13,652)	36.1	(32,823)	(26,930)	21.9
Income tax expense		(40)	(67)	(40.3)	(56)	(48)	16.7
Loss for the period		(18,614)	(13,719)	35.7	(32,879)	(26,978)	21.9
Attributable to:							
Owners of the Company		(11,194)	(7,359)	52.1	(18,584)	(13,940)	33.3
Non-controlling interests		(7,420)	(6,360)	16.7	(14,295)	(13,038)	9.6
Loss for the period		(18,614)	(13,719)	35.7	(32,879)	(26,978)	21.9
EBITDA		(4,758)	1,110	nm	(6,271)	2,211	nm

For information:

	S$ million	S$ million	S$ million	S$ million
(1) ***Non-cash expenses***				
Depreciation	7.2	8.2	14.3	16.4
Amortisation of transaction cost	-	0.4	-	0.9
Accretion of notional interest expense on Scheme liabilities	1.9	2.3	3.7	4.5
	9.1	10.9	18.0	21.8
(2) ***Other Scheme related expenses***				
Legal and professional fees relating to Scheme	0.5	-	1.0	0.3
Scheme interest expense	0.9	1.0	1.8	1.7
	1.4	1.0	2.8	2.0
(3) ***Non-recurring expenses***				
Restructuring cost of overseas subsidiary	0.1	-	0.2	-
	0.1	-	0.2	-

Excluding items (1) to (3) above, the group would have recorded a loss of S$8.0 million and S$11.9 million for 2QFY2018 and 1HFY2018 respectively (loss of S$1.8 million and S$3.2 million for 2QFY2017 and 1HFY2017 respectively).

nm - denotes 'not meaningful'

1(a)(ii). A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	Quarter Ended			Half Year Ended		
	30/9/2017	30/9/2016	+/(-)	30/9/2017	30/9/2016	+/(-)
	S$'000	S$'000	%	S$'000	S$'000	%
Loss for the period	(18,614)	(13,719)	35.7	(32,879)	(26,978)	21.9
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss :-						
Translation differences relating to financial statements of foreign subsidiaries	(866)	1,531	nm	(3,043)	1,860	nm
Other comprehensive income for the period, net of tax	(866)	1,531	nm	(3,043)	1,860	nm
Total comprehensive income for the period	(19,480)	(12,188)	59.8	(35,922)	(25,118)	43.0
Total comprehensive income attributable to:						
Owners of the Company	(12,438)	(5,687)	118.7	(21,795)	(12,360)	76.3
Non-controlling interests	(7,042)	(6,501)	8.3	(14,127)	(12,758)	10.7
Total comprehensive income for the period	(19,480)	(12,188)	59.8	(35,922)	(25,118)	43.0

nm - denotes 'not meaningful'

1(a)(iii). The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Notes to the Income Statement

Note 1(a)(1)

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Gross profit:	S$'000	S$'000	S$'000	S$'000
Revenue	63,132	76,378	133,191	161,347
Changes in inventories of finished goods	(5,608)	(5,965)	(9,546)	(5,162)
Purchase of goods	(43,768)	(48,206)	(93,763)	(111,389)
Gross profit	13,756	22,207	29,882	44,796
Gross profit margin	21.8%	29.1%	22.4%	27.8%

Note 1(a)(2)

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Other operating income include:	S$'000	S$'000	S$'000	S$'000
Events and other activities	800	651	2,391	1,965
Miscellaneous income	553	601	1,002	1,206
	1,353	1,252	3,393	3,171

Note 1(a)(3)

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Other operating expenses include:	S$'000	S$'000	S$'000	S$'000
Net realised and unrealised exchange loss/(gain)	158	(522)	(1,074)	(401)
Allowance for doubtful receivables made	20	6	43	6
Allowance for inventory obsolescence made	373	240	479	100
Amortisation of intangible assets	15	15	29	29
Bad debts written off	68	-	70	-
Loss/(gain) on disposal of property, plant and equipment	64	(7)	77	60

Note 1(a)(4)

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Finance income include interest income from:	S$'000	S$'000	S$'000	S$'000
Bank deposits	4	13	18	24
Others	450	381	911	747
	454	394	929	771

Note 1(a)(5)

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Finance expense	S$'000	S$'000	S$'000	S$'000
Interest expense paid/payable on:				
Term loans, bills payable & trust receipts	5,147	4,640	9,424	8,954
Finance lease liabilities	15	18	31	33
	5,162	4,658	9,455	8,987
Accretion of interest expense:				
- Sustainable debt	227	624	452	1,238
- RCBs - loan component	1,646	1,649	3,235	3,239
	1,873	2,273	3,687	4,477
	7,035	6,931	13,142	13,464

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		30/9/2017	31/3/2017	30/9/2017	31/3/2017
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Property, plant and equipment		549,547	563,915	399	473
Investment properties		8,835	8,913	-	-
Subsidiaries		-	-	21,609	21,609
Intangible assets:					
Trademarks and rights		9,364	9,393	-	-
Intangible assets		23,482	24,412	-	-
Deferred tax assets		1,398	1,431	-	-
Unsecured loan to a subsidiary		-	-	89,900	89,900
		592,626	608,064	111,908	111,982
Current assets					
Inventories	1(b)(1)	29,795	39,341	-	-
Trade and other receivables	1(b)(2)	66,411	71,343	102,373	63,045
Cash and cash equivalents	1(c)(1)	6,091	9,311	23	24
		102,297	119,995	102,396	63,069
Total assets		694,923	728,059	214,304	175,051
Equity					
Share capital		175,622	175,622	175,622	175,622
Reserves		(221,629)	(199,834)	(383,009)	(375,219)
Equity attributable to owners of the Company		(46,007)	(24,212)	(207,387)	(199,597)
Non-controlling interests		39,233	53,315	-	-
Total equity		(6,774)	29,103	(207,387)	(199,597)
Non-current liabilities					
Borrowings	1(b)(4)	156,104	153,063	75,913	72,349
Derivative financial liabilities		664	664	742	742
Deferred tax liabilities		37,945	37,943	-	-
		194,713	191,670	76,655	73,091
Current liabilities					
Trade and other payables	1(b)(3)	184,040	181,305	195,485	152,459
Borrowings	1(b)(4)	318,997	321,990	149,551	149,098
Provisions	1(b)(5)	89	141	-	-
Current tax payable		3,858	3,850	-	-
		506,984	507,286	345,036	301,557
Total liabilities		701,697	698,956	421,691	374,648
Total equity and liabilities		694,923	728,059	214,304	175,051

1(b)(ii). Aggregate amount of group's borrowings and debt securities.

	Group			
	30/9/2017		31/3/2017	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings payable in one year or less, or on demand	302,602	16,395	305,681	16,309
Borrowings repayable after one year	68,747	87,357	65,706	87,357

Details of any collateral

Secured financial liabilities comprise:

(i) Bank loans of S$39.3 million are secured against the trade receivables and inventories of a subsidiary; and other bank borrowings of S$8.8 million are secured by legal mortgages on subsidiaries' leasehold and freehold properties.

(ii) Hire purchase of S$0.9 million is secured by a charge over motor vehicles.

(iii) Term Loans of S$111.6 million are secured by legal mortgage on subsidiaries' leasehold properties.

The substantial shareholders of the Company had provided personal guarantees for a subsidiary's term loan amounting to S$4.5 million.

Under the terms of the Scheme, the total amount due to Scheme Creditors is secured by a fixed and floating charge over all assets of the Company, subject to any prior rights of other creditors. The substantial shareholders of the Company had also provided personal guarantees for the unsecured borrowings amounting to S$38.5 million.

Scheme Creditors

Following the sanction of the Scheme of Arrangement by the Court of Appeal on 13 October 2010 (the "Scheme"), except for those payables deemed essential for the Company's ordinary course of business, the Company's debts owing to certain creditors (the "Scheme Creditors") have been restructured under the Scheme.

On 25 October 2011, the Non-sustainable Debts (as determined on 18 October 2011) were converted into Redeemable Convertible Bonds ("RCBs") of an aggregate principal amount of S$139,377,000, on terms as set out under the Scheme, and were issued by the Company in registered form to the Scheme Creditors on a pari passu basis.

Following the resolution of a disputed debt and crystallisation of certain disputed debts, the Company had, pursuant to the terms of the Scheme, subsequently issued new RCBs to Scheme Creditors on 3 April 2013 and 14 May 2014 respectively. As at 31 March 2014, the Company had issued a total aggregate RCBs of face value amounting to S$155,142,000 (from RCBs of face value amounting $139,634,000 issued on 3 April 2013).

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 S$0.14 in the Company 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 the 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 amounting to 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) on 14 May 2014. As such, the total amount of RCBs with a total face value amounting S$152,302,000 were issued to Scheme Creditors (instead of S$155,142,000) in exchange for those issued previously on the same terms.

On 20 March 2015, Scheme Creditors gave their approval to the extension of the date of repayment of the Sustainable Debt by up to one year.

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.

On 19 April 2015, Contingent Debt of S$127,757,000 have been deemed irrevocably, unconditionally and permanently waived by the contingent creditors. A contingent claim of S$2,282,000 pending verification have been fully resolved and crystallised. Crystallised debts and disputed debts has been reduced by S$135,000 and S$2,684,000 respectively. As at 31 March 2016, the Company's scheme debts has been decreased from S$404,856,000 to S$268,262,000. It comprises of S$242,582,000 of Crystallised Debts and S$25,680,000 of Disputed Debts. The Crystallised Debts is splitted into sustainable debts of S$135,956,000 and RCBs of S$106,626,000.

On 15 April 2016, Scheme Creditors gave their approval to the extension of the date of repayment of the Sustainable Debt by up to one year.

On 18 April 2016, 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$0.16 in the Company by way of a third dilution exercise (the "Third Dilution Exercise") in accordance with the Scheme Terms. On 13 May 2016 ("Third Dilution Date"), 35 bondholders had exercised their rights to convert their RCBs into Dilution Shares. On the Third Dilution Date, 23,078,216 Dilution Shares (representing approximately 2.20% of the enlarged issued share capital of the Company) were issued and quoted on the SGX-ST on 16 May 2016.

As a result, the RCBs were reduced by a face value amounting to S$3,693,000 (being the face value of the RCBs being converted to the Company's new ordinary shares as a result of the Third Dilution Exercise) on 13 May 2016. As such, the total amount of RCBs with a total face value of S$102,933,000 were issued to Scheme Creditors (instead of S$149,124,000) in exchange for those issued previously on the same terms.

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

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

On 17 October 2017, Scheme Creditors gave their approval to further extend the date of repayment of the Sustainable Debt by up to 4 months from 19 October 2017 to facilitate the completion of the documentation for the Settlement Sum.

Notes to the Balance Sheet

Note 1(b)(1) Inventories

Inventories decreased due to better inventory management in line with decreased sales demand.

Note 1(b)(2) Trade and other receivables

	Group		Company	
	30/9/2017	31/3/2017	30/9/2017	31/3/2017
Trade and other receivables include:	S$'000	S$'000	S$'000	S$'000
Trade receivables	23,055	22,091	75	75
Deposits, prepayments and other receivables	43,066	48,962	735	447
Tax recoverable	290	290	289	289
Amounts due from subsidiaries	-	-	101,274	62,234
	66,411	71,343	102,373	63,045

Deposits, prepayment and other receivables decreased mainly due to decrease in other receivables in local subsidiary.

Note 1(b)(3) Trade and other payables

	Group		Company	
	30/9/2017	31/3/2017	30/9/2017	31/3/2017
Trade and other payables include:	S$'000	S$'000	S$'000	S$'000
Trade payables	38,365	35,130	-	-
Accrued operating expenses	112,282	101,929	52,582	51,588
Deposits from customers	4,109	5,016	-	536
Advance payments by customers	3,495	3,363	-	-
Other payables	23,652	33,794	2,833	3,347
Amount due to a director	2,137	2,073	-	-
Amounts due to subsidiaries				
- Trade	-	-	1,079	1,105
- Non-trade	-	-	138,991	95,883
	184,040	181,305	195,485	152,459

Accrued operating expenses increased mainly due to accrual of interest and other operating expenses.

Other payables decreased mainly due to payment of Big Box construction costs.

Note 1(b)(4) Borrowings

	Group		Company	
	30/9/2017	31/3/2017	30/9/2017	31/3/2017
	S$'000	S$'000	S$'000	S$'000
Non-current				
Amounts due to Scheme Creditors :				
- RCBs - loan component	68,140	64,940	75,909	72,344
Unsecured loans from non-controlling shareholders of subsidiaries	87,357	87,357	-	-
Finance lease liabilities	607	766	4	5
	156,104	153,063	75,913	72,349
Current				
Amounts due to Scheme Creditors :				
- Sustainable debts (Crystallised)	132,087	131,635	139,351	138,929
- RCBs - loan component (Uncrystallised)	10,194	10,159	10,198	10,168
	142,281	141,794	149,549	149,097
Secured bank loans	48,456	50,686	-	-
Secured term loans (non-bank) (Note a)	111,556	112,880	-	-
Unsecured bank loans	390	396	-	-
Unsecured loan from non-controlling shareholder of a subsidiary	601	456	-	-
Bills payable and trust receipts	404	457	-	-
Bondholders' loans (Note b)	15,000	15,000	-	-
Finance lease liabilities	309	321	2	1
	318,997	321,990	149,551	149,098

Note:

a Decrease in secured term loans (non-bank) was due to repayment of loans.

b These relate to loans extended to a subsidiary of the Company (to develop the Big Box) by Bondholders. The loans are unsecured and bear interest at 10.0% per annum.

Note 1(b)(5) Provisions

	Group		Company	
	30/9/2017	31/3/2017	30/9/2017	31/3/2017
Provisions for:	S$'000	S$'000	S$'000	S$'000
Warranties	89	141	-	-
	89	141	-	-

1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Loss for the period	(18,614)	(13,719)	(32,879)	(26,978)
Adjustments for:				
Allowance for doubtful receivables made	20	6	43	6
Allowance for inventory obsolescence made	373	240	479	100
Bad debts written off	68	-	70	-
Depreciation and amortisation	7,235	8,225	14,339	16,448
Loss/(gain) on disposal of property, plant and equipment	64	(7)	77	60
Exchange loss/(gain), unrealised	163	(798)	(1,014)	(427)
Inventories written off/(back)	3	(28)	3	(20)
Finance expense	7,035	6,931	13,142	13,464
Finance income	(454)	(394)	(929)	(771)
Income tax expense	40	67	56	48
	(4,067)	523	(6,613)	1,930
Changes in working capital:				
Inventories	5,185	5,642	8,721	5,121
Trade and other receivables	5,079	(5,155)	4,077	(8,166)
Trade and other payables	(7,311)	(1,747)	(4,444)	459
Bills payable and trust receipts	(30)	(46)	(52)	(107)
Deposits and advance payments from customers	(1,204)	860	(775)	(3,573)
Provisions	(29)	(32)	(52)	(68)
Cash (used in)/generated from operations	(2,377)	45	862	(4,404)
Income tax paid	(40)	-	(40)	(14)
Interest paid on bills payable and trust receipts	(8)	(9)	(16)	(21)
Interest income received	454	394	929	771
Net cash (used in)/generated from operating activities	(1,971)	430	1,735	(3,668)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2	23	83	100
Purchase of property, plant and equipment	(586)	(527)	(814)	(1,544)
Net cash used in investing activities	(584)	(504)	(731)	(1,444)
Cash flows from financing activities				
Contribution from non-controlling interests	-	-	45	2
Restricted bank deposits	14	(1)	14	4,999
Repayment of bank overdrafts	-	-	-	(703)
Interest paid on borrowings	(1,292)	(2,457)	(2,199)	(5,049)
Payment of obligations under finance leases	(76)	(42)	(162)	(169)
Proceeds from loans from directors	-	2,800	64	3,021
Proceeds from loans from non-controlling shareholders of subsidiaries	147	73	147	162
Repayment of loans from non-controlling shareholders of subsidiaries	(2)	(2)	(2)	(2)
Proceeds from interest-bearing borrowings	-	-	-	6,400
Repayment of borrowings	(967)	(4,162)	(2,049)	(7,633)
Net cash used in financing activities	(2,176)	(3,791)	(4,142)	1,028
Net decrease in cash and cash equivalents	(4,731)	(3,865)	(3,138)	(4,084)
Effect of foreign exchange rate changes on balances held in foreign currencies	(9)	142	(67)	59
Cash and cash equivalents at beginning of the period	9,840	6,617	8,305	6,919
Cash and cash equivalents at end of the period	5,100	2,894	5,100	2,894
Note 1(c)(1) Cash and cash equivalents (net) include:				
Cash at bank and in hand	4,413	7,203	4,413	7,203
Fixed deposits with financial institutions	1,678	1,696	1,678	1,696
Cash and cash equivalents in the balance sheet	6,091	8,899	6,091	8,899
Restricted bank deposits	(991)	(6,005)	(991)	(6,005)
Cash and cash equivalents in the statement of cash flows	5,100	2,894	5,100	2,894

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Group (S$'000)	**Share capital**	**Capital reserves**	**Fair value and revaluation reserves**	**Foreign currency translation reserves**	**Accumu-lated losses**	**Total attributable to Owners of the Company**	**Non-controlling interests**	**Total equity**
At 1 April 2017	175,622	18,711	124,700	(25,775)	(317,470)	(24,212)	53,315	29,103
Total comprehensive income for the period	-	-	-	(1,967)	(7,390)	(9,357)	(7,085)	(16,442)
Transactions with owners, recorded directly in equity								
Change in ownership interest in a subsidiary								
Contribution from non-controlling interest	-	-	-	-	-	-	45	45
At 30 June 2017	175,622	18,711	124,700	(27,742)	(324,860)	(33,569)	46,275	12,706
Total comprehensive income for the period	-	-	-	(1,244)	(11,194)	(12,438)	(7,042)	(19,480)
At 30 September 2017	175,622	18,711	124,700	(28,986)	(336,054)	(46,007)	39,233	(6,774)
At 1 April 2016	171,929	21,640	132,550	(28,287)	(268,243)	29,589	98,974	128,563
Total comprehensive income for the period	-	(8)	-	(84)	(6,581)	(6,673)	(6,257)	(12,930)
Transactions with owners, recorded directly in equity								
Contributions by owners								
Issuance of new shares upon RCBs conversion	3,693	-	-	-	-	3,693	-	3,693
Change in ownership interest in a subsidiary								
Contribution from non-controlling interest	-	-	-	-	-	-	2	2
At 30 June 2016	175,622	21,632	132,550	(28,371)	(274,824)	26,609	92,719	119,328
Total comprehensive income for the period	-	(42)	-	1,714	(7,359)	(5,687)	(6,501)	(12,188)
At 30 September 2016	175,622	21,590	132,550	(26,657)	(282,183)	20,922	86,218	107,140

Company (S$'000)	**Share capital**	**Capital reserves**	**Accumu-lated losses**	**Total equity**
At 1 April 2017	175,622	121	(375,340)	(199,597)
Total comprehensive income for the period	-	-	(3,023)	(3,023)
At 30 June 2017	175,622	121	(378,363)	(202,620)
Total comprehensive income for the period	-	-	(4,767)	(4,767)
At 30 September 2017	175,622	121	(383,130)	(207,387)
At 1 April 2016	171,929	121	(313,752)	(141,702)
Total comprehensive income for the period	-	-	(3,577)	(3,577)
Transactions with owners, recorded directly in equity				
Contributions by owners				
Issuance of new shares upon RCBs conversion	3,693	-	-	3,693
At 30 June 2016	175,622	121	(317,329)	(141,586)
Total comprehensive income for the period	-	-	(3,989)	(3,989)
At 30 September 2016	175,622	121	(321,318)	(145,575)

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There has been no change in the Company's share capital since the end of the previous period reported on.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	No. of Shares	
	30/9/2017	31/3/2017
Issued ordinary shares	1,048,391,917	1,048,391,917

1(d)(iv). A statement showing all sales, transfer, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v). A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	Quarter Ended		Half Year Ended	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
Earnings per ordinary share for the year calculated based on profit attributable to Owners of the Company:	Cents	Cents	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue	(1.07)	(0.71)	(1.77)	(1.34)
(ii) On a fully diluted basis	(1.07)	(0.71)	(1.77)	(1.34)

Diluted earnings per share is the same as basic earnings per share because the Company's outstanding RCBs and convertible instruments do not have a dilutive effect at the reporting date.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares of the issuer at the end of the (a) current financial period reported on, and (b) immediately preceding financial year.

	Group		Company	
	30/9/2017	31/3/2017	30/9/2017	31/3/2017
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	(4.39)	(2.31)	(19.78)	(19.04)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a). any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b). any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Second quarter ended 30 September 2017 versus second quarter ended 30 September 2016

For the second quarter ended 30 September 2017 (2QFY2018), the group recorded revenue of S$63.1 million, gross profit of S$13.8 million and loss from operations of S$12.0 million, as compared to 2QFY2017, which recorded revenue, gross profit and loss from operations amounting to S$76.4 million, S$22.2 million and S$7.1 million respectively. These represent a 17.3% decrease in revenue and 38.1% decrease in gross profit.

Lower revenue and gross profit (a decrease of S$13.3 million and S$8.4 million respectively) was due to lack of working capital as a result of delay in obtaining refinancing.

Loss from operations increased by S$4.9 million in 2QFY2018. This was mainly due to decrease in gross profit.

The Group reported loss for the period of S$18.6 million in 2QFY2018 is mainly due to:

	S$ million
(i) Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	9.1
(ii) Other Scheme-related expenses such as interests and professional fees	1.4
(iii) Restructuring cost of overseas subsidiary	0.1
Total	10.6

Excluding the effects of these items, the Group would have recorded a net loss of S$8.0 million for Q2FY2018.

First half year ended 30 September 2017 versus first half year ended 30 September 2016

For the first half year ended 30 September 2017 (1HFY2018), the group recorded revenue of S$133.2 million, gross profit of S$29.9 million and loss from operations of S$20.6 million, as compared to 1HFY2017, which recorded revenue, gross profit and loss from operations amounting to S$161.3 million, S$44.8 million and S$14.2 million respectively. These represent a 17.5% decrease in revenue and 33.3% decrease in gross profit.

Lower revenue and gross profit (a decrease of S$28.1 million and S$14.9 million respectively) was due to lack of working capital as a result of delay in obtaining refinancing.

Loss from operations increased by S$6.4 million in 1HFY2018. This was mainly due to decrease in gross profit.

The Group reported loss for the period of S$32.9 million in 1HFY2018 mainly due to:

	S$ million
(i) Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	18.0
(ii) Other Scheme-related expenses such as interests and professional fees	2.8
(iii) Restructuring cost of overseas subsidiary	0.2
Total	21.0

Excluding the effects of these items, the Group would have recorded a net loss of S$11.9 million for 1HFY2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's operating environment remains challenging against a backdrop of a weak retail industry and volatile exchange rates in our major markets, increasing margin pressures, rising costs across geographical regions, as well as manpower tightening policies in Singapore.

The Company is 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.

On 24 July 2017, the Company announced receipt of a Letter of Demand dated 21 July 2017 from solicitors of its 51% owned subsidiary, Big Box Pte Ltd ("BBPL"), claiming the repayment of S$50.75 million in alleged rental arrears. The Company disputes the alleged claim and sought legal advice to challenge the demand made by BBPL.

Since 4 August 2017, trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company.

On 6 September 2017, the Court granted the Moratorium Application made on 11 August 2017 pursuant to Section 211B(1) of the Companies Act. The Moratorium Application sought, inter alia, orders that all creditors be restrained from taking certain further action against the Company and its assets for such period as the Court thinks fit until 11 February 2018. For more details, please refer to the Company's announcement dated 6 Sept 2017 ("Moratorium Announcement").

On 27 September 2017, BBPL received a letter from Ernst & Young Solutions LLP stating inter alia that Messrs Ee Meng Yen Angela and Aaron Loh Cheng Lee have been jointly and severally appointed as Receivers and Managers over all relevant assets, properties and undertakings comprised and secured to Oversea-Chinese Banking Corporation Limited ("OCBC") as security trustee for the lenders under the BBPL Faciltiy.

The appointment of the Receivers and Managers and the resultant repercussions has severely affected the warehouse retail scheme (WRS) businesses and operations carried out by the Company at Big Box building. The Company's efforts to pursue refinancing options to provide a total solution for the Group, including BBPL's liabilities, financing and restructuring of the existing indebtedness of the Company and working capital requirements of the Group, is made more challenging.

The Company has been in continued discussions with arrangers, financial institutions and counterparties to secure funding to refinance the existing term loan secured by Big Box property and other liabilities of the Group ("Refinancing Exercise"), including the Settlement Sum required to discharge the Scheme in full as approved by the Scheme Creditors on 18 April 2017, which was extended on 11 August 2017 and 17 October 2017 to 18 February 2018.

The Company has, on 31 January 2018, entered into a term sheet ("Term Sheet") with a potential investor ("Investor"), for a proposed investment of up to S$125 million by the Investor ("Proposed Investment") as part of the financial restructuring of the Company and its subsidiaries and affiliated entities. The Term Sheet sets out the agreed key terms between the Company and the Investor, and forms the basis for entry into definitive agreements for the Proposed Investment ("Investment Documentation") between the Investor and/or its nominees and/or affiliated entities (collectively, the "Investors") and the Company.

Where the Proposed Investment is made in the form of a loan to the Company, it is envisaged that the Company will grant security in a form and substance satisfactory to the Investors and the Company. Where the entire Proposed Investment is in the form of new capital commitment to the Company, this may result in the Investors receiving at least 24.5% of the enlarged shareholding of the reorganized Company (after the issuance of the New Shares contemplated under the Term Sheet).

Proceeds from the Proposed Investment will be used for, among others, the following purposes:
(a) Statutory payments in relation to the Big Box building owned by the Company's subsidiary, Big Box Pte Ltd;
(b) Payment to discharge the indebtedness under the existing scheme of arrangement which took effect on 19 April 2010 ("Existing Scheme") and/or other existing indebtedness and payables of the Company (and which may require a new scheme of arrangement under section 210 or section 211I of the Companies Act (Chapter 50 of Singapore) ("Scheme") to be implemented) ("Restructuring Exercise"); and
(c) Working capital.

The long stop date ("Long Stop Date") of the Term Sheet is 31 May 2018, unless extended in writing by the Investor and the Company. The Proposed Investment is subject to the Company meeting certain conditions precedent imposed by the Investor. Details could be referred to in the Company's announcement dated 2 February 2018 ("Investment Announcement").

The Moratorium granted by the Court has provided the Company with breathing space, and most importantly, has allowed the Company the much-needed time required to negotiate and obtain the Term Sheet with the Investor for the Proposed Investment, which is crucial and an integral part of the Restructuring Exercise. Given that the Moratorium expires on 12 February 2018 and the Company requires more time to finalise the Proposed Investment and the Restructuring, the Company has, on 2 February 2018, made an application to the Court to extend the Moratorium ("Moratorium Extension Application"). The Moratorium Extension Application has been fixed to be heard on 5 March 2018. In the meantime, the Court has granted an interim extension of the Moratorium until the conclusion of the Moratorium Extension Application.

Subject to the successful completion of the Proposed Investment and the contemplated transactions, including the Refinancing Exercise, the discharge of the Scheme, together with the restored suppliers' confidence and improved trade terms, would allow the Group to embark on its recovery of its financial health. Meanwhile, the Group has obtained an offer from a financial institution for a trade finance facility of up to US$20 million for the funding requirements of its businesses and operations.The Company will continue exploring various possibilities in securing the necessary funding to provide the Group with additional working capital.

The Company will continue to keep all its stakeholders updated on any material development on a timely basis once available.

11. Dividend

(a) Period ended 30 September 2017

Any dividend declared for the current financial period reported on?

None

(b) Period ended 30 September 2016

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 September 2017

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any mandate for any interested party transactions.

14. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the period ended 30 September 2017 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

A confirmation has been provided.

Koh Sock Tin
Company Secretary

Date: 14 February 2018