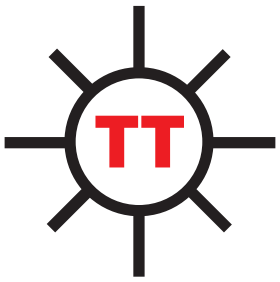
TT INTERNATIONAL LIMITED



ANNUAL REPORT
2020

CONTENTS

Financial Highlights 2
Chairman's Message 3
Business Reviews 11
Financial Contents 12

FINANCIAL HIGHLIGHTS

Financial Positions

	FY2020 $'000	Restated FY2019 $'000	FY2018 $'000	FY2017 $'000	FY2016 $'000
Property, Plant and Equipment	185,497	211,562	223,213	563,915	613,561
Right-of-use assets	16,266	-	-	-	-
Investment Properties	5,694	7,031	8,287	8,913	9,829
Intangible Assets	9,219	9,277	9,335	33,805	44,315
Other Financial Assets	-	-	471	1,431	3,126
Current Assets	22,529	28,469	80,836	119,995	142,700
Current Liabilities	(462,091)	(452,446)	(508,356)	(507,286)	(495,906)
Net Current Assets	(439,562)	(423,977)	(427,520)	(387,291)	(353,206)
Non-Current Liabilities	(195,349)	(168,275)	(161,493)	(191,670)	(189,062)
Non-Controlling Interest	143,676	135,780	115,757	(53,315)	(98,974)
	(274,559)	(228,602)	(231,950)	(24,212)	29,589
Represented By					
Shares Capital	175,622	175,622	175,622	175,622	171,929
Reserves	(450,181)	(404,224)	(407,572)	(199,834)	(142,340)
	(274,559)	(228,602)	(231,950)	(24,212)	29,589
Net (Liabilities)Assets Per Share (cents)	(26.19)	(21.81)	(22.12)	(2.31)	2.89

Financial Results

	FY2020 $'000	Restated FY2019 $'000	FY2018 $'000	FY2017 $'000	FY2016 $'000
Revenue	41,151	93,558	233,868	304,576	346,548
(Loss)/Profit before interest, depreciation, amortisation and taxation	(8,497)	(218)	(147,770)	(25,123)	559
Loss before taxation	(56,563)	(35,045)	(206,458)	(87,607)	(57,886)
Taxation Credit/(Expense)	-	2,887	(1,341)	(3,380)	(1,843)
Loss after taxation	(56,563)	(32,158)	(207,799)	(90,987)	(59,729)
Non-controlling interest	7,915	30,457	87,261	38,454	26,391
Loss attributable to shareholders	(48,648)	(1,701)	(120,538)	(52,533)	(33,338)
(Loss)/Earnings per share - Basic and diluted (cents)	(4.64)	(0.16)	(11.50)	(5.02)	(3.26)

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 2020 ("FY2020").

This was a challenging year for the Group as it was faced with the unprecedented global outbreak of the COVID-19 pandemic which had adverse impacts on the global economies. The implementation of the Circuit Breaker Measures by the Singapore Government had further exacerbated the slumping retail climate in Singapore. The year under review continued to be marked with a challenging business and operating environment against a backdrop of a global pandemic, weakened retail industry, increasing margin pressures, rising costs across geographical regions, lockdowns and movement restrictions both locally and overseas, as well as job uncertainties in Singapore. The Group's overall business activities and operation have been adversely affected due to the outbreak of the COVID-19 pandemic and the resultant uncertainties in the global economy; as well as severe lack of working capital, the ongoing discussions and process required for obtaining the relevant authorities' approvals to complete the refinancing.

FY 2020 Financial and Operating Performance Review

During the year, the Group's revenue decreased by S$52.4 million or 56.0% to S$41.2 million in FY2020 as compared to S$93.6 million (restated) in FY2019. We recorded a gross profit of S$15.5 million with gross profit margin increasing to 37.7% in FY2020 from 34.9% in FY2019. The net loss for FY2020 amounted to S$56.6 million as compared to S$32.2 million in FY2019. This was mainly due to decrease in gross profit, increase in finance expense attributed by the accretion of scheme interest and offset by decrease in operating expenses.

Excluding the effect of expense items listed below totaling S$41.9 million, the Group's net loss for the year would be S$14.7 million.

No.	Description	S$ million
(i)	Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	40.4
(ii)	Other Scheme-related expenses such as interests and professional fees	1.5
	Total	**41.9**

Scheme of Arrangement

On 30 July 2018, the Company made an application to the Singapore High Court for an extension of existing moratorium granted under Section 211B of the Companies Act, which expired on 11 August 2018 ("2nd Moratorium Extension Application"). The 2nd Moratorium Extension Application would be heard on a date to be fixed by the Court.

On 31 July 2018, in connection with the Proposed Disposal of shares in the Company's various subsidiaries, the Company proposed to enter into a new scheme of arrangement ("New Scheme") with its Creditors, comprising both Creditors of the Company under the Existing Scheme ("Existing Scheme Creditors") and other Creditors of the Company (the "Non-Existing Scheme Creditors").

The Company had despatched the New Scheme document dated 31 July 2018 and the addendum to the New Scheme also dated 31 July 2018 together with the Explanatory Statement, Voting Form and the Proof of Debt form to the Company's Creditors on 31 July 2018.

On 10 August 2018, the Court granted the 2nd Moratorium Extension Application until 11 December 2018 or until further order.

Further addendums to the New Scheme dated 5 September 2018, 11 September 2018, 5 October 2018 and 9 November 2018 had been despatched to Creditors and announced on SGX's website on the respective dates.

The New Scheme would be funded by an amount of up to S$45 million, which would be set aside from the Consideration of S$37.5 million to be received from the Purchaser for the Proposed Disposal and loan of S$7.5 million to be provided by the Purchaser ("Purchaser Loan").

On 28 November 2018, the Court granted the 3rd Moratorium Extension Application, and extended the Moratorium until 30 April 2019 or further order.

On 20 December 2018, voting on the New Scheme was carried out pursuant to the terms of the New Scheme. The New Scheme was approved by the requisite majority of the Creditors with 90.9% in number and 80.9% in value of Creditors to the extent of their Secured Voting Amounts and 90.5% in numbers and 88.0% in value of Creditors to the extent of their Unsecured Voting Amounts.

On 7 March 2019, the Company filed an application ("Sanction Application") pursuant to Section 211I of the Companies Act (Cap. 50) of Singapore for, amongst others, the New Scheme to be approved by the High Court of the Republic of Singapore ("Court"). The Sanction Application had been fixed by the Court to be heard on 18 March 2019.

On 18 March 2019, the hearing of the Sanction Application had been adjourned to 26 March 2019 for the Company to respond to queries raised by a Creditor under the New Scheme.

.

On 26 March 2019, at the adjourned hearing of the Sanction Application, upon hearing the arguments of the Company and the Creditor, the Court approved the New Scheme, subject to the following amendments and conditions imposed by the Court:

(a) That the said Creditor is deemed to be an Excluded Creditor under the New Scheme; and
(b) The Long Stop Date for the implementation of the New Scheme is extended until 30 April 2019

In connection with the sanction of the New Scheme, the said Creditor had, on the basis that the Company would provide information prescribed by the Court to the said Creditor in relation to payments (if any) by the Company to another Excluded Creditor, provided an undertaking to the Court that it shall not, without the leave of Court or prior consent in writing of the Company, levy any execution proceedings in respect of the fees assessed by the Court to be payable for work done by the said Creditor for the Company, i.e. the sum of S$1,276,735.40 subject to GST ("Assessed Amount"), commence winding up proceedings against the Company or serve a statutory demand upon the Company based upon the Assessed Amount, or commence judicial management proceedings against the Company (the "Creditor Standstill").

On 28 March 2019, the Company extracted the Order of Court. Upon lodgement of a copy of the Order of Court with the Registrar of Companies, the New Scheme will take effect on and from the date of lodgement of the Order of Court.

On 18 April 2019, the Company applied to Court for an extension of the existing Moratorium, which expired on 30 April 2019, until 31 July 2019 and to extend the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

On 18 April 2019, the Company and the Purchaser agreed to extend the long stop date for the completion of the Proposed Disposal under the Amended and Restated SPA to 31 July 2019.

The Court had on 26 April 2019, granted the Applications and extended the Moratorium until 31 July 2019 and the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

Pursuant to discussions between the Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management services agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the Bridging Loan) arising from the amendments to the New Scheme and the Creditor Standstill on

the completion of the Proposed Disposal and the New Scheme, have agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim of any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

Notwithstanding the foregoing, the Purchaser had agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of S$48 million to be granted to the Company ("Convertible Loan").

On 16 July 2019, the Company and the Purchaser (Celestial Palace Limited herewith known as the "Investor") had entered into a binding term sheet ("Term Sheet"), amongst others, to provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to S$45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

On 29 July 2019, the Court granted the Company's application for (i) an extension of existing Moratorium, which expires on 31 July 2019, until 31 December 2019, to allow the Company time to obtain all necessary approvals from relevant authorities (including but not limited to SGX ST and SIC, amongst others) to facilitate the completion of the Convertible Loan and the implementation of the New Scheme; and (ii) for the Court to approve the proposed amendments to the New Scheme (the "Application").

Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 31 December 2019.

On 9 December 2019, the Company had entered into the definitive documentation in relation to the Convertible Loan ("Convertible Loan Agreement") with the investor, and thereby fulfilling one of the conditions precedent to the utilisation of the Convertible Loan. The Company had also submitted applications for the Conversion Regulatory Approval and the Conversion Whitewash Waiver and, the Rights Issue Whitewash Waiver to facilitate the implementation of the Rights Issue, to the relevant regulatory authorities. Upon receipt of all regulatory approvals, the Company would be in a position to convene an extraordinary general meeting to seek the Conversion Shareholders' Approval.

In connection with the Conversion Regulatory Approval for, inter alia, the listing of the Conversion Shares, the Company had submitted to the relevant regulatory authority for approval its trading resumption proposal ("Trading Resumption Proposal"). To facilitate the seeking of approval for the Trading Resumption Proposal as well as the Conversion Regulatory Approval, the Investor had, on 9 December 2019, entered into a loan agreement with two wholly-owned subsidiaries of the Company, namely Akira Corporation Pte Ltd ("Akira Corporation") and Furniture & Furnishings Pte Ltd ("F&F") (collectively the "Additional Loan Borrowers"), whereby the Investor had agreed to provide a loan of a principal amount of S$25,000,000 ("Additional Loan") for additional working capital for the Group and to refinance the existing facilities granted to the Group ("Additional Loan Agreement").

On 13 December 2019, pursuant to the terms of the New Scheme, voting on the New Scheme was carried out. The amendments to the Scheme and the extension of the Long Stop Date of the New Scheme was approved by the requisite majority of the Creditors with 96.8% in number and 96.8.9% in value of Creditors to the extent of their Secured Voting Amounts and 96.8% in numbers and 96.9% in value of Creditors to the extent of their Unsecured Voting Amounts.

On 27 December 2019, the Court had granted the Company's application for extension of existing moratorium which expires on 31 December 2019. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 31 March 2020.

On 27 March 2020, the Court granted the Company's application for extension of existing moratorium which expired on 31 March 2020 to allow the Company more time to (i) obtain the remaining necessary regulatory approvals to facilitate the completion of the Convertible Loan and the implementation of the New Scheme, as well as to (ii) convene the extraordinary general meeting (seeking the requisite shareholders' approvals) which could be convened only after all the necessary regulatory approvals would have been obtained. Accordingly,

the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 31 May 2020.

On 29 May 2020, the Court granted the Company's application for further extension of existing moratorium which expired on 31 May 2020 to allow the Company more time to obtain the requisite regulatory approvals, hold the extraordinary general meeting to obtain the requisite shareholders' approvals, and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 14 August 2020.

On 7 August 2020, SGX-ST had granted their in-principle approval for the listing and quotation of the Conversion Shares and the Rights Shares to be issued in connection to the proposed Convertible Loan and the proposed Rights Issue subject to compliance with the SGX-ST's listing requirements.

On 17 August 2020, the Court granted the Company's application for extension of existing moratorium which expires on 14 August 2020 to allow the Company more time to obtain the requisite regulatory approvals, hold the EGM and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 13 November 2020.

On 2 October 2020, the Securities Industry Council ("SIC") granted the Company's application for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares.

On 04 November 2020, the Company held its Extraordinary General Meeting ("EGM") by electronic means to seek shareholders' approval for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares. All resolutions as set out in the Notice of EGM dated 20 October 2020, were put to the EGM and duly passed. The Company had on the same day submitted the Utilization Request to the Investor for the drawdown of the Convertible Loan.

The Company had on 05 November 2020, made an application to Court for (i) an extension of the existing Moratorium which expired on 13 November 2020, until 31 December 2020, and (ii) to extend the long stop date until 31 December 2020 for the implementation of the New Scheme ("Extensions").

On 13 November 2020, the Court granted the Extensions to the Company to allow the Company more time to obtain the requisite regulatory approvals and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 31 December 2020.

Retail Operations

BIG BOX

On 11 September 2018, Big Box Singapore Pte Ltd (an indirect wholly-owned subsidiary of the company) ("BBS") had initiated creditors' voluntary liquidation proceedings. BBS principal activities were general retail trade under the Warehouse Retail Scheme ("WRS") which included selling of goods and operating the supermarkets at the Big Box building. The appointment of the Receivers and Managers over Big Box Pte. Ltd. (a 51% owned subsidiary of the Company) and the significant winding down of the WRS retail activities at the Big Box building as a result of the termination of the WRS had severely affected the operations of BBS. The significantly adverse effects on BBS operations had, in turn, led to the resultant cash flow constraints of BBS. As such, BBS could not by reason of its liabilities continue its business. Accordingly, the directors of BBS had decided to liquidate BBS.

Messr. Abuthahir Abdul Gafoor, of AAG Corporate Advisory Pte. Ltd. Was appointed as provisional liquidator of BBS.

CHAIRMAN'S MESSAGE

The liquidation of BBS was not expected to have any material impact on the core businesses and operations of other core subsidiaries of the Group, and would reduce the overall revenue contribution, operational costs and expenses of the Group.

The liquidator had advertised the Notice of Intended Dividend on 07 July 2020 in the Government Gazette. Once the liquidator has completed the distribution of dividends, they will proceed to strike off BBS.

Indonesian Retail Business

As announced previously by the Company, it has been brought to the Company's attention that PT Sumber (in bankruptcy) had been placed under bankruptcy proceeding pursuant to the Decision of the Commercial Court at Central Jakarta District Court ("Court") on 28 March 2019. The Curators of Bankruptcy and Administrator, registered in Ministry of Law and Human Rights of the Republic of Indonesia, has been appointed as Curator Team of Bankruptcy of PT Sumber (In Bankruptcy) by the Court.

Accordingly the Group is deemed to have lost control of PT Sumber (in bankruptcy) as of 28 March 2019.

Restructuring of Group Balance Sheet

On 30 July 2018, the Company entered into a Sale and Purchase Agreement ("SPA") with Celestial Palace Limited ("Purchaser") for the sale of shares in the Company's various subsidiaries (the "Sales Companies") to the Purchaser (the "Proposed Disposal").

The SPA for the Proposed Disposal was entered for the purposes of, among others, funding a new scheme of arrangement contemplated to be proposed by the Company to its creditors ("New Scheme"), through the proceeds from the Consideration from the Purchaser for the Proposed Disposal.

The Purchaser had offered an aggregate consideration of S$48 million ("Consideration") for the Proposed Disposal. The Consideration was mutually arrived after arms' length negotiations between the Company and the Purchaser on a willing seller and willing buyer basis after taking into consideration the net asset value of the Sale Companies as well as the future business prospect and growth potential of the Sale Companies.

The Company would apply the Consideration received from the Purchaser in the following manner:

(a) First, the amount of up to S$45 million would be set aside from the Consideration and used to discharge the Company's obligations under the New Scheme, including without limitation, the discharge of the Existing Scheme Claims and non-Existing Scheme Claims to be provided for in the New Scheme;

(b) Second, an amount of up to S$3 million would be set aside from the Consideration for the settlement of any success fee, legal fees, advisor fees and/or other expenses incurred by the Company in relation to or in connection with the sale of the shares in the Sale Companies and/or the Company's restructuring, as well as the fees of the Stakeholder;

(c) Third, any excess Consideration would be used for the Company's working capital, operating expenses and/or any other requirements of the Company.

The long stop date ("Long Stop Date") of the SPA was 30 November 2018.

On 4 September 2018, the Company and the Purchaser had entered into an amended agreement ("Amendment Agreement") to amend certain terms of the SPA. The salient amendments included the removal TTA Holdings Limited, an 85.5% owned subsidiary of the Company from the list of Sale Companies in the SPA and a new aggregate consideration of S$40,447,746 ("Amended Consideration") being offered by the Purchaser. An amount of S$37,447,746 would be set aside from the Amended Consideration and used to discharge the Company's obligation under the New Scheme.

On 17 December 2018, the Purchaser and the Company entered into a Loan Agreement for the Purchaser to lend to the Company the Purchaser Loan of S$7.5 million to top up the shortfall amount required to discharge the Company's obligation under the New Scheme. Accordingly, there would be no change or any shortfall to the Scheme Funds of S$45 million to be received by Eligible Creditors under the New Scheme.

CHAIRMAN'S MESSAGE

On 23 March 2019, the Company's shareholders voted and approved the Proposed Disposal of the Sale Companies at the EGM held on 23 March 2019.

On 18 April 2019, the Company and the Purchaser had agreed to extend the long stop date for the completion of the Proposed Disposal under the Amended and Restated SPA to 31 July 2019.

The extension of the long stop date under the Amended and Restated SPA would provide the Company and the Purchaser with additional time to assess the impact(s), if any, arising from, among others, the Amendments to the New Scheme, the completion of the Proposed Disposal and the Purchaser Loan.

Pursuant to discussions between the Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management services agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the Bridging Loan) arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme, had agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim of any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

Notwithstanding the foregoing, the Purchaser had agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of S$48 million to be granted to the Company ("Convertible Loan").

On 16 July 2019, the Company and the Purchaser (Celestial Palace Limited herewith known as the "Investor") had entered into a binding term sheet ("Term Sheet") to, amongst others, to provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to S$45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

On 29 July 2019, the Court granted the Company's application for (i) an extension of existing Moratorium, which expires on 31 July 2019, until 31 December 2019, to allow the Company time to obtain all necessary approvals from relevant authorities (including but not limited to SGX ST and SIC, amongst others) to facilitate the completion of the Convertible Loan and the implementation of the New Scheme; and (ii) for the Court to approve the proposed amendments to the New Scheme (the "Application").

Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme had been extended until 31 December 2019.

On 9 December 2019, the Company had entered into the definitive documentation in relation to the Convertible Loan ("Convertible Loan Agreement") with the investor, and thereby fulfilling one of the conditions precedent to the utilisation of the Convertible Loan. The Company had also submitted applications for the Conversion Regulatory Approval and the Conversion Whitewash Waiver and, the Rights Issue Whitewash Waiver to facilitate the implementation of the Rights Issue, to the relevant regulatory authorities. Upon receipt of all regulatory approvals, the Company would be in a position to convene an extraordinary general meeting to seek the Conversion Shareholders' Approval.

In connection with the Conversion Regulatory Approval for, inter alia, the listing of the Conversion Shares, the Company had submitted application to the relevant regulatory authority for the approval of its trading resumption proposal ("Trading Resumption Proposal"). To facilitate the seeking of approval for the Trading Resumption Proposal as well as the Conversion Regulatory Approval, the Investor had on 9 December 2019 entered into a loan agreement with two wholly-owned subsidiaries of the Company, namely Akira Corporation Pte Ltd ("Akira Corporation") and Furniture & Furnishings Pte Ltd ("F&F") (collectively the "Additional Loan Borrowers"), whereby the Investor had agreed to provide a loan of a principal amount of S$25,000,000 ("Additional Loan") for additional working capital for the Group and to refinance the existing facilities granted to the Group ("Additional Loan Agreement"). The Additional Loan is required in order to satisfy the going concern requirement which is a pre-condition from SGX in its consideration in granting approval to the Company's Trading Resumption application.

CHAIRMAN'S MESSAGE

On 13 December 2019, pursuant to the terms of the New Scheme, voting on the New Scheme was carried out. The amendments to the Scheme and the extension of the Long Stop Date of the New Scheme was approved by the requisite majority of the Creditors with 96.8% in number and 96.8.9% in value of Creditors to the extent of their Secured Voting Amounts and 96.8% in numbers and 96.9% in value of Creditors to the extent of their Unsecured Voting Amounts.

On 27 December 2019, the Court had granted the Company's application for extension of the Long Stop Date which expires on 31 December 2019. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 31 March 2020.

On 27 March 2020, the Court granted the Company's application for extension of the Long Stop Date which expires on 31 March 2020 to allow the Company more time to (i) obtain the remaining necessary regulatory approvals to facilitate the completion of the Convertible Loan and the implementation of the New Scheme, as well as to (ii) convene the extraordinary general meeting (seeking the requisite shareholders' approvals) which could be convened only after all the necessary regulatory approvals would have been obtained. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 31 May 2020.

On 29 May 2020, the Court granted the Company's application for further extension of the Long Stop Date which expires on 31 May 2020 to allow the Company more time to obtain the requisite regulatory approvals, hold the extraordinary general meeting to obtain the requisite shareholders' approvals, and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 14 August 2020.

On 7 August 2020, SGX-ST had granted their in-principle approval for the listing and quotation of the Conversion Shares and the Rights Shares to be issued in connection to the proposed Convertible Loan and the proposed Rights Issue subject to compliance with the SGX-ST's listing requirements.

On 17 August 2020, the Court granted the Company's application for extension of the Long Stop Date which expired on 14 August 2020 to allow the Company more time to obtain the requisite regulatory approvals, hold the EGM and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 13 November 2020.

On 2 October 2020, the Securities Industry Council ("SIC") granted the Company's application for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares.

As previously announced, the Company and the Investor had, on 9 December 2019, entered into an Additional loan Agreement, under which, a call option would be granted to the Investor as security for the Additional Loan (which is exercisable only upon occurrence of default) ("Call Option"). The Call Option is envisaged to be the mechanism for the Investor to exercise the foreclosure of its security in the event of default. The additional Loan was intended to be used as additional working capital for the Company and its subsidiaries to allow the Company to satisfy the SGX that the Company has sufficient available resources to meet the Group's obligations and continue to operate as a going concern after the implementation of the New Scheme ("Going Concern Requirements").

Without satisfying the Going Concern Requirements, the conditional approval that was granted to the Company for the resumption of trading of Company's shares may be revoked.

On 04 November 2020, the Company convened its Extraordinary General Meeting ("EGM") by electronic means, and obtained its shareholders' approval for, amongst others, the Convertible Loan, Rights Issue and the Whitewash Waivers. On the same day, the Company submitted its utilization request to the Investor pursuant to the terms of the Convertible Loan to drawdown the necessary funds to make the Scheme Payments.

The Investor has required the Company to obtain shareholders' approval or the relevant waiver from SGX in connection with the grant of call options to be granted to the Investor under the Additional Loan before

disbursing the Additional Loan and Convertible Loan. The Investor has also requested for an extension of time of 30 business days to disburse the drawdown amounts due to the Investor's funds being placed and invested in numerous financial instruments and with various financial institutions in different countries and the delays caused by various restrictions due to the COVID-19 pandemic.

Under the circumstances, there is insufficient time to implement the New Scheme before the expiry of the Long Stop Date on 13 November 2020. The Company had therefore, on 05 November 2020, made an application to Court for the extension of the long stop date until 31 December 2020 for the implementation of the New Scheme.

On 6 November 2020, the Company submitted its application to SGX to seek a waiver for the grant of the Call Option.

On 13 November 2020, the Court granted the Company's application for extension of the Long Stop Date which expired on 13 November 2020 to allow the Company more time to obtain the requisite regulatory approvals and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Long Stop Date for the implementation of the New Scheme had been extended until 31 December 2020.

The restructuring of the Group's operations, business activities and balance sheet and the discharge of the Scheme are largely dependent on the completion of the Convertible Loan and the successful implementation of the New Scheme.

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 extremely 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 deepest appreciations to the management and staff of the Group. Without our committed and dedicated team, the Group would not be able to strive and reach where it is today. Our work to restructure the Group continues and with your strong confidence and continued support, we hope to overcome this difficult period.

Yours sincerely,

Sng Sze Hiang
Chairman and Chief Executive Officer

BUSINESS REVIEWS

Overview of financial results for the year ended 31 March 2020 ("FY2020")

The group recorded revenue of S$41.2 million, gross profit of S$15.5 million and loss from operations of S$23.4 million, as compared to FY2019, which recorded revenue, gross profit and loss from operations amounting to S$93.6 million (restated), S$32.6 million and S$14.3 million respectively. These represent a 56.0% decrease in revenue and 52.5% decrease in gross profit.

Lower revenue and gross profit (a decrease of S$52.4 million and S$17.1 million respectively) was due to severe lack of working capital.

Loss from operations increased by S$9.1 million in FY2020. This was due mainly to decrease in revenue.

Excluding the effect of expense items listed below totalling S$41.9 million, the Group's net loss for the year would be S$14.7 million.

No.	Description	S$ million
(i)	Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities	40.4
(ii)	Other Scheme-related expenses such as interests and professional fees	1.5
	Total	**41.9**

Performance by Geographical segments

During the year under review, the Group's turnover decreased by 56% of S$ 52.4 million. The decrease was across all geographical regions with ASEAN region being the most affected. The decrease in turnover was mainly due to much lesser sales generated due to insufficient working capital to purchase the goods to generate the sale.

Retail, Distribution and Trading Segment

The retail, distribution and trading business segments contributed S$39.3 million to revenue in FY2020 or 95.5% of the Group's revenue, compared to S$81.4 million (restated) or 87.0% in FY2019.

Business Strategies

The Company will focus its efforts on the successful completion of the restructuring of the Group's operations, business activities and balance sheet and the discharge of the Scheme. The Group intends to continue its current consumer electronics business, furniture business and supply chain management business. Upon discharge of the Scheme, the Group believes that, if the COVID-19 situation improves and international travel ban is uplifted, its supply chain management business will gradually pick up, and will further help to improve the Group's overall revenue and profitability in the medium and long term. The Company will also continue to explore various possibilities in securing the necessary funding to provide the Group with additional working capital required for the continued viability of its core businesses in certain key markets which remain fundamentally sound.

FINANCIAL CONTENTS

Corporate Information 13
Profile of Directors 14
Corporate Governance Report 16
Directors' Statement 37
Independent Auditors' Report 43
Statements of Financial Position 47
Consolidated Statement of Comprehensive Income 49
Consolidated Statement of Changes in Equity 50
Consolidated Statement of Cash Flows 52
Notes to the Financial Statements 54
Shareholding Statistics 137
Notice of Annual General Meeting 139
Proxy Form

CORPORATE INFORMATION

Company Registration Number:	198403771D
Registered Office:	49 Sungei Kadut Avenue #03-01 Singapore 729673
Board of Directors:	Sng Sze Hiang — Chairman and CEO Tong Jia Pi Julia — Executive Director Yap Hock Soon — Executive Director Raymond Koh Bock Swi — Lead 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 Tong Jia Pi Julia Yap Hock Soon
Company Secretaries:	Ho Wei Li Koh Sock Tin
Registers and Transfer Office:	M&C Services Private Limited 112 Robinson Road, #05-01 Singapore 068902
Auditors:	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 (Partner-in-charge: Mr. Kong Chih Hsiang Raymond) (Appointed from the financial year ended 31 March 2020)

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 35 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 36 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 24 years of experience in logistics management in the manufacturing and trading industry. He has been with the Group for more than 21 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 DIRECTOR

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 30 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 26 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 made to the principles and provisions of the revised Code of Corporate Governance (the "2018 Code" or the "Code") and accompanying Practice Guidance issued in August 2018. 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 2020, the Group has adhered to the principles and provisions as set out in the 2018 Code. In so far as any principles and/or provisions has not been complied with, the reason has been provided.

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 value and returns for its shareholder. 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 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 will consider sustainability issues such as environmental and social factors as part of its strategic formulation from time to time.

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. 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.

The directors' attendances at Board and its committee meetings held for the year ended 31 March 2020 are disclosed below.

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

The announcement dates for the Group's financial results for the periods of financial years FY2019 (full year) and Q1FY2020 were extended to 30 October 2019.

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

When the 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. Directors with no prior experience as a director were encouraged to attend the Listed Company Director Programme conducted by the Singapore Institute of Directors ("SID").

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.

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

The Company Secretary informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company from time to time. 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 corporate background, key personnel, group structure, 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.

A newly appointed director will be provided with a formal letter of appointment setting out among other matters, the roles, obligations, duties and responsibilities as a member of the Board.

Board Composition and Guidance

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 14 to 15.

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 make 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 Message to the shareholders as set out on pages 3 to 10 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 2020, 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 scrutinised 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.

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.

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-today 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 reappointment 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 reappointed 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 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)
Yap Hock Soon (Non-independent)
Raymond Koh Bock Swi (Independent)
Ng Leok Cheng (Independent)
Yo Nagasue (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 14 and 15 of this Annual Report.

The shareholdings of the individual directors of the Company are set out on pages 38 to 40 of this Annual Report. Save as disclosed on pages 38 to 40 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 28 November 2020 are stated in the Notice of AGM set out on pages 139 to 142 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.

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, cash flow 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.

CORPORATE GOVERNANCE REPORT

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 2020 is as follows:

Name	Band	Fees (%)	Salary (%)	Bonus (%)	Others** (%)
Sng Sze Hiang	S$500,000 to S$1,000,000	–	79.9	19.6	0.5
Tong Jia Pi Julia	S$500,000 to S$1,000,000	–	80.4	19.6	0.0
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	–	100.0	–	0.0

** 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 require 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 and 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. 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 when the Board consider the circumstances suitable.

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 non-disclosure of each of the top 5 key management staff 's remuneration does not compromise the ability of the Company to meet the Code on good corporate governance as the RC which has a majority of independent directors review the remuneration packages of such key management staff to ensure that they are fairly remunerated. The aggregate remuneration of 5 key management staff (who are not directors or the CEO) amounted to S$360.0 million for FY2020.

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. The remuneration of Mr Yap Hock Soon for FY2020 is in the band of S$50,000 to S$100,000.

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.

All the directors and executive officers of the Group also signed a letter of undertaking pursuant to the amended Rule 720(1) of the Listing Manual of the SGX-ST.

For the financial year under review, the CEO, the Executive Director ("ED") and the Financial Controller ("FC") 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.

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 121 to 126 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 engage external internal auditors ("IA") to review its internal control and risk management process as part of the Group's eff orts 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.

There is no work performed by external internal auditors in FY2020 due to financial difficulties.

The Board has receive assurance from the CEO, the Executive Director and the Financial Controller (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) regarding the effectiveness of the Group's risk management and internal control systems.

Based on the internal controls established and maintained by the Group 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 2020 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 meets on a quarterly basis to review the quarterly and 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 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 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.

The Company will be looking into putting in place a whistle blowing framework whereby accessible channels are provided for employees, in good faith and in confidence, to raise concerns about possible corporate malpractices and improprieties in matters of financial reporting or other matters which they become aware.

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.

There is no work performed by the external internal auditors in FY2020 due to financial difficulties.

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.
The Company conducted electronic poll voting for all resolutions passed at its last Annual General Meeting held on 31 December 2019. The rules, including the voting process, were clearly explained by the scrutineers at the meeting. Announcements of the detailed results showing the number of votes cast for and against each resolution and the respective percentages are released immediately at the AGM and via SGXNET thereafter within the same day.

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 release its financial results through a SGXNET announcement. Unaudited results for the first three quarters are released to shareholders no later than 45 days from the end of the quarter. Unaudited full-year results are released within 60 days from the financial year end.

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. Relevant intermediaries as defined in Section 181 of the Companies Act may 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, Foo Kon Tan 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 2020.

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$2,929,000 as at 31 March 2020.

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	2,929	–

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Sng Sze Hiang and Mr Yap Hock Soon are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 27 November 2020 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	**Sng Sze Hiang**	**Yap Hock Soon**
Date of Appointment	18 August 1999	12 December 2002
Date of last re-appointment (if applicable)	31 July 2017	31 July 2017
Age	58	64
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Sng Sze Hiang for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Sng Sze Hiang possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, conduct and suitability of Mr Yap Hock Soon for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Yap Hock Soon possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman and Chief Executive Officer	Executive Director

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**Sng Sze Hiang**	**Yap Hock Soon**
Working experience and occupation(s) during the past 10 years	Mr Sng has over 36 years of experience in trading electrical and electronics products with emerging markets.	Mr Yap has over 24 years experience in logistics management in manufacturing and trading industry.
Shareholding interest in the listed issuer and its subsidiaries	281,366,775 shares (include shares held in the name of Sng Sze Hiang's nominee)	940,000 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Husband of Tong Jia Pi Julia Brother-in-law of Yap Hock Soon	Brother-in-law of Sng Sze Hiang
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships (for the last 5 years):-		
Past (for the past 5 years):	Not Applicable	Not Applicable
Present:	TT International Limited	TT International Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Name of Director	Sng Sze Hiang	Yap Hock Soon
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Directors' statement
for the financial year ended 31 March 2020

We submit this statement to the members together with the audited consolidated financial statements of TT International Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

The Company has been placed 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"). At the date of this statement, there are claims that are currently disputed of which the amounts have not yet been determined by the Court of Appeal in Singapore.

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 2020, together with the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, 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 (the "Act") and Singapore Financial Reporting Standards (International); 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.

Directors
The directors of the Company in office at the date of this statement are:

Sng Sze Hiang
Tong Jia Pi Julia
Yap Hock Soon
Raymond Koh Bock Swi
Ng Leok Cheng
Yo Nagasue

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company nor any of its subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except 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	281,366,775	**281,366,775**
Tong Jia Pi Julia^b#2	103,588,856	**103,588,856**
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	276,835,297	**276,835,297**
b Include shares held in the name of Tong Jia Pi, Julia's nominee	103,588,856	**103,588,856**
* 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 on 19 April 2010, as at 1 April 2019, Sng Sze Hiang is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. As at 31 March 2020, Sng Sze Hiang is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. There is no change to such interests as at 21 April 2020.

#2 Pursuant to the Scheme of Arrangement of the Company effective on 19 April 2010, as at 1 April 2019, Tong Jia Pi Julia is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. As at 31 March 2020, Tong Jia Pi Julia is deemed interested in $8,098,769 Redeemable Convertible Bonds granted to the subsidiaries of the Company. There is no change to such interests as at 21 April 2020.

By virtue of Section 7 of the Act, 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:

Directors' interest in shares or debentures (Cont'd)

	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**
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**
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**

Directors' interest in shares or debentures (Cont'd)

Related Corporations	Shareholdings in which the director is deemed to have an interest	
	At beginning of the year	**At end of the year**
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**
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**
Omni Centre Pte. Ltd.		
Ordinary shares		
Sng Sze Hiang	54,932	**54,932**
Tong Jia Pi Julia	54,932	**54,932**

Except as disclosed in this statement, 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 13 November 2020.

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

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.

Share options (Cont'd)
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.

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

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

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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, Foo Kon Tan LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company's subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

At the Annual General Meeting of the Company held on 31 December 2019, Foo Kon Tan LLP was appointed as the independent auditor of the Company.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
SNG SZE HIANG

.....
TONG JIA PI JULIA

Dated: 13 November 2020

Independent Auditor's Report
To the members of TT International Limited

Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of TT International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company.

Basis for Disclaimer of Opinion

The financial statements for the financial year ended 31 March 2019 were audited by another auditor who expressed a disclaimer of opinion on those financial statements due to the following matters:

(i) Appropriateness of going concern assumption; and
(ii) Insufficient information to complete the audit of the consolidated financial statements of the Group and the statement of financial position of the Company

An update of the above matters is as follows:

(i) <u>Appropriateness of going concern assumption</u>

Note 2 to the financial statements provides more information on the going concern basis of preparation of the financial statements, and the material uncertainties which may cast doubt on the ability of the Group and the Company to continue as a going concern.

The Group and the Company have reported deficiencies in net assets of $418.2 million (FY 2019 - $364.4 million) and $428.9 million (FY 2019 - $402.5 million), respectively, as at 31 March 2020 and the Group has incurred a net loss before tax of $56.6 million (FY 2019 - $32.2 million) for the financial year ended 31 March 2020.

Big Box Pte Ltd ("BBPL"), a 51%-owned subsidiary of the Company, had also defaulted on its debt repayment obligation to a financial institution due on 31 March 2017. Independent individuals have been jointly and severally appointed as Receivers and Managers by the financial institution over the assets of BBPL since September 2017. The warehouse retail scheme awarded by the Economic Development Board of Singapore to another wholly-owned subsidiary of the Company was also terminated in February 2018. These developments have severely affected the businesses of the Group.

These factors indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as going concern.

Independent Auditor's Report
To the members of TT International Limited (Cont'd)

Basis for disclaimer of opinion (Cont'd)

(i) Appropriateness of going concern assumption (Cont'd)

On 4 November 2020, the Company's shareholders approved all the ordinary resolutions proposed, which included (a) the issuance of the convertible loan and conversion shares to Celestial Palace Limited (the "New Investor"), (b) whitewash waiver to receive mandatory offer from the New Investor, (c) the potential transfer of controlling interest in the Company to the New Investor arising from the issuance of conversion shares, (d) Rights Issue and (e) whitewash waiver to receive mandatory offer from Mr. Sng Sze Hiang and Mdm Tong Jia Pi Julia (the "Major Shareholders") of the Company as a result of the issuance of rights shares.

The Company's ability to continue as a going concern is dependent mainly on the outcome of the successful implementation of the New Scheme, which has been extended to 31 December 2020, the completion of the convertible loan, the Group's ability to secure financing as and when required, the profitability of future operations of the Group, and the continuing support of banks and other creditors, suppliers and other parties. As at the date of this audit report, we were unable to ascertain whether the convertible loan of $45 million can be raised upon the Company's submission of the utilisation request for the drawn down of the convertible loan to the New Investor at the conclusion of the Company's extraordinary general meeting held on 4 November 2020. As a result of these multiple uncertainties, we are therefore unable to conclude whether the use of the going concern assumption, which has been adopted for the preparation of the accompanying financial statements, is appropriate.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated statement of financial statement of the Group and the statement of financial position of the Company. No such adjustments have been made to these financial statements.

Notwithstanding the above, management has prepared these financial statements on a going concern basis which may not be appropriate. We are however unable to determine the adjustments that may be necessary as a result of these uncertainties.

(ii) Insufficient information to complete the audit of the consolidated financial statements of the Group and the statement of financial position of the Company

At the date of this report, management was unable to provide sufficient information for us to complete the audit of the consolidated financial statements of the Group and the statement of financial position of the Company. Accordingly, we were not able to perform and complete our procedures to obtain sufficient and appropriate audit evidence over the financial statements of the Group, the statement of financial position of the Company, and the accompanying disclosures for the year then ended. As such, we were not able to determine whether any adjustments might be necessary to the amounts and disclosures shown in the financial statements as at and for the year ended 31 March 2020.

Basis for disclaimer of opinion (Cont'd)

(iii) Opening balances

The predecessor auditors had also disclaimed their opinion in their auditor's report on the same bases as described in (i) and (ii) for the financial year ended 31 March 2019. In view of the above, we were unable to determine whether any adjustments are necessary in respect of the financial statements for the previous financial year ended 31 March 2019. Our opinion on the current year's financial statements is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

Other matter

The financial statements for the financial year ended 31 March 2019 were audited by another firm of auditors whose report dated 12 December 2019 expressed a disclaimer of opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance 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 SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing ("SSAs) and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Independent Auditor's Report
To the members of TT International Limited (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether 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.

The engagement partner on the audit resulting in this independent auditor's report is Kong Chih Hsiang Raymond.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 13 November 2020

Statements of financial position
as at 31 March 2020

	Note	The Group 31 March 2020 $'000	31 March 2019 $'000 (Restated)	1 April 2018 $'000	The Company 31 March 2020 $'000	31 March 2019 $'000
ASSETS						
Non-Current						
Property, plant and equipment	5	**185,497**	211,562	223,213	**413**	305
Right-of-use assets	6	**16,266**	-	-	**4**	-
Investment properties	7	**5,694**	7,031	8,287	**-**	-
Subsidiaries	8	**-**	-	-	**14,747**	14,747
Intangible assets	9	**9,219**	9,277	9,335	**-**	-
Deferred tax assets		**-**	-	471	**-**	-
		216,676	227,870	241,306	**15,164**	15,052
Current						
Inventories	10	**5,631**	9,617	15,238	**-**	-
Trade and other receivables	11	**15,073**	16,023	59,346	**82,828**	81,925
Cash and bank balances	12	**1,825**	2,829	6,252	**23**	23
		22,529	28,469	80,836	**82,851**	81,948
Total assets		**239,205**	256,339	322,142	**98,015**	97,000
EQUITY						
Capital and Reserves						
Share capital	13	**175,622**	175,622	175,622	**175,622**	175,622
Reserves	14	**42,284**	39,593	30,436	**121**	121
Accumulated losses		**(492,465)**	(443,817)	(438,008)	**(604,672)**	(578,199)
Equity attributable to owners of the company		**(274,559)**	(228,602)	(231,950)	**(428,929)**	(402,456)
Non-controlling interests	8	**(143,676)**	(135,780)	(115,757)	**-**	-
Total equity		**(418,235)**	(364,382)	(347,707)	**(428,929)**	(402,456)
LIABILITIES						
Non-Current						
Borrowings	15	**186,340**	162,899	156,272	**107,082**	83,951
Derivative financial liabilities		**664**	664	664	**742**	742
Lease liabilities	16	**3,533**	-	-	**-**	-
Deferred tax liabilities	17	**4,812**	4,712	4,557	**-**	-
		195,349	168,275	161,493	**107,824**	84,693
Current						
Borrowings	15	**280,169**	277,746	316,061	**150,000**	150,002
Lease liabilities	16	**1,280**	-	-	**2**	-
Provision for warranties	18	**51**	61	74	**-**	-
Trade and other payables	19	**178,699**	172,856	184,765	**269,118**	264,761
Contract liabilities	20	**1,255**	978	3,150	**-**	-
Current tax payable		**637**	805	4,306	**-**	-
		462,091	452,446	508,356	**419,120**	414,763
Total liabilities		**657,440**	620,721	669,849	**526,944**	499,456
Total equity and liabilities		**239,205**	256,339	322,142	**98,015**	97,000

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated income statement
for the financial year ended 31 March 2020

	Note	**Year ended 31 March 2020 $'000**	Year ended 31 March 2019 $'000 (Restated)
Revenue	20	**41,151**	93,558
Other operating income	21	**4,979**	8,672
		46,130	102,230
Changes in inventories of finished goods		**(4,103)**	(5,621)
Purchase of goods		**(21,537)**	(55,309)
Staff costs	22	**(9,478)**	(19,520)
Depreciation of property, plant and equipment	5	**(10,886)**	(14,025)
Depreciation of right-of-use assets	6	**(3,954)**	-
Amortisation of intangible assets	9	**(58)**	(58)
Impairment loss on intangible assets	9	**-**	(75)
Impairment loss on property, plant and equipment	5	**-**	(250)
Other operating expenses		**(19,509)**	(21,673)
Loss from operations		**(23,395)**	(14,301)
Finance income		**1**	427
Finance expense			
- Interest expense paid/payable		**(9,544)**	(14,276)
- Accretion of interest expense		**(23,625)**	(6,895)
		(33,169)	(21,171)
Net finance expense	23	**(33,168)**	(20,744)
Loss before income tax	24	**(56,563)**	(35,045)
Income tax	25	**-**	2,887
Loss for the year		**(56,563)**	(32,158)
Attributable to:			
Owners of the Company		**(48,648)**	(1,701)
Non-controlling interests	8	**(7,915)**	(30,457)
Loss for the year		**(56,563)**	(32,158)
		2020 Cents	2019 Cents
Earnings per share			
- Basic and diluted	26	**(4.64)**	(0.16)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of comprehensive income
for the financial year ended 31 March 2020

	Year ended 31 March 2020 $'000	Year ended 31 March 2019 $'000 (Restated)
Loss for the year	**(56,563)**	(32,158)
Items that will not be reclassified to profit or loss:		
Net (deficit)/surplus on revaluation of property, plant and equipment and right-of-use assets, net of tax	**(1,499)**	873
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries	**4,209**	5,790
Other comprehensive income for the year, net of tax	**2,710**	6,663
Total comprehensive loss for the year	**(53,853)**	(25,495)
Total comprehensive loss attributable to:		
Owners of the Company	**(45,957)**	3,348
Non-controlling interests	**(7,896)**	(28,843)
Total comprehensive loss for the year	**(53,853)**	(25,495)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 March 2020

The Group	Share capital $'000	Capital reserve $'000	Revaluation reserve $'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 2018	175,622	18,711	42,670	(30,945)	(438,008)	(231,950)	(115,757)	(347,707)
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	(1,701)	(1,701)	(30,457)	(32,158)
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	-	-	873	-	-	873	-	873
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	4,176	-	4,176	1,614	5,790
Total other comprehensive income	-	-	873	4,176	-	5,049	1,614	6,663
Total comprehensive loss for the year	-	-	873	4,176	(1,701)	3,348	(28,843)	(25,495)
Transactions with owners, recorded directly in equity								
Change in ownership interest in subsidiaries								
Deconsolidation of a subsidiary	-	4,108	-	-	(4,108)	-	8,820	8,820
Total change in ownership interest	-	4,108	-	-	(4,108)	-	8,820	8,820
At 31 March 2019	175,622	22,819	43,543	(26,769)	(443,817)	(228,602)	(135,780)	(364,382)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity (Cont'd)

for the financial year ended 31 March 2020

The Group	Share capital $'000	Capital reserve $'000	Revaluation reserve $'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 2019	**175,622**	**22,819**	**43,543**	**(26,769)**	**(443,817)**	**(228,602)**	**(135,780)**	**(364,382)**
Total comprehensive loss for the year								
Loss for the year	**-**	**-**	**-**	**-**	**(48,648)**	**(48,648)**	**(7,915)**	**(56,563)**
Other comprehensive income								
Item that will not be reclassified to profit or loss:								
Net deficit on revaluation of property, plant and equipment and right-of-use assets, net of tax	**-**	**-**	**(1,499)**	**-**	**-**	**(1,499)**	**-**	**(1,499)**
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign subsidiaries	**-**	**-**	**-**	**4,190**	**-**	**4,190**	**19**	**4,209**
Total other comprehensive income	**-**	**-**	**(1,499)**	**4,190**	**-**	**2,691**	**19**	**2,710**
Total comprehensive loss for the year	**-**	**-**	**(1,499)**	**4,190**	**(48,648)**	**(45,957)**	**(7,896)**	**(53,853)**
At 31 March 2020	**175,622**	**22,819**	**42,044**	**(22,579)**	**(492,465)**	**(274,559)**	**(143,676)**	**(418,235)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows
for the financial year ended 31 March 2020

	Note	**Year ended 31 March 2020 $'000**	Year ended 31 March 2019 $'000 (Restated)
Cash flows from operating activities			
Loss before income tax		**(56,563)**	(35,045)
Adjustments for:			
Allowance for doubtful receivables written back	28(ii)	**(134)**	(1,197)
Allowance for inventory obsolescence made	10/24	**22**	1,166
Amortisation of intangible assets	9	**58**	58
Changes in fair value of investment properties	7	**1,783**	1,355
Surplus on revaluation of property, plant and equipment recognised in profit or loss	21	**-**	(217)
Depreciation of property, plant and equipment	5	**10,886**	14,025
Depreciation of right-of-use assets	6	**3,954**	-
Exchange loss, unrealised		**2,927**	1,934
Finance expense	23	**33,169**	21,171
Finance income	23	**(1)**	(427)
Gain on deconsolidation of a subsidiary		**-**	(4,719)
Impairment of goodwill	9	**-**	75
Impairment of property, plant and equipment	5	**-**	250
Inventories written off		**246**	73
Loss/(Gain) on disposal of property, plant and equipment recognised		**93**	(11)
Receivables written off		**50**	1,927
Operating (loss)/profit before working capital changes		**(3,510)**	418
Changes in working capital:			
Inventories		**3,917**	3,032
Trade and other receivables		**844**	3,339
Trade and other payables		**(1,191)**	(4,282)
Bills payable and trust receipts		**(6)**	(8)
Provisions		**(10)**	(13)
Contract liabilities		**277**	(2,172)
Deposits and advance payments from customers		**(2,735)**	(347)
Cash used in operations		**(2,414)**	(33)
Income tax paid		**(156)**	(153)
Interest income received		**1**	427
Net cash (used in)/ generated from operating activities		**(2,569)**	241
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		**-**	22
Deconsolidation of a subsidiary, net of cash disposed		**-**	(339)
Proceeds from disposal of property, plant and equipment and right-of-use assets		**462**	53
Purchase of property, plant and equipment		**(463)**	(589)
Net cash used in investing activities		**(1)**	(853)
Cash flows from financing activities			
Interest paid		**(774)**	(1,005)
Repayment of lease liabilities (2019: finance lease liabilities)		**(1,652)**	(236)
Proceeds from / (Repayment to) directors		**1,384**	(589)
Repayment of loans from non-controlling shareholders of subsidiaries		**-**	(564)
Proceeds from interest-bearing loans		**4,309**	515
Repayment of interest-bearing loans		**(1,689)**	(855)
Net cash generated from/ (used in) financing activities		**1,578**	(2,734)
Net decrease in cash and cash equivalents		**(992)**	(3,346)
Cash and bank balances at beginning of year		**1,835**	5,260
Increase/(decrease) in restricted bank deposits		**200**	(2)
Effect of foreign exchange rate changes on cash held in foreign currencies		**(12)**	(77)
Cash and bank balances at end of year	12	**1,031**	1,835

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows (Cont'd)
for the financial year ended 31 March 2020

Note A: Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

			Non-cash		
The Group	At 1 April 2019 $'000	Financing cash flows $'000	Interest expense $'000	Others $'000	At 31 March 2020 $'000
Amounts due to Scheme Creditors					
- Sustainable Debts	**132,538**	**-**	**-**	**-**	**132,538**
- RCBs - loan component	**85,587**	**-**	**23,625**	**-**	**109,212**
Finance lease liabilities	**375**	**-**	**-**	**(375)**	**-**
Lease liabilities	**-**	**(1,652)**	**385**	**6,080**	**4,813**
Secured bank loans	**8,992**	**70**	**-**	**-**	**9,062**
Secured term loans (non-bank)	**109,967**	**(273)**	**-**	**-**	**109,694**
Unsecured bank loans	**378**	**2,823**	**-**	**-**	**3,201**
Unsecured loans from non-controlling shareholders of subsidiaries	**87,387**	**-**	**-**	**-**	**87,387**
Bondholders' loans	**15,000**	**-**	**-**	**-**	**15,000**
Amount due to a director	**1,545**	**1,384**	**-**	**-**	**2,929**
Accrued interest payable	**38,298**	**(774)**	**9,159**	**-**	**46,683**
Total	**480,067**	**1,578**	**33,169**	**5,705^**	**520,519**

^ Mainly relates to the adoption of SFRS(I) 16 on 1 April 2019 (Note 3.5(i)(d))

			Non-cash		
The Group	At 1 April 2018 $'000	Financing cash flows $'000	Interest expense $'000	Others $'000	At 31 March 2019 $'000
Amounts due to Scheme Creditors					
- Sustainable Debts	132,538	-	-	-	132,538
- RCBs - loan component	78,692	-	6,895	-	85,587
Finance lease liabilities	749	(236)	-	(138)	375
Secured bank loans	45,800	515	-	(37,323)	8,992
Secured term loans (non-bank)	110,796	(855)	-	26	109,967
Unsecured bank loans	378	-	-	-	378
Unsecured loans from non-controlling shareholders of subsidiaries	87,951	(564)	-	-	87,387
Bondholders' loans	15,000	-	-	-	15,000
Amount due to a director	2,134	(589)	-	-	1,545
Accrued interest payables	25,027	(1,005)	14,276	-	38,298
Total	499,065	(2,734)	21,171	(37,435)*	480,067

* Include an amount of $37,875,000 relating to the deconsolidation of a subsidiary (Note 33b).

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the financial year ended 31 March 2020

1 General information

The financial statements of the Group and of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Trading in the Company's shares on the SGX-ST has been voluntarily suspended by the Company on 4 August 2017. The registered office and place of business is located at 49 Sungei Kadut Avenue, #03-01, Singapore 729673.

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 8 to the financial statements.

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

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

2 Scheme of arrangement and financial reporting (Cont'd)

Scheme of arrangement (Cont'd)

(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 Debt 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.

(f) On 19 April 2015, contingent debts of $127,757,000 were deemed irrevocably, unconditionally and permanently waived by the contingent creditors. A contingent claim of $2,282,000 pending verification was fully resolved and crystallised. Crystallised debts and disputed debts were reduced by $135,000 and $2,684,000 respectively. This resulted in the Company's restructured debt decreasing from $404,856,000 to $271,440,000. It comprises crystallised debts of $245,760,000 and disputed debts of $25,680,000. The crystallised portion of the Sustainable Debt increased by $44,645,000 to $135,956,000. The crystallised portion of the Non-sustainable Debt decreased by $42,498,000 to $109,804,000. At the Group level, the crystallised portion of Sustainable Debt of the Group increased by $44,765,000 to $128,723,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $42,618,000 to $98,537,000.

2 Scheme of arrangement and financial reporting (Cont'd)

Scheme of arrangement (Cont'd)

(g) During the financial year ended 31 March 2016, 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 $0.15 by way of a second dilution exercise (the "Second Dilution Exercise") in accordance with the Scheme terms. In accordance with the Bondholders' exercising of their rights under the Second Dilution Exercise to convert the RCBs entitled for conversion of Dilution Shares, the Company had, on 14 May 2015 (the second Dilution Date), issued 21,187,159 Dilution Shares which were quoted on the SGX-ST on 15 May 2015. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,178,000 to $106,626,000. At the Group level, the crystallised portion of Sustainable Debt of the Group remained at $128,723,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,178,000 to $95,359,000.

(h) On 14 April 2016, the quantum of disputed debts under litigation was preliminary determined by the Court of Appeal in Singapore to be $18,193,000. Accordingly, at the Company level, the crystallised portion of the Non-sustainable Debt reduced by $3,815,000 to $102,811,000. At the Group level, the crystallised portion of Sustainable Debt of the Group increased by $3,815,000 to $132,538,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,815,000 to $91,544,000.

On 15 April 2016, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debt by up to 12 months.

(i) During the financial year ended 31 March 2017, 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 $0.16 by way of a third dilution exercise (the "Third Dilution Exercise") in accordance with the Scheme terms. In accordance with the Bondholder's exercising of their rights under the Third Dilution Exercise to convert the RCBs entitled for conversion of Dilution Shares, the Company had, on 13 May 2016 (the third Dilution Date), issued 23,078,216 Dilution Shares which were quoted on the SGX-ST on 16 May 2016. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,693,000 to $99,118,000. At the Group level, the crystallised portion of Sustainable Debt of the Group remained at $132,538,000. The crystallised portion of the Non-sustainable Debt of the Group decreased by $3,693,000 to $87,851,000.

(j) On 29 March 2017, the quantum of disputed debts under litigation was preliminary determined by the Court of Appeal in Singapore to be $3,068,167. The relevant Scheme Creditor to that Disputed Debts under litigation had submitted their appeal to the Court of Appeal in Singapore.

On 18 April 2017, Scheme Creditors gave their approval to the termination of the Scheme upon receipt of the Settlement Sum of $70,000,000 and the extension of the date of repayment of Sustainable Debt by up to 3 months from 19 April 2017.

(k) 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.

2 Scheme of arrangement and financial reporting (Cont'd)

Scheme of arrangement (Cont'd)

(l) On 6 September 2017, the High Court of the Republic of Singapore ("the Court") granted the Moratorium Application made by the Company on 11 August 2017 pursuant to Section 211B(1) of the 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.

On 17 November 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.

On 2 February 2018, the Company made an application to the Court to extend the moratorium ("Moratorium Extension Application"). The Court granted an interim extension of the moratorium until the conclusion of the Moratorium Extension Application. The Court, on 26 March 2018, granted the Moratorium Extension Application until 11 August 2018 or until further order.

(m) On 31 July 2018, in connection with the proposed disposal of shares of the Company's various subsidiaries ("Proposed Disposal"), the Company had proposed to enter into a new scheme of arrangement ("New Scheme") with its creditors, comprising both creditors of the Company under the existing Scheme ("Existing Scheme Creditors") and other creditors of the Company (the "Non-Existing Scheme Creditors"). The New Scheme is to be funded by an amount of up to $45,000,000, which will be set aside from the consideration of $37,500,000 to be received from the purchaser for the Proposed Disposal ("Purchaser") and a loan of $7,500,000 to be provided by the Purchaser ("Purchaser Loan").

The Court had granted moratorium extensions on 10 August 2018 and 28 November 2018 which collectively extended the Moratorium Extension Application until 31 December 2019.

On 20 December 2018, the New Scheme was approved by the requisite majority of the creditors.

(n) On 7 March 2019, the Company filed an application ("Sanction Application") pursuant to Section 211I of the Act for, amongst others, the New Scheme to be approved by the Court. On 26 March 2019, the Court approved the New Scheme, subject to the following amendments and conditions imposed by the Court:

(a) That a said creditor is deemed to be an excluded creditor under the New Scheme; and

(b) The long stop date for the implementation of the New Scheme is extended until 30 April 2019.

In connection with the sanction of the New Scheme, the said creditor has, on the basis that the Company will provide information prescribed by the Court to the said creditor in relation to payments (if any) by the Company to another excluded creditor, provided an undertaking to the Court that it shall not, without the leave of the Court or prior consent in writing of the Company, levy any execution proceedings in respect of the fees assessed by the Court to be payable for work done by the said creditor for the Company (i.e. the sum of $1,276,735 subject to GST ("Assessed Amount")), commence winding up proceedings against the Company or serve a statutory demand upon the Company based upon the Assessed Amount, or commence judicial management proceedings against the Company (the "Creditor Standstill").

2 Scheme of arrangement and financial reporting (Cont'd)

Scheme of arrangement (Cont'd)

(o) On 18 April 2019, the Company applied to the Court for an extension of the existing Moratorium, which expires on 30 April 2019, until 31 July 2019 and to extend the Long Stop Date for the implementation of the New Scheme until 31 July 2019.

The Company and the Purchaser (in its capacity as Purchaser under the Proposed Disposal and a management service agreement entered into on 28 November 2018 between the Company and the Purchaser ("Management Services Agreement"), as well as the Lender under the Purchaser Loan and the bridging loan agreement entered by a wholly owned subsidiary of the Company with the Purchaser on 17 December 2018 ("Bridging Loan") arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme) have agreed to terminate the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan, and neither the Company or the Purchaser shall have any claim or any nature whatsoever against each other in connection with the Proposed Disposal, the Management Services Agreement, the Purchaser Loan and the Bridging Loan.

The Purchaser has agreed to provide alternative funding for the implementation of the New Scheme via a proposed investment through a convertible loan of $48 million to be granted to the Company ("Convertible Loan").

(p) On 16 July 2019, the Company and the Purchaser (now known as the "New Investor") entered into a binding term sheet ("Term Sheet") to, amongst others, provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to $45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and Bridging Loan.

(q) On 29 July 2019, the Court granted the Company's application for:

(i) an extension of existing Moratorium, which expires on 31 July 2019, until 31 December 2019, to allow the Company time to obtain all necessary approvals from relevant authorities (including but not limited to SGX ST and SIC, amongst others) to facilitate the completion of the Convertible Loan and the implementation of the New Scheme; and
(ii) for the Court to approve the proposed amendments to the New Scheme (the "Application").

Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme have been extended until 31 December 2019.

(r) On 9 December 2019, the Company entered into the definitive documentation in relation to the Convertible Loan ("Convertible Loan Agreement") with the New Investor, and thereby fulfilling one of the conditions precedent to the utilisation of the Convertible Loan. The Company also submitted applications for the Conversion Regulatory Approval and the Conversion Whitewash Waiver, the Right Issue Whitewash Waive to facilitate the implementation of the Rights Issue, to the relevant regulatory authorities. Upon receipt of all regulatory approvals, the Company will be in a position to convene an extraordinary general meeting to seek the Conversion Shareholders' Approval.

2 Scheme of arrangement and financial reporting (Cont'd)

Scheme of arrangement (Cont'd)

(r) In connection with the Conversion Regulatory Approval for, inter alia, the listing of the Conversion Shares, the Company had submitted to the relevant regulatory authority for approval its trading resumption proposal ("Trading Resumption Proposal"). To facilitate the seeking for approval for the Trading Resumption Proposal as well as the Conversion Regulatory Approval, the New Investor had on 9 December 2019 entered into a loan agreement with two wholly-owned subsidiaries of the Company, namely Akira Corporation Pte Ltd ("Akira Corporation") and Furniture & Furnishings Pte Ltd ("F&F") (collectively the "Additional Loan Borrowers"), whereby the New Investor has agreed to provide a loan of a principal amount of S$25,000,000 ("Additional Loan") for additional working capital for the Group and to refinance the existing facilities granted to the Group ("Additional Loan Agreement").

(s) On 13 December 2019, pursuant to the terms of the New Scheme, voting on the New Scheme was carried out. The amendment to the Scheme and the extension of the Long Stop Date of the New Scheme was approved by the requisite majority of the Creditors with 96.8% in number and 96.89% in value of Creditors to the extent of their Secured Voting Amounts and 96.8% in numbers and 96.9% in value of Creditors to the extent of their Unsecured Voting Amounts.

(t) On 27 December 2019, the Court granted the Company's application for extension of existing moratorium which expires on 31 December 2019. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme have been extended until 31 March 2020.

(u) On 27 March 2020, the Court granted the Company's application for extension of existing moratorium which expires on 31 March 2020 to allow the Company more time to:

(i) obtain the remaining necessary regulatory approvals to facilitate the completion of the Convertible Loan and the implementation of the New Scheme, as well as to
(ii) convene the extraordinary general meeting (seeking the requisite shareholders' approvals) which can be convened only after all the necessary regulatory approvals have been obtained. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme have been extended until 31 May 2020.

As at the reporting date, the process of determining the final amounts of certain claims which are disputed have not been resolved, finalised and/or crystallised (see Note 31).

Financial reporting

The Group and the Company have deficiency in net assets of $418.2 million (2019 - $364.4 million) and $428.9 million (2019 - $402.5 million), respectively as at 31 March 2020 and the Group incurred a net loss of $56.6 million (2019 - $32.2 million) for the financial year then ended.

Big Box Pte Ltd ("BBPL"), a significant subsidiary in Singapore had defaulted on its debt repayment obligation which was due on 31 March 2017. Receivers and managers were appointed in September 2017 over the assets of BBPL and the Warehouse Retail Scheme ("WRS") of another subsidiary of the Company was terminated by relevant authority in February 2018. These developments have severely affected the businesses of this subsidiary and certain entities within the Group.

2 Scheme of arrangement and financial reporting (Cont'd)

Financial reporting (Cont'd)

In 2018, a creditor of a significant Indonesian subsidiary, PT Sumber Electrindo Makmar ("PT Sumber"), had applied to the Commercial Court in Indonesia for a voluntary Suspension of Debt Repayment Obligations (Penundaan Kewajiban Pembayaran Utang) ("PKPU") which was granted by the Indonesian Court on 16 August 2018. The PKPU provides for inter alia a temporary moratorium of 45 days which may be extended by the Indonesian Court to a fixed moratorium not exceeding 270 days. PT Sumber has been placed under bankruptcy pursuant to the Indonesian Court Order on 28 March 2019. The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations (both short term and long term) as and when they fall due is dependent mainly on:

(a) the successful implementation of the New Scheme;
(b) the completion of issuance of the Convertible Loan;
(c) the Group's ability to secure financing as and when required;
(d) the profitability of future operations of the Company and its subsidiaries; and
(e) the continuing support of bank and other creditors, suppliers and other parties.

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.

The directors have considered that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 31 March 2020 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.

3 Basis of preparation

3.1 Statement of compliance

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related interpretations promulgated by the Accounting Standards Council ("ASC").

This is the first set of the Group's financial statements in which SFRS(I) 16 *Leases* has been applied. An explanation of how the application of SFRS(I) 16 has affected the reported financial position and financial performance is provided in Note 3.5(i)(d).

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

These financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information has been presented in Singapore dollar and rounded to the nearest thousand ($'000), unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of functional currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(a) Judgements made in applying accounting policies (Cont'd)

(i) Determination of functional currency (Cont'd)

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

(ii) Valuation of freehold and leasehold land and buildings on a revaluation model

In accordance with the group's accounting policies set out in Section 4.3, freehold and leasehold land and buildings were initially recognised at cost and subsequently stated at their revalued amounts. The fair values of certain freehold and leasehold land and buildings were estimated by management with reference made to prior year's revaluation prepared by independent professional valuers. Management believes that the carrying amount of these freehold and leasehold land and buildings of $189.1 million as at 31 March 2020 do not differ materially from that which would be determined using the fair values at the end of the reporting period.

(iii) Trademarks with indefinite useful lives

Management has previously acquired and capitalised certain trademarks with indefinite useful lives with a carrying amount of $8.9 million. These trademarks consist of internationally registered brand names for both consumer electronics and private label businesses and furniture and furnishing. Such trademarks are not amortised but instead are subject to impairment testing at least annually. Management has performed an assessment to determine whether events and circumstances continue to support an indefinite useful life for these trademarks at the balance sheet date and concluded that the Group has the ability and intention to continuously renew the legal rights to these brand names where the expected economic benefits exceeds the costs of renewal.

(iv) Presentation of revenue - principal vs agent arrangement

On 1 April 2018, one of the entities of the Group has entered into a management service agreement with a major customer. Under this agreement, third party suppliers are involved in providing the goods or services to the entity's customer. Management carried out an assessment and concluded that the entity is no longer a principal, but an agent to the sale and purchase arrangement. Accordingly, management recognised a prior year's adjustment as disclosed in Note 34 to the financial statements to record revenue on a net basis, being the commission, representing the net amount of consideration that the Group retains.

(v) Income tax

The Group has exposure to income taxes in several jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(a) Judgements made in applying accounting policies (Cont'd)

(v) Income tax (Cont'd)

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 March 2020 are $0.6 million (2019 - $0.8 million).

(vi) Recognition of deferred tax assets (Note 17)

As at 31 March 2020, deferred tax assets amounting to $141.9 million have not been recognised on tax losses of the Company and certain subsidiaries respectively because it is not probable that future taxable profits will be available against which the entities concerned can utilise the benefits therefrom.

(vii) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolio and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time; instead the investment properties are recovered though sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption of the carrying amounts of investment properties measured using the fair value model are recovered through sale is not rebutted.

(viii) Contingent liabilities

As disclosed in Note 31, the Company and certain subsidiaries have provided unsecured guarantees to financial institutions in respect of credit facilities granted to the Group. In addition, there were also dispute debts under the Scheme and potential income tax liabilities arising from tax positions that are in dispute with the local tax authorities in which the Group operates in. Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts. Details of the Group's contingent liabilities are presented in Notes 2 and 31 to the financial statements.

(ix) Determination of the lease term

The Group leases leasehold land and buildings as warehouses and showrooms and office premises from third parties to operate its business. In determining the lease term of these leases, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercise) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(a) Judgements made in applying accounting policies (Cont'd)

(ix) Determination of the lease term (Cont'd)

For leases of leasehold land and buildings, warehouses and office premises, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
(b) If the warehouses, showrooms and office premises are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate);
(c) Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased assets.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based on its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment and right-of-use assets (Notes 5 and 6)

The cost of property, plant and equipment and right-of-use assets of the Group are depreciated on a straight-line basis over their estimated useful lives. For property, plant and equipment and right-of-use assets, management estimates the useful lives to be ranging from 2 years to 50 years. The Group reviews annually the estimated useful lives of property, plant and equipment and right-of-use assets based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment and right-of-use assets would increase depreciation expense and decrease non-current assets.

(ii) Impairment of non-financial assets (Notes 5, 6, 8 and 9)

The Group and the Company also assessed whether there are any indicators of impairment for non-financial assets, comprising, property, plant and equipment, right-of-use assets, investments in subsidiaries and intangible assets at the end of each reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(ii) Impairment of non-financial assets (Notes 5, 6, 8 and 9) (Cont'd)

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. When value-in-use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, it is determined by making reference to the cash-generating units' realisable net assets value or quoted market prices. The carrying amounts of the Group's and Company's property, plant and equipment, right-of-use assets, investments in subsidiaries and intangible assets are disclosed in Notes 5, 6, 8 and 9, respectively.

(iii) Valuation of investment properties (Note 7)

Investment properties are stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer used a valuation method which involves certain estimates. In relying on the valuation report, management has exercised its judgement and is satisfied that the valuation method is reflective of current market conditions and the estimations used are appropriate.

(iv) Estimation of the incremental borrowing rate ("IBR") (Notes 6 and 16)

For the purpose of calculating the right-of-use assets and lease liabilities, management applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, management will use the IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases where the Group is the lessee, the IRIIL is not readily determinable. Therefore, management estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments. The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 6 and 16, respectively.

For right-of-use assets and lease liabilities, a 1% increase/decrease in the estimated IBR from management's estimates will not have a material impact on the Group's loss before tax for the financial year.

(v) Deferred tax effects on adoption of SFRS(I) 16

In the jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 April 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use asset and lease liability. Management has assessed the impact of deferred tax on the adoption of SFRS(I) 16 and concluded that it is not significant to the consolidated financial statements of the Company.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(vi) Net realisable value of inventories (Note 10)

The Group states inventories at the lower of cost and net realisable value. The Group records a write-down for inventories of products which have become obsolete or are in excess of anticipated demand or net realisable value. A review is made for excess inventory and declines in net realisable value below cost and a provision is recorded against the inventory balance for any such decline. The review requires management to consider the future demand for the products. In any case, the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting period and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of provision or write-down include ageing analysis, technical assessment and subsequent events.

In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the end of the reporting period. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount is disclosed in the Note 10 to the financial statements.

(vii) Provision of expected credit losses of trade and other receivables

As at 31 March 2020, the Group's and the Company's net trade and other receivables as disclosed in Note 11 amounted to $11.0 million and $82.2 million (2019 - $11.6 million and $80.9 million), respectively. Allowance for expected credit losses ("ECL") of trade and other receivables are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(vii) Provision of expected credit losses of trade and other receivables (Cont'd)

Management applies the 3-stage general approach to determine ECL for non-trade amounts due from external parties and related parties. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-months ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

(viii) Impact of COVID-19

On 30 January 2020, the World Health Organisation ("WHO") declared the outbreak of COVID-19 a Public Health Emergency of International Concern. The WHO subsequently recognised the spread of COVID-19 as a pandemic on 11 March 2020. The Singapore Government implemented the directives under the Circuit Breaker Measures for the suspension of all non-essential workplace activities and for staff to work remotely from 7 April 2020 to 19 June 2020 (the "Circuit Breaker Period") to contain the spread of COVID-19. In compliance with the Circuit Breaker Measures, the Group had to close all of its operations and offices throughout the Circuit Breaker Period. As the Group's furniture business is mainly in the retail business, all of its showrooms had to be closed during the Circuit Breaker Period and this had a major impact on the Group's business and sales revenue. Under the COVID-19 (Temporary Measures) Act, all events and exhibitions were not allowed to be held. As the furniture retail trade is reliant on these events and exhibitions, the Group had to seek out alternative channels to conduct business, such as online sales.

There were also disruptions to the supply of goods and stocks for both furniture business and consumer electronic business as the suppliers were also placed under the Circuit Breaker Measures and the overseas suppliers were under lockdown or any other movement control measures in their respective countries. This has in turn, caused some delay to the Group's order fulfilment. The Group's overseas operations in Malaysia, Brunei, Australia, Hong Kong and United Arab Emirates were also halted due to lockdowns and various restriction measures in their respective countries.

The Group has considered and estimated the impact of the COVID-19 pandemic in the Group's financial position and performance by carrying out further impairment assessment on its property, plant and equipment, right-of-use assets, intangible assets, investment properties and trade and other receivables.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, at the date of these financial statements, used internal and external sources, including economic forecasts and estimates from market sources. However, the impact assessment of the COVID-19 pandemic is a continuing process and the Group will continue to monitor any material changes to future economic conditions.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(viii) Impact of COVID-19 (Cont'd)

Details on the areas that involve critical judgement and significant estimation uncertainties and disclosures on assumptions and sensitivity disclosures are also highlighted in the notes indicated above.

The COVID-19 pandemic has detrimentally affected both the local and global economy. Even with the lifting of the Circuit Breaker Period in Singapore and the resumption of the Group's business, there remain many uncertainties, amidst the likely threat of repeated outbreaks.

Most of the Group's overseas operations remain under lockdown till date. Accordingly, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. As the Group's earnings and operating cashflows are expected to be affected by the challenging operating environment due to the COVID-19 pandemic, the Group is currently focusing on capital and cashflow management, including cost-cutting measures and is actively working towards the completions of the issuance of the convertible loan and the rights issue. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due. Details of the Group's liquidity risk management and available facilities are disclosed under the Liquidity risk section in Note 28.

3.5 Adoption of new and amended standards and interpretations

On 1 April 2019, the Group and the Company adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements did not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 16	*Leases*	1 April 2019
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*	1 April 2019

(i) Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 *Leases* supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases - Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's financial statements are discussed below.

3 Basis of preparation (Cont'd)

3.5 Adoption of new and amended standards and interpretations (Cont'd)

(i) Adoption of SFRS(I) 16 *Leases* (Cont'd)

The date of initial application of SFRS(I) 16 for the Group is 1 April 2019. The Group has elected the transition to SFRS(I) 16 using the cumulative catch-up approach which requires the Group to recognise lease liabilities at the present value of future lease payment using IBR applicable to the leased asset and to recognise right-of-use asset equal to their lease liabilities at the date of initial application without restatement of comparatives under SFRS(I) 1-17.

(a) Definition of a lease

The new definition of a lease under SFRS(I) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(I) 1-17.

The Group has elected to apply the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is, or contains, a lease. Accordingly, the superseded definition of a lease under SFRS(I) 1-17 continues to be applied to those leases entered into, or modified, before 1 April 2019, and the Group applies the new definition of a lease and related guidance set out in SFRS(I) 16 only to those lease contracts entered into, or modified, on or after 1 April 2019. After the transition to SFRS(I) 16, the Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed. The new requirements for identifying a lease under SFRS(I) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

(b) Lessee accounting

(i) Former operating leases

Before the adoption of SFRS(I) 16, the Group's non-cancellable operating lease payments in future reporting periods for leasehold land and buildings, and certain property, plant and equipment were not recognised as liabilities in the statement of financial position but were disclosed as commitments in the notes to the financial statements, and these lease payments were reported as rental expenses in the statement of comprehensive income over the lease term on a straight-line basis and presented under operating activities in the statement of cash flows. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities in the statement of financial position for these outstanding lease payments, reports depreciation of right-of-use assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the statement of cash flows.

Under SFRS(I) 16, lease incentives are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17, they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expenses on a straight-line basis.

3 Basis of preparation (Cont'd)

3.5 Adoption of new and amended standards and interpretations (Cont'd)

(i) Adoption of SFRS(I) 16 *Leases* (Cont'd)

(b) Lessee accounting (Cont'd)

(i) Former operating leases (Cont'd)

The Group has elected, as a practical expedient of SFRS(I) 16, not to separate non-lease components from lease components for all classes of underlying assets and instead account for each lease component and any associated non-lease components as a single lease component, except if the non-lease component is an embedded derivative according to SFRS(I) 9.

For short-term leases and leases of low value assets, the Group has elected for exemption under SFRS(I) 16 from recognising their right-of-use assets and lease liabilities, and to report their lease expense in the statement of comprehensive income on a straight-line basis.

On 1 April 2019, the Group has applied the following SFRS(I) 16 transition provisions under the cumulative catch-up approach for each lease, formerly classified as operating lease under SFRS(I) 1-17:

- recognises a lease liability at the present value of the remaining lease payments using the lessee's incremental borrowing rate for the underlying lease assets;
- recognises a right-of-use asset, on a lease-by-lease basis for leasehold land and buildings, warehouses and office premises, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application; and
- applies SFRS(I) 1-36 *Impairment of Assets* to perform an impairment review of the right-of-use assets.

The Group has adopted the following SFRS(I) 16 practical expedients when applying the cumulative catch-up approach to leases formerly classified as operating lease under SFRS(I) 1-17:

- applies a single discount rate to portfolio of leases with reasonably similar characteristics;
- adjusts the right-of-use assets at the date of initial application by the amount of provision of onerous leases recognised under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* in the statement of financial position immediately before the date of initial application, as an alternative to perform an impairment review under SFRS(I) 1-36;
- elects not to recognise the right-of-use asset and lease liability for a lease with lease term ending within twelve months of the date of initial application;
- excludes initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- use hindsight for determining the lease term when the contract contains options to extend or terminate the lease.

3 Basis of preparation (Cont'd)

3.5 Adoption of new and amended standards and interpretations (Cont'd)

(i) Adoption of SFRS(I) 16 *Leases* (Cont'd)

(b) Lessee accounting (Cont'd)

(ii) Leasehold land and buildings

In prior years, the Group had made upfront payments for the right-of-use of certain leasehold land and buildings which were used as warehouses and showrooms and had recorded them in the Group's property, plant and equipment. Upon transition to SFRS(I) 16, the Group has elected to present the right-of-use assets separately from other assets in the statement of financial position and therefore reclassifies these leasehold land and buildings from "property, plant and equipment" to "right-of-use assets" in the statement of financial position as at 1 April 2019.

(c) Deferred tax effects on adoption of SFRS(I) 16

In certain jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 April 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use assets and lease liabilities. However, the deferred tax effects for these temporary differences are not material.

(d) Financial impact of initial application of SFRS(I) 16

The Group's incremental borrowing rate applied on each lease to measure the Group's lease liabilities recognised in the consolidated statement of financial position on 1 April 2019 is 12%. A reconciliation of the differences between the Group's operating lease commitments previously disclosed in the financial statements as at 31 March 2019 and the Group's lease liabilities recognised in the consolidated statement of financial position on 1 April 2019 is as follows:

	$'000
Operating lease commitments as of 31 March 2019	5,492
Change of basis for estimation of operating lease commitments	(113)
Extension options reasonably certain to be exercised	1,064
	6,443
Add/(less):	
Exempted from recognition:	
- Leases of low-value assets	(36)
- Short-term leases	(523)
Discounting effect using weighted average incremental borrowing rate	(1,657)
Reclassification from loans and borrowings (Note 15)	375
Lease liabilities recognised on 1 April 2019	**4,602**

3 Basis of preparation (Cont'd)

3.5 Adoption of new and amended standards and interpretations (Cont'd)

(i) Adoption of SFRS(I) 16 *Leases* (Cont'd)

(d) Financial impact of initial application of SFRS(I) 16 (Cont'd)
The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 April 2019 are as follows:

	Increase/ (Decrease) $'000
Assets	
Property, plant and equipment (Note 5)	(16,988)
Investment properties (Note 7)	376
Right-of-use assets (Note 6)	20,839
	4,227
Liabilities	
Loans and borrowings (Note 15)	(375)
Lease liabilities (Note 16)	4,602
	4,227

(ii) SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:

  - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
  - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method

There is no material impact to the Group's and the Company's financial statements.

3.6 Standards issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I) and SFRS(I) INT in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Interest Rate Benchmark Reform	1 January 2020

3 Basis of preparation (Cont'd)

3.6 Standards issued but not yet effective (Cont'd)

Reference	Description	Effective date (Annual periods beginning on or after)
Various	Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 16	COVID-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 1-16	Property, plant and equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements to SFRS(I)s 2018 - 2020 Cycle:		
- Amendments to SFRS(I) 1-41	Taxation in Fair Value Measurements	1 January 2022
- Amendments to SFRS(I) 1	Subsidiary as a First-time Adopter	1 January 2022
- Amendments to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
- Amendments to Illustrative Examples accompanying SFRS(I) 16	Lease Incentives	1 January 2022
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management does not anticipate that the adoption of the above SFRS(I) in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
The amendments clarify the definition of material and how it should be applied by including in the definition guidance. The new definition of material states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted.

3 Basis of preparation (Cont'd)

3.6 Standards issued but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*
The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments also clarify the situations that are considered settlement of a liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Amendments to SFRS(I) 16 *COVID-19-Related Rent Concessions*
The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The amendments are effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

4 Significant accounting policies

4.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* at the date of acquisition, which is the date on which control is transferred to the Group.

4 Significant accounting policies (Cont'd)

4.1 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances. All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Losses and other comprehensive income applicable to the non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Acquisitions from 1 April 2017
For acquisitions from 1 April 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) 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. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of comprehensive income.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the statement of comprehensive income.

NCIs that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCIs are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

4 Significant accounting policies (Cont'd)

4.1 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

Acquisitions from 1 April 2017 (Cont'd)
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 the statement of comprehensive income. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisitions before 1 April 2017
As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 April 2017. Goodwill arising from acquisitions before 1 April 2017 has been carried forward from the previous FRS framework as at the date of transition.

Subsidiary
A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Transaction with non-controlling interests
Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

4 Significant accounting policies (Cont'd)

4.1 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

Changes in ownership interests in subsidiaries without loss of control
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control over a subsidiary, a gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.2 Subsidiaries

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

4.3 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses except for freehold and leasehold land and buildings, 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.

An 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 the statement of comprehensive income. A decrease in value is recognised in the statement of comprehensive income where it exceeds the increase previously recognised in the revaluation reserve. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to accumulated losses when the asset is de-recognised.

On adoption of SFRS(I) 16, certain leasehold land and buildings which are stated at their revalued amount where the Group has made upfront payments for their respective right-of-use as warehouses and showrooms are reclassified from "property, plant and equipment" to "right-of-use assets" as at 1 April 2019.

4 Significant accounting policies (Cont'd)

4.3 Property, plant and equipment and depreciation (Cont'd)

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 recognised in the statement of comprehensive income.

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 decrecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of the individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

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.

The estimated useful lives for the current and comparative years are as follows:

Freehold buildings	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	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in the statement of comprehensive income to the extent that the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in the statement of 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 included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in the statement of comprehensive income.

4 Significant accounting policies (Cont'd)

4.4 Leases (policy applicable on or after 1 April 2019)

(i) The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position. The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

4 Significant accounting policies (Cont'd)

4.4 Leases (policy applicable on or after 1 April 2019) (Cont'd)

(i) The Group as a lessee (Cont'd)

(a) Lease liability (Cont'd)

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold land and buildings	: Over the remaining lease tenure till FY 2022
Warehouse complex	: Over the lease period of 2-5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

4 Significant accounting policies (Cont'd)

4.4 Leases (policy applicable on or after 1 April 2019) (Cont'd)

(i) The Group as a lessee (Cont'd)

(b) Right-of-use assets (Cont'd)

On adoption of SFRS(I) 16, the leasehold land and buildings which are stated at its revalued amounted are reclassified from "property, plant and equipment" to "right-of-use assets" as at 1 April 2019. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out by independent professional valuers regularly such that the carrying amount of the leasehold land and buildings do not differ materially from that which would be determined using fair value at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited directly to the revaluation reserve unless it reverses a previous revaluation loss to the same asset which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write-down.

When an asset's carrying amount decreases as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to accumulated losses when the asset is de-recognised.

(ii) The Group as a lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except for the classification of the sublease entered into that resulted on a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

4 Significant accounting policies (Cont'd)

4.5 Leases (policy applicable before 1 April 2019)

(i) The Group as a lessee

(a) Operating lease

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

(b) Finance lease

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and loans and borrowings respectively, at the inception of the lease, based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the interest expense and the reduction of the outstanding lease liability. The interest expense is recognised within "finance costs" in the statement of comprehensive income on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) The Group as a lessor

(a) Operating lease

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the statement of comprehensive income over the lease term on the same basis as the lease income. Contingent rents are recognised as income in the statement of comprehensive income when earned.

4.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the statement of comprehensive income. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

4 Significant accounting policies (Cont'd)

4.6 Investment properties (Cont'd)

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of comprehensive income. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Rental income from investment properties is accounted for in the manner described in Note 4.21.

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 held under finance lease (see Note 4.4) 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 4.4.

4.7 Intangible assets

Goodwill
Goodwill arises upon the acquisition of a subsidiary and is included in intangible assets.

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 the statement of comprehensive income 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.

4.8 Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4 Significant accounting policies (Cont'd)

4.8 Impairment of non-financial assets (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 Financial instruments

Financial instruments carried on the statement of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Group's and the Company's statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument. Disclosures of the Group's and the Company's financial risk management objectives and policies are provided in Note 28.

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets
Recognition and initial measurement

Non-derivative financial assets and financial liabilities
Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

4 Significant accounting policies (Cont'd)

4.9 Financial instruments (Cont'd)

Financial assets (Cont'd)

(i) Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Equity investments at FVOCI
On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

(iii) Financial assets at FVTPL
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4 Significant accounting policies (Cont'd)

4.9 Financial instruments (Cont'd)

Financial assets (Cont'd)

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset, on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

(i) Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(ii) Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of comprehensive income.

4 Significant accounting policies (Cont'd)

4.9 Financial instruments (Cont'd)

Financial assets (Cont'd)

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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.

4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

4.12 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Redeemable convertible bonds

The Company has issued redeemable convertible bonds ("RCB") 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 or 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, and initially recognised at its relative fair value.

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.

4 Significant accounting policies (Cont'd)

4.12 Share capital (Cont'd)

The residual 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 the statement of comprehensive income 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.

4.13 Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

4.14 Financial liabilities

Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of comprehensive income. Directly attributable transaction costs are recognised in the statement of comprehensive income as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income. These financial liabilities comprised loans and borrowings, and trade and other payables.

Derecognition
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

4 Significant accounting policies (Cont'd)

4.15 Borrowing costs

Borrowing costs are recognised in statement of comprehensive income as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

4.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

4.17 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet 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.

4.18 Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred income tax is provided in full, using the liability method, on temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

4 Significant accounting policies (Cont'd)

4.18 Income taxes (Cont'd)

- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The carrying amounts of the Group's investment properties are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.19 Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided.

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.

4 Significant accounting policies (Cont'd)

4.19 Employee benefits (Cont'd)

Share-based payments (Cont'd)

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 2020 and 2019, 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.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which related services are rendered by employees.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

4.20 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control over the Company;
  (ii) has significant influence over the Company; or
  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  (iii) both entities are joint ventures of the same third party;

4 Significant accounting policies (Cont'd)

4.20 Related parties (Cont'd)

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4.21 Revenue recognition

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The timing of satisfaction of the PO varies depending on the individual terms of the contract of sale. For sales of consumer electronics and furniture and furnishing products, satisfaction usually occurs when the product is received by the customer. For international shipments, revenue is recognised in accordance to respective delivery terms as defined by The International Chamber of Commerce Terms of Trade ("Incoterms").

4 Significant accounting policies (Cont'd)

4.21 Revenue recognition (Cont'd)

(ii) Rental income
Rental income from investment property is recognised as 'revenue' 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, over the term of the lease.

4.22 Functional currency

Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

4.23 Conversion of foreign currencies

Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from monetary items that are considered to form part of a net investment in foreign operations, are recognised in other comprehensive income and accumulated in the other reserves.

Foreign currency gains and losses are reported as either other income or other operating expense depending on whether foreign currency movements are in a gain or loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the transaction.

Group entities
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting date;
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at the average exchange rates for the year; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in translation reserves.

4.24 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.

4 Significant accounting policies (Cont'd)

4.24 Earnings per share (Cont'd)

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, which comprise convertible bonds and warrants.

4.25 Operating segments

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. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Executive Officer has been identified as the Chief Operating Decision Maker who makes strategic resources allocation decisions and assesses segment performance.

5 Property, plant and equipment

The Group	At valuation: Freehold land and buildings $'000	At valuation: Leasehold land and buildings $'000	At cost: Plant and machinery $'000	At cost: Renovations $'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 2018	3,297	214,507	4,068	16,490	12,049	13,535	4,049	267,995
Translation differences on consolidation	(128)	748	(4)	(21)	6	(16)	(4)	581
Additions	-	-	-	383	53	43	110	589
Acquisition via business combination	-	-	9	155	32	21	44	261
Surplus on revaluation recognised directly in equity, net	-	1,012	-	-	-	-	-	1,012
Surplus on revaluation recognised directly in profit or loss (Note 21)	217	-	-	-	-	-	-	217
Disposals	-	-	(24)	(57)	(11)	(32)	(208)	(332)
Deconsolidation of a subsidiary	-	-	-	(3,216)	(621)	(2,741)	(372)	(6,950)
Reversal of depreciation on revaluation	(78)	(12,736)	-	-	-	-	-	(12,814)
At 31 March 2019, as reported	**3,308**	**203,531**	**4,049**	**13,734**	**11,508**	**10,810**	**3,619**	**250,559**
Adoption of SFRS(I) 16 - reclassification to "right-of-use assets" (Note 6)	**-**	**(16,646)**	**-**	**-**	**(22)**	**-**	**(1,545)**	**(18,213)**
At 1 April 2019, as adjusted	**3,308**	**186,885**	**4,049**	**13,734**	**11,486**	**10,810**	**2,074**	**232,346**
Translation differences on consolidation	**(274)**	**1,331**	**(166)**	**(153)**	**(151)**	**(69)**	**(17)**	**501**
Additions	**-**	**-**	**48**	**268**	**48**	**28**	**71**	**463**
Surplus on revaluation recognised directly in equity, net	**772**	**29**	**-**	**-**	**-**	**-**	**-**	**801**
Disposals	**-**	**-**	**(105)**	**(192)**	**(437)**	**(277)**	**(1,170)**	**(2,181)**
Reversal of depreciation on revaluation	**(77)**	**(10,121)**	**-**	**-**	**-**	**-**	**-**	**(10,198)**
At 31 March 2020	**3,729**	**178,124**	**3,826**	**13,657**	**10,946**	**10,492**	**958**	**221,732**

5 Property, plant and equipment (Cont'd)

The Group	At valuation: Freehold land and buildings $'000	At valuation: Leasehold land and buildings $'000	At cost: Plant and machinery $'000	At cost: Renovations $'000	At cost: Furniture, fittings and office equipment $'000	At cost: Computers $'000	At cost: Motor vehicles $'000	Total $'000
Accumulated depreciation and impairment losses								
At 1 April 2018	-	-	2,849	14,592	11,322	12,714	3,305	44,782
Translation differences on consolidation	-	-	(3)	(2)	10	(12)	1	(6)
Depreciation for the year (Note 24)	78	12,736	12	301	160	414	324	14,025
Disposals	-	-	(24)	(24)	(12)	(32)	(198)	(290)
Deconsolidation of a subsidiary	-	-	-	(3,216)	(621)	(2,741)	(372)	(6,950)
Reversal of depreciation on revaluation	(78)	(12,736)	-	-	-	-	-	(12,814)
Impairment loss (Note 24)	-	-	-	162	7	3	78	250
At 31 March 2019	**-**	**-**	**2,834**	**11,813**	**10,866**	**10,346**	**3,138**	**38,997**
Adoption of SFRS(I) 16 – reclassification to "right-of-use assets" (Note 6)	**-**	**-**	**-**	**-**	**(10)**	**-**	**(1,215)**	**(1,225)**
Adjusted balance at 1 April 2019	**-**	**-**	**2,834**	**11,813**	**10,856**	**10,346**	**1,923**	**37,772**
Translation differences on consolidation	**-**	**-**	**(165)**	**(151)**	**(150)**	**(67)**	**(17)**	**(550)**
Depreciation for the year (Note 24)	**77**	**10,121**	**11**	**220**	**126**	**184**	**147**	**10,886**
Disposals	**-**	**-**	**(71)**	**(86)**	**(176)**	**(247)**	**(1,095)**	**(1,675)**
Reversal of depreciation on revaluation	**(77)**	**(10,121)**	**-**	**-**	**-**	**-**	**-**	**(10,198)**
At 31 March 2020	**-**	**-**	**2,609**	**11,796**	**10,656**	**10,216**	**958**	**36,235**
Net carrying value								
At 31 March 2020	**3,729**	**178,124**	**1,217**	**1,861**	**290**	**276**	**-**	**185,497**
At 31 March 2019	3,308	203,531	1,215	1,921	642	464	481	211,562

5 Property, plant and equipment (Cont'd)

The Company	At valuation	At cost				
	Freehold building	Renovation	Furniture, fittings and office equipment	Computers	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost/Valuation						
At 1 April 2018	284	91	220	1,553	338	2,486
Additions	-	-	35	1	-	36
Disposal	-	-	-	(3)	-	(3)
At 31 March 2019	284	91	255	1,551	338	2,519
Adoption of SFRS(I) 16 – reclassification to "right-of-use assets" (Note 6)	-	-	(9)	-	-	(9)
At 1 April 2019	284	91	246	1,551	338	2,510
Additions	**-**	**193**	**7**	**2**	**-**	**202**
At 31 March 2020	**284**	**284**	**253**	**1,553**	**338**	**2,712**
Accumulated depreciation						
At 1 April 2018	142	24	192	1,479	301	2,138
Depreciation for the year	6	9	9	46	9	79
Disposal	-	-	-	(3)	-	(3)
At 31 March 2019	148	33	201	1,522	310	2,214
Adoption of SFRS(I) 16 – reclassification to "right-of-use assets" (Note 6)	-	-	(4)	-	-	(4)
	148	33	197	1,522	310	2,210
Depreciation for the year	**6**	**28**	**21**	**25**	**9**	**89**
At 31 March 2020	**154**	**61**	**218**	**1,547**	**319**	**2,299**
Net carrying value						
At 31 March 2020	**130**	**223**	**35**	**6**	**19**	**413**
At 31 March 2019	136	58	54	29	28	305

A revaluation surplus of $0.8 million (2019 - $1.0 million) was transferred to the revaluation reserve of the Group during the financial year. In FY 2019, a revaluation surplus of $0.2 million was recorded in the consolidated statement of comprehensive income as the fair value of a freehold property in Australia was higher than its written down value as at the reporting date.

The carrying amount of freehold and leasehold land and buildings of the Group would have been $169.4 million (2019 - $179.7 million) 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 certain freehold and leasehold land and buildings, the Group recognised a deferred tax liability of $0.13 million (2019 - $0.14 million) (Note 17).

As at 31 March 2020, a freehold property with a carrying amount of $0.13 million (2019 - $0.14 million) located in Japan was held in trust by a director on behalf of the Company.

As at 31 March 2019, property, plant and equipment with a carrying amount of $0.34 million for the Group and $0.01 million for the Company were acquired under finance lease agreements. The amounts outstanding under the finance lease agreements are set out in Note 15(c) to the financial statements. Information on property, plant and equipment that are pledged as securities for the Group's borrowings are set out in Note 15 to the financial statements.

5 Property, plant and equipment (Cont'd)

Impairment test for plant and equipment

In prior year, the management assessed the recoverable amount of the plant and equipment of the consumer electronics businesses in Indonesia. Due to significant uncertainties regarding the going concern of these businesses, the Group recognised an impairment loss of $0.3 million in 2019.

Details of the freehold and leasehold land and buildings in the Group's property, plant and equipment as at 31 March 2020 are as follows:

Property name/ Location	Description/ Existing use	Gross floor area	Tenure	The Group's effective equity interest
1 Venture Avenue Singapore, Singapore 608521[(1)]	Building on leasehold land	130,532 sqm	Leasehold	100%
No 1, 2 & 3 Sri Kemajuan Industrial Centre, 10.5km, Jalan Tuaran, Kota Kinabalu, Sabah, Malaysia [(1)]	Building on leasehold land	1,266 sqm	Leasehold	100%
Units E, F & G, 14F Gemstar Tower, 23 Man Lok Street, Hung Hom, Kowloon, Hong Kong	Warehouse	1,092 sqm	Leasehold	100%
75 Northgate Drive Thomastown VIC 3074	Freehold building	2,034 sqm	Freehold	100%
173/174, Sayasan Street, Industrial Zone (2), Hlaing Tha Yar Township, Yangon, Union of Myanmar [(1)]	Freehold building	6,692 sqm	Freehold	100%
#206 Century Kumagaya Mansion, 1-141 Akagi-Cho, Kumagaya-shi, Saitama-Ken, Japan [(1)]	Freehold building	961 sqm	Freehold	100%

(1) Management has estimated the fair values of the freehold buildings and building on leasehold land with reference made to the prior years' valuations prepared by the independent professional valuers as at 31 March 2018. No separate independent valuation exercise was conducted as at 31 March 2020 and 31 March 2019 respectively.

6 Right-of-use assets

The Group	At valuation	At cost			
	Leasehold land and buildings	Buildings and offices	Office equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
Adoption of SFRS(I) 16:					
- Initial application	2,198	1,653	-	-	3,851
- Reclassification from property plant and equipment (Note 5)	16,646	-	22	1,545	18,213
At 1 April 2019	18,844	1,653	22	1,545	22,064
Deficit on revaluation recognised directly in equity	**(2,058)**	**-**	**-**	**-**	**(2,058)**
Additions	**-**	**1,414**	**-**	**-**	**1,414**
Disposal	**-**	**-**	**-**	**(312)**	**(312)**
Reversal of depreciation on revaluation	**(2,768)**	**-**	**-**	**-**	**(2,768)**
Exchange differences	**74**	**-**	**-**	**-**	**74**
At 31 March 2020	**14,092**	**3,067**	**22**	**1,233**	**18,414**

6 Right-of-use assets (Cont'd)

The Group	At valuation Leasehold land and buildings $'000	At cost Buildings and offices $'000	At cost Office equipment $'000	At cost Motor vehicles $'000	Total $'000
Accumulated depreciation					
Adoption of SFRS(I) 16:					
- Reclassification from property plant and equipment (Note 5)	-	-	10	1,215	1,225
At 1 April 2019	-	-	10	1,215	1,225
Depreciation for the year (Note 24)	**3,106**	**754**	**1**	**93**	**3,954**
Disposal	**-**	**-**	**-**	**(263)**	**(263)**
Reversal of depreciation on revaluation	**(2,768)**	**-**	**-**	**-**	**(2,768)**
At 31 March 2020	**338**	**754**	**11**	**1,045**	**2,148**
Carrying amount					
At 31 March 2020	**13,754**	**2,313**	**11**	**188**	**16,266**
At 1 April 2019	**18,844**	**1,653**	**12**	**330**	**20,839**

The Company	$'000
Cost	
Adoption of SFRS(I) 16:	
- Reclassification from property, plant and equipment (Note 5)	9
At 1 April 2019 and 31 March 2020	9
Accumulated depreciation	
Adoption of SFRS(I) 16:	
- Reclassification from property, plant and equipment (Note 5)	4
At 1 April 2019	4
Depreciation for the year	1
31 March 2020	5
Carrying amount	
At 31 March 2020	4
At 1 April 2019	5

The fair values of leasehold land and buildings amounting to $13.6 million were determined based on valuation prepared by independent professional valuers as at 31 March 2020.

A revaluation deficit of $2.1 million was transferred to the revaluation reserve of the Group during the financial year.

At transition in applying SFRS(I) 16, at lease commencement, the Group recognises right-of-use assets and lease liabilities for all leases except short-term leases and leases of low value assets that it accounts for by applying paragraph 6 of SFRS(I) 16.

6 Right-of-use assets (Cont'd)

Details of the leasehold building in the Group's right-of-use assets as at 31 March 2020 are as follows:

Property name/ Location	Description/ Existing use	Gross floor area/ Land area	Tenure	The Group's effective equity interest
33 Sungei Kadut Avenue	Leasehold land and building	9,232 sqm	Leasehold	100%
47 Sungei Kadut Avenue	Leasehold land and building	5,883 sqm	Leasehold	100%
Plot MO0261 & 63 Jebel Ali Free Zone Dubai, UAE	Leasehold land and building	22,128 sqm	Leasehold	100%
No.41, Simpang 53, Kg. Bebatik Kilanas, Jalan Tutong, Brunei	Buildings and offices	1,348 sqm	Leasehold	100%
Bangunan Raaya, Unit No. 6, 7 & 8, Simpang 61, Jalan Jerudong, Mukim Jerudong, Brunei	Buildings and offices	553 sqm	Leasehold	100%
No. 6, Jalan Pretty Kuala Belait, Brunei	Buildings and offices	320 sqm	Leasehold	100%
Unit No. GF01, GF03, GF05, GF07, GF09, Kiulap Plaza Hotel	Buildings and offices	760 sqm	Leasehold	100%
Bangunan YHH, Lot 4358, Kampong Petani, Tutong TA1141, Brunei	Buildings and offices	242 sqm	Leasehold	100%
Lot 8527, Kg Gadong, Simpang 15, BE4119 Brunei	Buildings and offices	1,765 sqm	Leasehold	100%

7 Investment properties

The Group	**2020 $'000**	2019 $'000
At 1 April, as reported	**7,031**	8,287
Recognition on initial application of SFRS(I) 16	**376**	-
At 1 April, as adjusted	**7,407**	8,287
Translation differences on consolidation	**70**	99
Changes in fair value (Note 24)	**(1,783)**	(1,355)
At 31 March	**5,694**	7,031

The fair values of investment properties were determined based on valuations prepared by independent professional valuers. 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 warehouses that are leased to external parties for a period ranging from 1 to 2 years. Subsequent renewals of the operating leases are negotiated with the lessees.

7 Investment properties (Cont'd)

Information on investment properties that are pledged as securities for the Group's borrowings are set out in Note 15 to the financial statements.

Details of the Group's investment properties as at 31 March 2020 are as follows:

Property name/ Location	Description/ Existing use	Gross floor area/ Land area	Tenure	The Group's effective equity interest
49 Sungei Kadut Avenue	Leasehold land and building	7,064 sqm	Leasehold	100%
Block 26, Danxiazhuang (Western District), #105-106, Longhu District, Shantou, China	Apartment	222 sqm	Leasehold	100%
Block 26, Danxiazhuang (Western District), #201, Longhu District, Shantou, China	Apartment	879 sqm	Leasehold	100%
Gangmei Village, Tuopu Town, Shengping District, Shantou, China.	Warehouse	5,392 sqm	Leasehold	100%

8 Subsidiaries

The Company	**31 March 2020 $'000**	31 March 2019 $'000
At cost:		
Quoted equity investment	**1,767**	1,767
Unquoted equity investments	**91,730**	91,730
Deemed capital distribution	**(15,286)**	(15,286)
Impairment losses	**(63,464)**	(63,464)
	14,747	14,747
Market value of quoted equity investment	**1,323**	1,981

A subsidiary of the Company had previously advanced $15.3 million (2019 - $15.3 million) of the contributed capital to the Company which is not repayable by the Company. Accordingly, the amount of $15.3 million (2019 - $15.3 million) was deemed as capital distribution to the Company.

Details of material subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Effective interest held by the Group		Principal activities
λ Akira Corporation Pte Ltd	Singapore	100	100	Trading in electrical and electronic products
^ Big Box Pte Ltd ("BBPL")	Singapore	51	51	Property investment and management and rental of leasehold building
# Big Box Singapore Pte Ltd	Singapore	100	100	Warehouse retail project

8 Subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Effective interest held by the Group		Principal activities
λ Castilla Design Pte Ltd	Singapore	100	100	Property investment and management and rental of leasehold building
λ Furniture & Furnishings Pte Ltd	Singapore	100	100	Retail, wholesale and export of furniture and furnishing products
@@ Intracorp (B) Sdn Bhd	Brunei	100	100	Electronic appliances and furniture retail store
λ Novena Furnishing Centre Pte Ltd	Singapore	100	100	Property investment and management and rental of leasehold building
λ Omni Centre Pte. Ltd. ("Omni Centre")	Singapore	48.9	48.9	Investment holding
@ Tainahong Trading Limited	Hong Kong	100	100	Trading of electrical and electronics products
Ø TTA Holdings Ltd and its subsidiary ("TTA")	Australia	85.5	85.5	Investment holding
∞ JSA Gulf FZE	Dubai, U.A.E	100	100	General trading
λ Aki Habara Electronic Corporation Pte. Ltd.	Singapore	100	100	Brand management

λ Audited by Foo Kon Tan LLP
^ Not Audited (Under receivership, see Note 2).
# Not Audited (In liquidation).
Ø Audited by Connect Audit Chartered Accountants
@ Audited by HKCMCPA Company Limited.
@@ Audited by KPMG Brunei
∞ Audited by AGX Auditing.

The recoverable amount of its investment in subsidiaries were determined on the basis of the subsidiaries' net assets value at the reporting date, as the subsidiaries' net assets reasonably approximate the recoverable amounts, except for quoted equity investment where its recoverable amount was determined with reference to its quoted bid prices at the reporting date.

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"), modified for differences in the Group's accounting policies and before any intra-group eliminations.

8 Subsidiaries (Cont'd)

31 March 2020 NCI Percentage	***51.1%** **$'000**	**49%** **$'000**	**14.5%** **$'000**	**Other individually immaterial subsidiaries** **$'000**	**Intragroup elimination** **$'000**	**Total** **$'000**
Non-current assets	**-**	**183,002**	**2,585**			
Current assets	**70**	**2,657**	**1,985**			
Non-current liabilities	**-**	**(177,000)**	**(4)**			
Current liabilities	**(533)**	**(154,367)**	**(1,696)**			
Net assets	**(463)**	**(145,708)**	**2,870**			
Net assets attributable to NCI	**(236)**	**(71,397)**	**416**	**(520)**	**(71,939)**	**(143,676)**
Revenue	**-**	**4,874**	**3,955**			
Loss	**(2)**	**(8,691)**	**(2,494)**			
Other comprehensive income	**-**	**-**	**-**			
Total comprehensive income	**(2)**	**(8,691)**	**(2,494)**			
Attributable to NCI:						
Loss	**(1)**	**(4,259)**	**(362)**	**1,517**	**(4,810)**	**(7,915)**
Other comprehensive income	**-**	**-**	**-**			
Total comprehensive loss allocated to NCI	**(1)**	**(4,259)**	**(362)**	**1,517**	**(4,791)**	**(7,896)**
Cash flow used in operating activities	**(2)**	**179**	**44**			
Cash flow used in investing activities	**-**	**-**	**(16)**			
Cash flow from/(used in) financing activities, before dividends to NCI	**2**	**-**	**65**			
Net increase in cash and cash equivalents	**-**	**179**	**93**			

31 March 2019 NCI Percentage	***51.1%/^** **$'000**	**49%** **$'000**	**14.5%** **$'000**	**Other individually immaterial subsidiaries** **$'000**	**Intragroup elimination** **$'000**	**Total** **$'000**
Non-current assets	-	183,002	2,881			
Current assets	70	1,151	5,511			
Non-current liabilities	-	(177,000)	(17)			
Current liabilities	(530)	(144,221)	(2,650)			
Net assets	(460)	(137,068)	5,725			
Net assets attributable to NCI	(235)	(67,163)	830	(2,986)	(66,226)	(135,780)
Revenue	1,714	34,500	12,810			
Loss	(3,612)	(25,610)	(3,455)			
Other comprehensive income	-	-	-			
Total comprehensive income	(3,612)	(25,610)	(3,455)			
Attributable to NCI:						
Loss	(2,185)	(12,549)	(501)	21	(15,243)	(30,457)
Other comprehensive income	-	-	-			
Total comprehensive income allocated to NCI	(2,185)	(12,549)	(501)	115	(13,723)	(28,843)
Cash flow used in operating activities	(1,422)	-	(1,593)			
Cash flow used in investing activities	(184)	-	(6)			
Cash flow from/(used in) financing activities, before dividends to NCI	443	-	(18)			
Net decrease in cash and cash equivalents	(1,163)	-	(1,617)			

***** Represents NCI's direct interest in Omni Centre. Although the Company holds 48.9% interest in Omni Centre, it has the ability to direct the relevant activities that significantly affect Omni Centre's returns. Thus, the investment in Omni Centre is accounted as investment in subsidiary.

8 Subsidiaries (Cont'd)

^ As disclosed in Note 2, PT Sumber Electrindo Makmur ("PT Sumber') had been placed under bankruptcy pursuant to the Indonesian Court Order on 28 March 2019. The Group is deemed to have lost control of the subsidiary on 28 March 2019 and ceased the application of consolidation of PT Sumber from 28 March 2019 (See Note 33(b)).

9 Intangible assets

The Group		Goodwill $'000	Trademarks with indefinite useful lives $'000	Trademark with finite useful life $'000	Total $'000
Cost					
At 1 April 2018		41,807	12,931	1,100	55,838
Acquisition via business combination		75	-	-	75
Deconsolidation of a subsidiary		(33,295)	-	-	(33,295)
At 31 March 2019 and **31 March 2020**		**8,587**	**12,931**	**1,100**	**22,618**
Accumulated amortisation and impairment losses					
At 1 April 2018		41,807	4,060	636	46,503
Amortisation for the year	24	-	-	58	58
Impairment loss	24	75	-	-	75
Deconsolidation of a subsidiary		(33,295)	-	-	(33,295)
At 31 March 2019		8,587	4,060	694	13,341
Amortisation for the year	24	**-**	**-**	**58**	**58**
At 31 March 2020		**8,587**	**4,060**	**752**	**13,399**
Carrying amount					
At 31 March 2020		**-**	**8,871**	**348**	**9,219**
At 31 March 2019		-	8,871	406	9,277

Impairment tests for CGU containing goodwill

Goodwill and trademarks are allocated to the retail and distribution business segment of the Group in respect of consumer electronics businesses in Indonesia, consumer electronics and private label business in Singapore and Australia and furniture and furnishing business in Singapore, which are each regarded as a cash generating unit ("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.

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

The Group	**31 March 2020 $'000**	31 March 2019 $'000
Consumer electronics and private label business in Singapore and Australia	**3,127**	3,185
Furniture and furnishing business	**6,092**	6,092
	9,219	9,277

10 Inventories

The Group	31 March 2020 $'000	31 March 2019 $'000
Inventories, at cost	**7,964**	12,816
Allowance for inventories obsolescence made:		
At beginning of the year	**(3,199)**	(2,751)
Allowance recognised in the statement of comprehensive income (Note 24)	**(22)**	(1,166)
Allowance utilised during the year	**888**	718
At the end of the year	**(2,333)**	(3,199)
	5,631	9,617

During the year, inventories of $0.25 million (2019 - $0.1 million) were written off and are included in other operating expenses (see Note 24).

11 Trade and other receivables

	The Group			The Company	
	31 March 2020 $'000	31 March 2019 $'000 (Restated)	1 April 2018 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Trade receivables	**10,952**	12,676	32,281	**899**	899
Impairment losses	**(6,465)**	(6,743)	(8,496)	**(824)**	(824)
Net trade receivables	**4,487**	5,933	23,785	**75**	75
Other receivables	**11,593**	10,735	34,551	**5,325**	5,360
Impairment losses	**(5,113)**	(5,113)	(8,735)	**(4,178)**	(4,178)
Net other receivables	**6,480**	5,622	25,816	**1,147**	1,182
Trade amounts due from subsidiaries	**-**	-	-	**163,599**	169,737
Impairment losses	**-**	-	-	**(83,793)**	(91,293)
Net trade amounts	**-**	-	-	**79,806**	78,444
Non-trade amounts due from subsidiaries	**-**	-	-	**132,258**	136,655
Impairment losses	**-**	-	-	**(131,095)**	(135,474)
Net non-trade amounts	**-**	-	-	**1,163**	1,181
Unsecured loan to a subsidiary	**-**	-	-	**89,900**	89,900
Impairment losses	**-**	-	-	**(89,900)**	(89,900)
	-	-	-	**-**	-
Advances to staff	**122**	68	34	**-**	18
Deposits	**1,000**	1,745	3,150	**324**	711
Financial assets at amortised cost	**12,089**	13,368	52,785	**82,515**	81,611
Advance payments to suppliers	**1,391**	1,129	1,870	**-**	-
Prepaid operating expenses	**1,303**	1,236	4,399	**24**	25
Tax recoverable	**290**	290	292	**289**	289
	15,073	16,023	59,346	**82,828**	81,925

11 Trade and other receivables (Cont'd)

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

The Company had previously extended an unsecured loan to a subsidiary to develop the 8-storey retail and warehousing complex under the WRS in Jurong, Singapore ("Big Box"). In February 2018, the subsidiary's WRS licence was terminated. Accordingly, full impairment loss had been recorded on the unsecured loan as at 31 March 2018.

12 Cash and bank balances

	31 March 2020	31 March 2019
The Group	**$'000**	$'000
Cash at bank and in hand	**993**	1,798
Fixed deposits	**832**	1,031
Cash and bank balances in the balance sheet	**1,825**	2,829
Restricted bank deposits	**(794)**	(994)
Cash and bank balances in the consolidated statement of cash flows	**1,031**	1,835
The Company		
Cash at bank and in hand	**23**	23
Cash and bank balances in the balance sheet	**23**	23

Cash and bank balances 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.

Restricted bank deposits are bank balances of a subsidiary pledged to a financial institution to obtain a credit facility. The fixed deposit of $0.8 million (2019 - $1 million) was pledged in connection with a bank guarantee.

13 Share capital

	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
The Company	**No. of ordinary shares '000**	'000	**$'000**	$'000
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	**1,048,391**	1,048,391	**175,622**	175,622

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 $3,178,000 into 21,187,159 of the Company's new ordinary shares at a conversion price of $0.15 by way of the Second Dilution Exercise (see Note 15(a)).

13 Share capital (Cont'd)

On 13 May 2016 in accordance with the Scheme Terms, Scheme Creditors converted RCBs with a face value of $3,693,000 into 23,078,216 of the Company's new ordinary shares at a conversion price of $0.16 by way of the Third Dilution Exercise (see Note 15(a)).

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 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 (see Note 2).

14 Reserves

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Capital reserve:				
- Realised gain on disposal of assets	**54**	54	**54**	54
- RCBs – equity component	**67**	67	**67**	67
- Change in ownership interest in subsidiaries while retaining control	**22,698**	22,698	**-**	-
	22,819	22,819	**121**	121
Revaluation reserve	**42,044**	43,543	**-**	-
Foreign currency translation reserve	**(22,579)**	(26,769)	**-**	-
	42,284	39,593	**121**	121

The RCBs – equity component relates to the RCBs holders' right of conversion annually commencing from the 3rd to the 5th anniversary of the Scheme Effective Date (See Note 15(a)).

The revaluation reserves include 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 of 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.

15 Borrowings

		The Group		The Company	
	Note	**31 March 2020 $'000**	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Non-current liabilities					
Amounts due to Scheme Creditors					
- RCBs – loan component	(a)	**98,983**	75,358	**107,082**	83,949
		98,983	75,358	**107,082**	83,949
Unsecured loans from non-controlling shareholders of subsidiaries	(b)	**87,357**	87,357	**-**	-
Finance lease liabilities	(c)	**-**	184	**-**	2
		186,340	162,899	**107,082**	83,951

15 Borrowings (Cont'd)

		The Group		The Company	
	Note	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Current liabilities		**$'000**	$'000	**$'000**	$'000
Amounts due to Scheme Creditors					
- Sustainable Debts	(d)	**132,538**	132,538	**139,771**	139,771
- RCBs - loan component	(a)	**10,229**	10,229	**10,229**	10,229
		142,767	142,767	**150,000**	150,000
Secured bank loans	(e)	**9,062**	8,992	-	**-**
Secured term loans (non-bank)	(e)	**109,694**	109,967	-	**-**
Unsecured bank loans	(e)	**3,201**	378	-	**-**
Unsecured loans from non-controlling shareholders of subsidiaries	(b)	**30**	30	-	**-**
Bills payable and trust receipts	(e)	**415**	421	-	**-**
Bondholders' loans	(f)	**15,000**	15,000	-	**-**
Finance lease liabilities	(c)	**-**	191	**-**	2
		280,169	277,746	**150,000**	150,002
Total borrowings excluding finance lease liabilities		**466,509**	440,270	**257,082**	233,949
Finance lease liabilities		**-**	375	**-**	4
		466,509	440,645	**257,082**	233,953

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.

(a) RCBs – loan component

	The Group		The Company	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	$'000	$'000	**$'000**	$'000
Amortised cost as at beginning of year	**85,587**	78,692	**94,178**	86,498
Interest accretion	**23,625**	6,895	**23,133**	7,680
Amortised cost as at end of year	**109,212**	85,587	**117,311**	94,178

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.

The key conversion terms and conditions are as follows:

(i) The RCBs holders' right of conversion commences on the 3rd anniversary and ends 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 was $67,000 (2019 - $67,000).

(ii) The RCBs holders' right of conversion commences on the 6th anniversary 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").

15 Borrowings (Cont'd)

(a) RCBs – loan component (Cont'd)

On 17 April 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 $0.15 by way of the Second Dilution Exercise in accordance with the Scheme terms. In accordance with the Bondholders' exercising of their rights under the Second Dilution Exercise, the Company had, on 14 May 2015 (the second Dilution Date), issued 21,187,159 Dilution Shares which were quoted on the SGX-ST on 15 May 2015. As a result, the RCBs issued to Scheme Creditors were reduced by a face value of approximately $3,178,000. As such, RCBs with a total face value amounting to $149,124,000, were issued to Scheme Creditors in exchange for those issued previously on the same terms.

On 19 April 2015, contingent debt of $127,757,000 was deemed irrevocably, unconditionally and permanently waived by the contingent creditors. Accordingly, a scheme reset adjustment was made between Sustainable Debts and RCBs – loan component. Arising from a court determination relating to a disputed debt under litigation, the RCBs – loan component was reduced by approximately $4,434,000.

As at the reporting date, the fair value of the derivative financial liability component is $664,000 (2019 - $664,000) and $742,000 (2019 - $742,000) at the Group and the Company level, respectively.

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.

(b) Unsecured loans from non-controlling shareholders of subsidiaries

The loans from non-controlling shareholders of subsidiaries are unsecured and interest-free. The loans are repayable from time to time and at such times as the Company and the non-controlling shareholders (the "Parties") may agree. The Parties' intention in principle is that in the event the subsidiary has surplus funds for the year after payment of expenses including without limitation payments to certain financial institutions arising from certain specified borrowings of the subsidiary and after setting aside such sums as may be required to meet expenses and working capital requirements for the next twelve months, these surplus funds will be utilised fully towards repayment of the loans. In the previous financial year, there were repayment of loans of $0.6 million from non-controlling shareholders of certain subsidiaries of the Company.

(c) Finance lease liabilities

31 March 2019	The Group $'000	The Company $'000
Minimum lease payments payable:		
- Within one year	210	2
- In the second to fifth year inclusive	193	2
	403	4
Less: Future finance charges	(28)	*
Present value of minimum lease payments	375	4
Presented as:		
Non-current	184	2
Current	191	2
	375	4

* Less than $1,000

15 Borrowings (Cont'd)

(d) Sustainable debts

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Amortised cost as at beginning of year	**132,538**	132,538	**139,771**	139,771
Interest accretion	**-**	-	**-**	-
Amortised cost as at end of year	**132,538**	132,538	**139,771**	139,771

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 until 27 July 2018.

On 20 March 2015, Scheme Creditors approved the extension of the date of repayment of the Sustainable Debts by up to 12 months. On 15 April 2016, Scheme Creditors approved a further extension of the date of repayment of the Sustainable Debts by up to 12 months. On 18 April 2017, Scheme Creditors gave their approval to the termination of the Scheme upon receipt of the Settlement Sum of $70,000,000 and the extension of the date of repayment of Sustainable Debt by up to 3 months from 19 April 2017. On 11 August 2017, Scheme Creditors gave their approval to extend the date of repayment of the Sustainable Debts by up to 3 months from 19 July 2017.

On 6 September 2017, the Court granted the Moratorium Application made by the Company on 11 August 2017 pursuant to Section 211B(1) of the 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.

On 17 November 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.

On 2 February 2018, the Company made an application to the Court to extend the Moratorium Extension Application. The Court granted an interim extension of the moratorium until the conclusion of the Moratorium Extension Application. The Court, on 26 March 2018, granted the Moratorium Extension Application until 11 August 2018 or until further order.

On 20 December 2018, the New Scheme was approved by the requisite majority of the creditors.

The Court had granted moratorium extensions on 10 August 2018, 28 November 2018, 26 April 2019 and 29 July 2019 which collectively extended the Moratorium Extension Application until 31 December 2019.

Please refer to Note 35 for more details on events that occurred subsequent to 31 March 2020.

15 Borrowings (Cont'd)

(e) Bank borrowings and term loan

As at the reporting date, the Group's bank borrowings of $1.78 million (2019 - $1.86 million) bear floating interest rates of 5.46% to 7.18% (2019 - 5.46% to 7.18%) and $13.52 million (2019 - $10.83 million) bear fixed interest rates of 3.77% to 18.00% (2019 - 3.77% to 18.00%).

Defaults and breaches

A subsidiary, Big Box Pte Ltd ("BBPL"), has an outstanding term loan with a carrying amount of $107.1 million (2019 - $107.1 million) bearing a fixed interest rate of 8% (2019 - 8%) which was due for repayment on 31 March 2017. 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 the bank as security trustee for the lenders under the BBPL Facility.

In the current financial year, a subsidiary was not in compliance with certain loan covenants in respect of a secured bank loan with an outstanding amount of $2.75 million, including default interest.

Due to cross-default clauses, the Group's borrowings from bank and bondholders are repayable on demand.

Securities

The Group's borrowings are secured by the following:

(i) legal mortgages on subsidiaries' freehold and leasehold land and buildings and investment properties as at 31 March 2020 with carrying amounts of $184.75 million (2019 - $196.2 million) and $2.8 million (2019 - $4.4 million) respectively; and

(ii) a subsidiary's plant and machinery as at 31 March 2020 with a carrying amount of $0.05 million (2019 - $0.05 million).

The substantial shareholders of the Company have also provided personal guarantees for the unsecured borrowings amounting to $38,500,000.

(f) Bondholder's loan

The bondholders extended a loan amounting to $15,000,000 (2019 - $15,000,000) to a subsidiary of the Group to develop Big Box. The loan is unsecured and bears an interest of 10% per annum. The loan was due on 31 March 2017.

The default has not been remedied and nor were the terms of the loan renegotiated at the date the financial statements were authorised for issue.

16 Lease liabilities

The Group	**2020 $'000**
Undiscounted lease payments due:	
- Within one year	**1,562**
- In the second to fifth year inclusive	**4,706**
	6,268
Less: Future interest costs	**(1,455)**
	4,813
Presented as:	
- Non-current	**3,533**
- Current	**1,280**
	4,813

The Company	**2020 $'000**
Undiscounted lease payments due:	
- Within one year	**2**
- In the second to fifth year inclusive	**-**
	2
Less: Future interest costs	**-**
	2
Presented as:	
- Non-current	**-**
- Current	**2**
	2

Lease liabilities are denominated in the following currencies:

The Group	**2020 $'000**
Brunei dollar	**2,354**
Singapore dollar	**1,049**
United Arab Emirates dirham	**1,410**
	4,813

The Company	**2020 $'000**
Singapore dollar	**2**
	2

The Group's lease liabilities are secured by the lessors' title to the leased assets. Total cashflows for all leases in the current financial year amounted to $1.70 million. Information about the Group's leasing activities are further disclosed in Note 30.

Interest expense on lease liabilities of $0.04 million is recognised within "finance costs" in the consolidated statement of comprehensive income.

As at 31 March 2020, the Group's short-term commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the financial year. All lease liabilities are denominated in the respective functional currencies of the entities in the Group.

17 Deferred tax liabilities

The Group	At 1 April 2019 $'000	Exchange translation differences $'000	Recognised in profit or loss $'000 (Note 25)	Recognised in OCI $'000	At 31 March 2020 $'000
Inventories	**10**	**-**	**-**	**-**	**10**
Other items	**6**	**-**	**-**	**-**	**6**
Property, plant and equipment	**(4,728)**	**(17)**	**47**	**(130)**	**(4,828)**
	(4,712)	**(17)**	**47**	**(130)**	**(4,812)**

The Group	At 1 April 2018 $'000	Exchange translation differences $'000	Recognised in profit or loss $'000 (Note 25)	Recognised in OCI $'000	At 31 March 2019 $'000
Inventories	345	(14)	(321)	-	10
Other items	142	(6)	(130)	-	6
Property, plant and equipment	(4,573)	(8)	(8)	(139)	(4,728)
	(4,086)	(28)	(459)	(139)	(4,712)

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.

At the reporting date, deferred tax assets have not been recognised on tax losses amounting to $51.7 million (2019: $46.6 million) and $90.2 million (2019: $79.5 million) of the Company and certain subsidiaries respectively 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.

18 Provision for warranties

The Group	31 March 2020 $'000	31 March 2019 $'000
At beginning of financial year	**61**	74
Provision utilised	**(10)**	(13)
At end of financial year	**51**	61

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

19 Trade and other payables

	The Group			The Company	
	31 March 2020 $'000	31 March 2019 $'000 (Restated)	1 April 2018 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Trade payables	**8,247**	10,740	31,584	**-**	-
Accrued interest payable	**46,683**	38,298	25,027	**11,141**	10,715
Accrued operating expenses	**90,327**	87,208	97,157	**43,310**	40,738
Deposits from customers	**1,354**	4,089	4,436	**-**	-
Other payables	**29,159**	30,976	24,427	**12,126**	11,835
Amount due to a director	**2,929**	1,545	2,134	**-**	-
Amounts due to subsidiaries					
- trade	**-**	-	-	**1,047**	1,073
- non-trade	**-**	-	-	**201,494**	200,400
	178,699	172,856	184,765	**269,118**	264,761

20 Revenue

The Group	**31 March 2020 $'000**	31 March 2019 $'000 (Restated)
Revenue from contracts with customers:		
Sales of goods	**34,778**	79,689
Service income	**5,621**	12,230
Logistics income	**-**	6
Revenue recognised at a point in time	**40,399**	91,925
Rental income	**752**	1,633
	41,151	93,558

The following table provides information about the nature and timing of the satisfaction of performance obligations in contract with customer, including significant payment terms, and the related revenue recognition policy:

Sales of goods

Nature of goods or services	The Group derives revenue from contract with customers through the trading of furniture and furnishings, electrical and electronics products at a point in time.
When revenue is recognised	Revenue is recognised in profit or loss when goods have been delivered.
Significant payment terms	Invoices are payable upon delivery of the goods.

Service and logistics income

Nature of goods or services	The Group derives revenue from contract with customers by providing warehousing and logistics services to the customers.
When revenue is recognised	Revenue is recognised in profit or loss when services are rendered.
Significant payment terms	Invoices are generally payable within 30 days.

20 Revenue (Cont'd)

Contract balances

The following table provides information about contract liabilities for contracts with customers.

The Group	31 March 2020 $'000	31 March 2019 $'000
Contract liabilities	**1,255**	978

The contract liabilities relate primarily to advance consideration received from customers.

Included in contract liabilities at 31 March 2020 is an amount of $439,000 (2019 - $578,000) 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.

Significant changes in the contract liabilities balances during the year are as follows:

The Group	31 March 2020 $'000	31 March 2019 $'000
Contract liabilities		
Revenue recognised that was included in the contract liabilities balances at the beginning of the year	**978**	3,150
Increases due to cash received, excluding amounts recognised as revenue during the year	**(1,255)**	(978)

21 Other income

The Group	31 March 2020 $'000	31 March 2019 $'000
Gain on loss of control of a subsidiary	-	4,719
Gain on disposal of property, plant and equipment	**-**	11
Government grants	**298**	51
Rental income from investment properties	**1,351**	2,516
Surplus on revaluation of property, plant and equipment recognised in profit or loss	**-**	217
Extinguishment of liabilities on liquidation of a subsidiary	**2,941**	-
Other sundry income	**389**	1,158
	4,979	8,672

22 Staff costs

The Group	31 March 2020 $'000	31 March 2019 $'000
Salaries and bonuses	**7,488**	15,631
Contributions to defined contribution plans	**587**	1,373
Other benefits (mainly commission and levies)	**1,403**	2,516
	9,478	19,520

23 Finance income and expense

The Group	2020 $'000	2019 $'000
Interest income from:		
- bank deposits	**1**	6
- others	**-**	421
Finance income	**1**	427
Interest expense paid/payable on:		
- term loans	**(8,950)**	(12,894)
- lease liabilities	**(385)**	(34)
- Sustainable Debt	**(209)**	(1,348)
	(9,544)	(14,276)
Accretion of interest expense:		
- RCBs - loan component	**(23,625)**	(6,895)
	(23,625)	(6,895)
Net finance expense	**(33,168)**	(20,744)

24 Loss for the year

The following items have been included in arriving at loss for the year:

	Note	2020 $'000	2019 $'000
The Group			
Allowance for doubtful receivables			
- trade		**(134)**	(1,446)
- non-trade		**-**	249
	28(ii)	**(134)**	(1,197)
Allowance for inventories obsolescence	10	**22**	1,166
Amortisation of intangible assets	9	**58**	58
Audit fees paid/payable to:			
- auditors of the Company		**70**	200
- overprovision of audit fees payable to predecessor auditors of the company		**(140)**	-
- other auditors		**76**	114
Non-audit fees paid/payable to:			
- auditors of the Company		**-**	36
- other auditors		**21**	12
Fair value loss on investment properties	7	**1,783**	1,355
Depreciation of property, plant and equipment	5	**10,886**	14,025
Depreciation of right-of-use assets	6	**3,954**	-
Exchange loss, net		**3,138**	1,885
Impairment loss on goodwill	9	**-**	75
Impairment loss on property, plant and equipment	5	**-**	250
Inventories written off	10	**246**	73
Legal and professional fees, including restructuring costs		**2,723**	1,216
Loss/(Gain) on disposal of property, plant and equipment		**93**	(11)
Operating expenses on investment properties		**290**	264
Operating lease expenses		**2,969**	7,659
Property tax		**2,321**	(1,116)
Receivables written off - trade		**50**	1,927

25 Income tax

The Group	2020 $'000	2019 $'000
Current tax expense/ (credit)		
- Current year	**47**	45
- Over provision in prior years	**-**	(3,391)
	47	(3,346)
Deferred taxation (Note 17)		
- Origination and reversal of temporary differences	**(47)**	459
	(47)	459
Income tax credit	**-**	(2,887)

Singapore income tax is calculated at 17% (2019 - 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the prevailing corporate tax rates in the relevant jurisdictions.

The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the Company and most group entities are established.

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting profit as a result of the following:

The Group	2020 $'000	2019 $'000
Loss before income tax	**(56,563)**	(35,045)
Income tax using domestic tax rate of 17%	**(9,616)**	(5,958)
Effect of tax rates in foreign jurisdictions	**(55)**	(184)
Non-deductible expenses	**8,833**	802
Tax exempt income	**(3)**	(2,146)
Utilisation of previously unrecognised tax benefits	**(2,321)**	(445)
Tax benefits not recognised	**3,162**	8,435
Over provision in prior years (net)	**-**	(3,391)
	-	(2,887)

Non-deductible expenses relate mainly to interest expense and accretion of interest in respect of the loan component of RCBs.

26 Earnings per share

The Group	2020	2019
Loss for the year attributable to owners of the Company ($'000)	**48,648**	1,701
Number of ordinary shares at beginning and end of the year, representing weighted-average number of ordinary shares ('000)	**1,048,391**	1,048,391

Diluted earnings per share is the same as basic earnings per share because the Group's outstanding RCBs (Note 15) do not have a dilutive effect at the reporting date.

27 Operating segments

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 sale 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 are 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.

27 Operating segments (Cont'd)

Business segments

The Group	Retail		Distribution and trading		Warehousing and logistics services		Others		Inter-segment eliminations		Total	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000 (Restated)	**31 March 2020 $'000**	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Revenue and expenses												
Total revenue from external customers	**22,827**	41,468	**16,473**	39,945	**1,328**	9,620	**523**	2,525	–	–	**41,151**	93,558
Inter-segment revenue	**1,230**	2,871	**7,089**	9,067	**792**	9,851	**1,585**	2,115	**(10,696)**	(23,904)	–	–
Total revenue	**24,057**	44,339	**23,562**	49,012	**2,120**	19,471	**2,108**	4,640	**(10,696)**	(23,904)	**41,151**	93,558
Finance income	**1**	424	-	3	-	-	-	-	-	-	**1**	427
Finance expense	**(8,181)**	(12,161)	**(778)**	(704)	**(165)**	(8)	(24,045)	(8,298)	-	-	**(33,169)**	(21,171)
Depreciation of property, plant and equipment	**(10,034)**	(10,311)	**(617)**	(706)	**(126)**	(976)	**(109)**	(2,032)	-	-	**(10,886)**	(14,025)
Depreciation of right-of-use assets	**(823)**	-	**(4)**	-	**(884)**	-	**(2,243)**	-	-	-	**(3,954)**	-
Amortisation of intangible assets	-	-	**(58)**	(58)	-	-	-	-	-	-	**(58)**	(58)
Reportable segment loss before income tax	**(11,244)**	(18,849)	**(10,111)**	(8,882)	**(522)**	4,656	**(5,163)**	(9,791)	-	21,021	**(27,040)**	(11,845)
Other material non-cash items												
Reversal of allowance for doubtful receivables	**171**	(580)	**(34)**	1,777	-	-	**(3)**	-	-	-	**134**	1,197
Impairment loss on goodwill	-	(75)	-	-	-	-	-	-	-	-	-	(75)
Impairment loss on property, plant and equipment	-	(250)	-	-	-	-	-	-	-	-	-	(250)
Loss in fair value of investment properties	-	-	**(183)**	(255)	-	-	**(1,600)**	(1,100)	-	-	**(1,783)**	(1,355)
Surplus on revaluation of property, plant and equipment recognised in profit or loss	-	-	-	217	-	-	-	-	-	-	-	217
Assets and liabilities												
Reportable segment assets	**180,831**	190,438	**28,300**	32,454	**9,351**	12,184	**10,615**	18,785	-	-	**229,097**	253,861
Capital expenditure	**206**	529	**29**	18	**18**	-	**210**	42	-	-	**463**	589
Segment liabilities	**308,325**	301,266	**22,922**	18,028	**963**	2,756	**15,158**	288,260	-	-	**347,368**	610,310

27 Operating segments (Cont'd)

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

The Group	**2020 $'000**	2019 $'000 (Restated)
Revenue		
Total revenue for reporting segments	**51,847**	117,462
Elimination of inter-segment revenue	**(10,696)**	(23,904)
Consolidated revenue	**41,151**	93,558
Profit or loss		
Total loss before income tax for reporting segments	**(27,040)**	(11,845)
Other unallocated amounts	**(29,523)**	(23,200)
Consolidated loss before tax	**(56,563)**	(35,045)
Assets		
Total assets for reportable segments	**229,097**	253,861
Other unallocated amounts	**10,108**	2,478
Consolidated total assets	**239,205**	256,339
Liabilities		
Total liabilities for reportable segments	**347,368**	610,310
Other unallocated amounts	**310,072**	10,411
Consolidated total liabilities	**657,440**	620,721

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		**Non-current assets**	
The Group	**2020 $'000**	2019 $'000 (Restated)	**2020 $'000**	2019 $'000
ASEAN[1]	**29,291**	72,352	**188,058**	199,651
East Asia and other countries	**10,799**	19,659	**19,491**	18,757
Africa and Middle East	**1,061**	1,547	**9,127**	9,462
	41,151	93,558	**216,676**	227,870

1 Association of South East Asian Nations

28 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.

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
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

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.

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.

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.

Expected credit loss assessment as at 31 March 2020

(i) Trade receivables and contract assets

The Group uses an allowance matrix to measure the ECLs of trade receivables.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographical region, age of customer relationship and type of product purchased.

(ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis, the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

28 Financial risk management (Cont'd)

Credit risk (Cont'd)

(ii) Financial assets at amortised cost (Cont'd)

The movements in credit loss allowance are as follows:

The Group	**2020 $'000**	2019 $'000
At beginning of year	**(11,856)**	(17,231)
Allowance utilised	**-**	4,247
Reversal of allowance during the year	**134**	1,197
Translation differences	**144**	(69)
At end of year	**(11,578)**	(11,856)

The Company	Trade and other receivables $'000	Trade and non-trade amounts due from subsidiaries $'000	Unsecured loan to a subsidiary $'000	Total $'000
At 1 April 2018	(5,002)	(198,078)	(89,900)	(292,980)
Allowance during the year	-	(28,024)	-	(28,024)
Exchange difference	-	(665)	-	(665)
At 31 March 2019	(5,002)	(226,767)	(89,900)	(321,669)
Reversal of impairment loss during the year	-	**13,295**	-	**13,295**
Exchange difference	-	**(1,416)**	-	**(1,416)**
At 31 March 2020	**(5,002)**	**(214,888)**	**(89,900)**	**(309,790)**

Cash and cash equivalents are subject to immaterial credit loss as the Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The following tables provides information about the exposure to credit risk and ECLs for trade and other receivables as at 31 March 2020 and 31 March 2019:

The Group	**Gross carrying amount $'000**	**Credit impaired**
At 31 March 2020		
Not past due	**1,835**	**No**
Past due 0 - 1 month	**115**	**No**
Past due 1 - 2 months	**38**	**No**
Past due 2 - 3 months	**30**	**No**
Past due 3 - 4 months	**851**	**No**
More than 4 months	**19,676**	**Yes**
	22,545	
Loss allowance	**(11,578)**	
	10,967	
At 31 March 2019		
Not past due	3,044	**No**
Past due 0 - 1 month	1,270	**No**
Past due 1 - 2 months	411	**No**
Past due 2 - 3 months	577	**No**
Past due 3 - 4 months	108	**No**
More than 4 months	18,001	**Yes**
	23,411	
Loss allowance	(11,856)	
	11,555	

28 Financial risk management (Cont'd)

Credit risk (Cont'd)

The Company	Gross carrying amount $'000	Credit impaired
At 31 March 2020		
More than 4 months	**6,224**	**Yes**
	6,224	
Loss allowance	**(5,002)**	
	1,222	
At 31 March 2019		
More than 4 months	6,259	**Yes**
	6,259	
Loss allowance	(5,002)	
	1,257	

No aging analysis of advances to staff, deposit, trade and non-trade amounts due from subsidiaries and unsecured loan to a subsidiary are presented as the majority of outstanding balances as at 31 March 2020 and 2019 are current.

During the current financial year, receivables of $0.05 million (2019 - $1.93 million) were written off and are included in other operating expenses (See Note 24).

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

As the Company is restructured under the Scheme (see Note 2), the Group's approach to manage 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.

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----------		
The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	After 1 year $'000
As at 31 March 2020				
Non-derivative financial liabilities				
Borrowings	**379,122**	**391,929**	**292,891**	**99,038**
Derivative financial liabilities	**664**	**664**	**-**	**664**
Trade and other payables	**178,699**	**178,699**	**178,699**	**-**
Unsecured loans from non-controlling shareholders of subsidiaries	**87,387**	**87,953**	**594**	**87,359**
Recognised financial liabilities	**645,872**	**659,245**	**472,184**	**187,061**

28 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The Group	Carrying amount $'000	Contractual cash flows: Total $'000	Contractual cash flows: Less than 1 year $'000	Contractual cash flows: After 1 year $'000
As at 31 March 2019				
Non-derivative financial liabilities				
Borrowings	353,258	365,813	290,260	75,553
Derivative financial liabilities	664	664	-	664
Trade and other payables (restated)	172,856	172,856	172,856	-
Unsecured loans from non-controlling shareholders of subsidiaries	87,387	87,387	30	87,357
Recognised financial liabilities	614,165	626,720	463,146	163,574

The Company	Carrying amount $'000	Contractual cash flows: Total $'000	Contractual cash flows: Less than 1 year $'000	Contractual cash flows: After 1 year $'000
As at 31 March 2020				
Non-derivative financial liabilities				
Borrowings	**257,082**	**258,586**	**151,504**	**107,082**
Derivative financial liabilities	**742**	**742**	**-**	**742**
Trade and other payables	**269,118**	**269,118**	**269,118**	**-**
Recognised financial liabilities	**526,942**	**528,446**	**420,622**	**107,824**
Intra-group financial guarantees	**-**	**4,948**	**4,948**	**-**
Recognised financial liabilities	**526,942**	**533,394**	**425,570**	**107,824**
As at 31 March 2019				
Non-derivative financial liabilities				
Borrowings	233,953	235,455	151,504	83,951
Derivative financial liabilities	742	742	-	742
Trade and other payables	264,761	264,761	264,761	-
Recognised financial liabilities	499,456	500,958	416,265	84,693
Intra-group financial guarantees	-	4,784	4,784	-
Recognised financial liabilities	499,456	505,742	421,049	84,693

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

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

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 2020, 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 $0.75 million (2019 - $0.75 million). Similarly, a general decrease in interest rates by 50 basis points will have the equal but opposite effect.

28 Financial risk management (Cont'd)

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

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.

The Group	**US Dollar $'000**	**Euro $'000**	**Others $'000**	**Total $'000**
31 March 2020				
Trade and other receivables	**3,688**	**51**	**47**	**3,786**
Cash and cash equivalents	**142**	**10**	**10**	**162**
Trade and other payables	**(4,617)**	**-**	**(275)**	**(4,892)**
Borrowings	**(347)**	**-**	**-**	**(347)**
Net currency exposure	**(1,134)**	**61**	**(218)**	**(1,291)**
31 March 2019				
Trade and other receivables	6,070	9	1	6,080
Cash and cash equivalents	176	12	21	209
Trade and other payables	(8,721)	-	(149)	(8,870)
Borrowings	(378)	-	-	(378)
Net currency exposure	(2,853)	21	(127)	(2,959)

The Company	**US Dollar $'000**	**Hong Kong Dollar $'000**	**Others $'000**	**Total $'000**
31 March 2020				
Trade and other receivables	**1,200**	**-**	**-**	**1,200**
Cash and cash equivalents	**15**	**-**	**6**	**21**
Trade and other payables	**(1,620)**	**(2,460)**	**(4)**	**(4,084)**
Net currency exposure	**(405)**	**(2,460)**	**2**	**(2,863)**
31 March 2019				
Trade and other receivables	1,139	-	-	1,139
Cash and cash equivalents	15	-	7	22
Trade and other payables	(1,538)	(2,400)	(3)	(3,941)
Net currency exposure	(384)	(2,400)	4	(2,780)

Sensitivity analysis

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

	The Group		**The Company**	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
US Dollar	**113**	285	**41**	38
Hong Kong Dollar	**-**	-	**246**	240
Euro	**(6)**	(2)	**-**	-
Others	**(22)**	13	*****	*

** Less than $1,000*

28 Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

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.

29 Fair value measurement

Accounting classification

The carrying amounts of financial assets and financial liabilities are as follows#:

The Group	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2020				
Financial assets not measured at fair value				
Trade and other receivables	**-**	**12,089**	**-**	**12,089**
Cash and cash equivalents	**-**	**1,825**	**-**	**1,825**
	-	**13,914**	**-**	**13,914**
Financial liability measured at fair value				
Derivative financial liabilities	**(664)**	**-**	**-**	**(664)**
Financial liabilities not measured at fair value				
Borrowings - Scheme Creditors	**-**	**-**	**(241,750)**	**(241,750)**
Borrowings - others	**-**	**-**	**(224,759)**	**(224,759)**
Trade and other payables	**-**	**-**	**(178,699)**	**(178,699)**
	-	**-**	**(645,208)**	**(645,208)**

The Group	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables	-	13,368	-	13,368
Cash and cash equivalents	-	2,829	-	2,829
	-	16,197	-	16,197
Financial liability measured at fair value				
Derivative financial liabilities	(664)	-	-	(664)
Financial liabilities not measured at fair value				
Borrowings - Scheme Creditors	-	-	(218,125)	(218,125)
Borrowings - others	-	-	(222,520)	(222,520)
Trade and other payables	-	-	(172,856)	(172,856)
	-	-	(613,501)	(613,501)

29 Fair value measurement (Cont'd)

Accounting classification (Cont'd)

The Company	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 March 2020				
Financial assets not measured at fair value				
Trade and other receivables	**-**	**82,515**	**-**	**82,515**
Cash and cash equivalents	**-**	**23**	**-**	**23**
	-	**82,538**	**-**	**82,538**
Financial liability measured at fair value				
Derivative financial liabilities	**(742)**	**-**	**-**	**(742)**
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	**-**	**-**	**(257,082)**	**(257,082)**
Borrowings – others	**-**	**-**	**-**	**-**
Trade and other payables	**-**	**-**	**(269,118)**	**(269,118)**
	-	**-**	**(526,200)**	**(526,200)**
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables	-	81,611	-	81,611
Cash and cash equivalents	-	23	-	23
	-	81,634	-	81,634
Financial liability measured at fair value				
Derivative financial liabilities	(742)	-	-	(742)
Financial liabilities not measured at fair value				
Borrowings – Scheme Creditors	-	-	(233,949)	(233,949)
Borrowings – others	-	-	(4)	(4)
Trade and other payables	-	-	(264,761)	(264,761)
	-	-	(498,714)	(498,714)

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.

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

Definition of fair value

Property, plant and equipment and investment properties

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

29 Fair value measurement (Cont'd)

Definition of fair value (Cont'd)

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 market comparison approach is based on price per square metre for the buildings derived from observable market data from an active and transparent market.

Investments in quoted equity securities

The fair value of quoted equity securities is determined with reference to their quoted bid prices at the reporting date.

RCBs – Derivative liability component

The fair value of RCBs were estimated by the directors by making reference to the prior year valuation prepared by the professional valuer. In prior year, the Group engaged a professional valuer to assess the fair value of the derivative liability component of the RCBs relating to the Scheme as at reporting date. The value of the derivative component was 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 was 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 directors have assessed the fair value of the Sustainable Debts and loan component of RCBs by making reference to the prior year valuation prepared by independent professional valuer. In prior year, the Group had engaged a professional valuer to assess the fair value of the Sustainable Debt and loan component of RCBs relating to the Scheme as at 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.

The fair value of the Sustainable Debt and loan component of RCBs of the Group and the Company was estimated to be $35,385,000 and $38,129,000, respectively.

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

Other 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.

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

29 Fair value measurement (Cont'd)

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.

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 (as is prices) or indirectly (i.e. derived from prices); and
Level 3 : inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Financial assets and financial liabilities carried at fair value:

The Group	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 March 2020				
Derivative financial liabilities	**-**	**-**	**(664)**	**(664)**
31 March 2019				
Derivative financial liabilities	-	-	(664)	(664)

The Company	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 March 2020				
Derivative financial liabilities	**-**	**-**	**(742)**	**(742)**
31 March 2019				
Derivative financial liabilities	-	-	(742)	(742)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	The Group		**The Company**	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Derivative financial liabilities				
Balance at beginning and end of year	**(664)**	(664)	**(742)**	(742)

29 Fair value measurement (Cont'd)

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	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 of 49.7% (2019 - 49.7%)	The estimated fair value varies inversely with changes in the exercise price and illiquidity discount.

The table below analyses non-financial assets carried at fair value.

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 March 2020				
Property, plant and equipment	**-**	**14,388**	**171,511**	**185,899**
Right-of-use assets	**-**	**12,324**	**-**	**12,324**
Investment properties	**-**	**3,071**	**2,623**	**5,694**
	-	**29,783**	**174,134**	**203,917**
31 March 2019				
Property, plant and equipment	-	24,025	182,814	206,839
Investment properties	-	4,400	2,631	7,031
	-	28,425	185,445	213,870

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 March 2020				
Property, plant and equipment	-	130	-	130
31 March 2019				
Property, plant and equipment	-	136	-	136

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements of non-financial assets.

The Group	Property, plant and equipment $'000	Investment properties $'000
Balance at 1 April 2018	192,619	2,787
Translation differences	344	99
Reversal of depreciation on revaluation	(10,331)	-
Changes in fair value recognised in other comprehensive income	182	-
Changes in fair value recognised in the profit or loss	-	(255)
Balance at 31 March 2019	182,814	2,631
Translation differences	**508**	**175**
Reversal of depreciation on revaluation	**(10,383)**	**-**
Changes in fair value recognised in other comprehensive income	**(1,428)**	**-**
Changes in fair value recognised in the profit or loss	**-**	**(183)**
Balance at 31 March 2020	**171,511**	**2,623**

29 Fair value measurement (Cont'd)

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 5.75% to 12% (2019 - 7.25% to 12%) Discount rate of 8.00% (2019 - 8.00%) Terminal yield of 7.75% (2019 - 7.75%)	The estimated fair value varies inversely against the capitalisation, discount and terminal yield rates.
Investment properties	Capitalisation rate of 4.5% (2019 - 4.5%)	The estimated fair value varies inversely against the capitalisation rate.

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.

30 Leases

Operating lease commitments

Where the Group are lessee

The Group leases a number of warehouse and office facilities under operating leases. These 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 disclosed in Note 3.5(i)(d), the Group had adopted SFRS(I) 16 on 1 April 2019. These operating lease commitments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 1 April 2019, except for short-term and low value assets. Certain of the lease arrangements provide for optional extension periods, for which the related lease payments have not been included in the lease liabilities because the Group is not reasonably certain to exercise these lease extension options. The resultant lease payments that have not been included are not material. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

At 31 March 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in accordance with SFRS(I) 1-17 as follows:

The Group	2019 $'000
Not later than one year	1,540
Later than one year but not later than five years	2,472
Later than five years	1,479
	5,491

30 Leases (Cont'd)

Where the Group is the lessor

The Group leases out its investment properties. The leases run for a period of 1 year, with an option to renew the lease after that date. There are also no contingent rental arrangements and fixed rental escalation clauses.

At 31 March 2020, the future minimum lease receivable under non-cancellable operating leases contracted at the reporting date are as follows:

The Group	2020 $'000
Undiscounted lease payment to be received	
- year 1	397
	397

31 Contingent liabilities

Bank guarantees

The Company had provided unsecured guarantees amounting to $4,948,000 (2019 - $4,784,000) to banks in respect of credit facilities granted to its subsidiaries. The facilities utilised by the subsidiaries as at 31 March 2020 amounted to $762,000 (2019 - $799,000).

Two of the subsidiaries in the Group had provided unsecured guarantees amounting to $17,008,000 (2019 - $18,588,000) to banks in respect of credit facilities granted to their subsidiaries. As at 31 March 2020, facilities utilised amounted to $13,559,000 (2019 - $14,749,000).

Disputed debts and contingent claims

As disclosed in Note 2 to the financial statements, as at the reporting date, there are disputed debts of $18,193,000 (2019 - $18,193,000) under the Scheme. Whilst the directors have accounted for such potential liabilities arising from these disputed claims as defined under the Scheme, the amounts will be adjusted when the process of determining the final amounts of claims which are disputed in nature is resolved, finalised and/or crystallised.

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 (2019 - $1,048,781); arising from tax positions that are in dispute with the local tax authorities. The subsidiary has filed appeals against these disputed tax positions. As at 31 March 2020, no provision has been made because the directors are of the view that the tax positions taken are reasonable and supportable.

32 Related parties

Key management personnel compensation

The Group	**2020 $'000**	2019 $'000
Short-term employee benefits	**1,987**	2,412
Contributions to defined contribution plans	**74**	88

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

As at the reporting date, the outstanding amounts due to a director for advances to the Group and its subsidiaries is $2,929,000 (2019 - $1,545,000).

33 Acquisition/loss of control of a subsidiary

(a) Acquisition of a subsidiary

On 10 April 2018, the Group has acquired 100% of the shares and voting interest in My Home Furniture Sdn. Bhd.

Effect of acquisition

The net assets of subsidiary acquired is provided below:

The Group	2019 $'000
Property, plant and equipment	261
Inventories	349
Trade receivables and other receivables	115
Cash and cash equivalents	22
Trade and other payables	(822)
Net liabilities acquired	(75)
Goodwill arising from acquisition	75
Total purchase consideration	*

Net cash inflow arising from acquisition of subsidiary

The Group	2019 $'000
Purchase consideration settled in cash and cash equivalent	*
Cash and cash equivalents acquired	22
Total purchase consideration	22

** Less than $1,000*

33 Acquisition/loss of control of a subsidiary (Cont'd)

(b) Loss of control of a subsidiary

As disclosed in Note 2, PT Sumber has been placed under bankruptcy pursuant to the Indonesian Court Order on 28 March 2019. The Group is deemed to have loss control on the subsidiary 28 March 2019 and ceased the application of consolidation of PT Sumber from 28 March 2019.

The net assets of the deemed disposed subsidiary are provided below:

The Group	Note	28 March 2019 $'000
Inventories		(1,814)
Trade and other receivables		(39,595)
Cash and cash equivalents		(339)
Trade and other payables		20,840
Borrowings		37,875
Non-controlling interests		(8,820)
Net liabilities disposed		8,147
Realisation of reserves		(3,428)
Gain on loss of control of a subsidiary	21	(4,719)
Sale consideration		-
Cash of a subsidiary disposed		(339)
Cash outflow on deconsolidation of a subsidiary		(339)

34 Prior year adjustments

Effects of principal vs agency arrangements

A subsidiary within the Group's Distribution and Trading operating segment derives revenue from the distribution and trading of consumer electronic furniture and furnishing products to distributors and dealers. On 1 April 2018, the subsidiary entered into a management service agreement with a major customer. Under this agreement, third party suppliers are involved in providing the goods or services to the entity's customer. During the current financial year, the subsidiary's management noted that they were merely an agent to the whole arrangement, and they do not assume any credit risk, nor the ownership of the receivables owed by the third party's customers.

Management corrected the material prior period's error identified above retrospectively by restating the comparative amounts for the prior period's statement of comprehensive income in accordance with SFRS (I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

The prior year adjustment, to the extent that they are applied retrospectively, have the following impact:

Statement of financial position

The Group	**As previously stated $'000**	**Prior year's adjustments $'000**	**As Restated $'000**
Trade and other receivables	19,347	(3,324)	16,023
Trade and other payables	176,180	(3,324)	172,856

34 Prior year adjustments (Cont'd)

Effects of principal vs agency arrangements (Cont'd)

Statement of comprehensive income

The Group	As previously stated $'000	Prior year's adjustments $'000	As Restated $'000
Revenue	124,984	(31,426)	93,558
Purchase of goods	86,735	(31,426)	55,309

Statement of cash flow

The Group	As previously stated $'000	Prior year's adjustments $'000	As Restated $'000
Changes in working capital:			
Trade and other receivables	15	3,324	3,339
Trade and other payables	(958)	(3,324)	(4,282)

35 Subsequent events

Update on Scheme

The Court had granted moratorium extensions on 29 May 2020 which collectively extended the Moratorium Extension Application until 14 August 2020.

On 7 August 2020, SGX-ST had granted their in-principle approval for the listing and quotation of the Conversion Shares and the Rights Shares to be issued in connection to the proposed Convertible Loan and the proposed Rights Issue subject to compliance with the SGX-ST's listing requirements.

On 17 August 2020, the Court granted the Company's application for extension of existing moratorium which expires on 14 August 2020 to allow the Company more time to obtain the requisite regulatory approvals, hold the EGM and to drawdown the Convertible Loan for the making of scheme payments in accordance with the terms of the New Scheme. Accordingly, the Moratorium and the Long Stop Date for the implementation of the New Scheme have been extended until 13 November 2020.

On 2 October 2020, the Securities Industry Council ("SIC") granted the Company's application for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares.

On 20 October 2020, the Company uploaded the Circular, together with the Notice to the Extraordinary General Meeting ("EGM"), informing shareholders that the EGM will be held virtually on 4 November 2020 to seek shareholder's approval for the (a) the issuance of the convertible loan and conversion shares to the New Investor, (b) whitewash waiver to receive mandatory offer from the New Investor, (c) the transfer of controlling interest to the New Investor arising from the issuance of conversion shares, (d) rights issue and (e) whitewash waiver to receiver mandatory offer form the major shareholders of the Company as a result of the issuance of rights shares.

35 Subsequent events (Cont'd)

On 4 November 2020, the shareholders of the Company approved all the resolutions as set out in (y) above. On 6 November 2020, the Company announced that it has made an application to the Court for (i) an extension of the existing moratorium, which expires on 13 November 2020, until 31 December 2020, and (ii) to extend the long stop date for the implementation of the New Scheme until 31 December 2020. The extension application is to allow the Company more time to obtain the requisite regulatory approval for the grant of a call option to the New Investor and to receive funds from the New Investor to draw down the convertible loan for making the scheme payments in accordance with the terms of the New Scheme.

SHAREHOLDING STATISTICS

As at 2 November 2020

No of Issued Shares - 1,048,391,917
Class of shares - Ordinary shares
No. of subsidiary holdings - Nil
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 2 November 2020.

Analysis Of Shareholdings

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	101	2.84	1,901	0.00
100 - 1,000	214	6.01	107,491	0.01
1,001 - 10,000	649	18.23	3,921,570	0.37
10,001 - 1,000,000	2,488	69.91	287,961,216	27.47
1,000,001 and above	107	3.01	756,399,739	72.15
	3,559	100.00	1,048,391,917	100.00

Shareholdings Held in Hands of Public

61.5% 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	150,366,775	14.34
2	KBC Bank N.V. - Charge/Assignment	131,000,000	12.50
3	Tong Jia Pi Julia	103,588,856	9.88
4	Lim Hock Chee	39,504,000	3.77
5	Raffles Nominees(Pte) Limited	23,542,702	2.25
6	DBS Nominees Pte Ltd	19,315,974	1.84
7	CGS-CIMB Securities (Singapore) Pte Ltd	15,894,075	1.52
8	Phillip Securities Pte Ltd	12,067,790	1.15
9	Teh Kiu Cheong @Teong Cheng @ Cheng Chiu Chang	11,273,000	1.08
10	OCBC Securities Private Ltd	11,148,406	1.06
11	Ng Kim Choon	8,171,605	0.78
12	HSBC (Singapore) Nominees Pte Ltd	7,928,000	0.76
13	Koh Pau Moy	7,493,900	0.71
14	Lee Chong Chin	6,850,000	0.65
15	Koh Beng Keong (Xu Minqiang)	6,688,700	0.64
16	Low Yoke Hwee (Liu Yuhui)	6,621,100	0.63
17	OCBC Nominees Singapore Pte Ltd	6,605,980	0.63
18	Chang Koong Chean	6,472,000	0.62
19	Daw May Yee @ Htout Kyain	5,850,000	0.56
20	United Overseas Bank Nominees Pte Ltd	5,745,180	0.55
		586,128,043	55.92

SHAREHOLDING STATISTICS

As at 2 November 2020

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	281,366,775 #1	26.83	103,588,856 #2	9.88
2. Tong Jia Pi Julia	103,588,856	9.88	281,366,775 #3	26.83

#1 Include 131,000,000 shares held in the name of Sng Sze Hiang's nominee.

#2 Sng Sze Hiang is deemed interested in 103,588,856 shares beneficially owned by his wife, Tong Jia Pi Julia.

#3 Tong Jia Pi Julia is deemed interested in 281,366,775 shares beneficially owned by her husband, Sng Sze Hiang.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the Company will be convened and held by way of electronic means on Friday, 28 November 2020 at 1.00 p.m. to transact the business as set out below.

This Notice has been made available on SGXNET and the Company's website at www.tt-intl.com. A printed copy of this Notice will not be despatched to members.

Ordinary Business

1 To receive and adopt the directors' statement and audited financial statements for the year ended 31 March 2020 and the auditors' report thereon. (Resolution 1)

2 To approve directors' fees of S$120,000 for the year ended 31 March 2020. [Year 2019 : S$120,000/-] (Resolution 2)

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

(a) Mr Sng Sze Hiang (Resolution 3a)

(b) Mr Yap Hock Soon (Resolution 3b)

4 To re-appoint Foo Kon Tan 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 ("SGX-ST"), 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 placements, 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 any 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 and subsidiary holdings, if any) 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 and subsidiary holdings, if any) 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 and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) 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 Constitution 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)

6 To transact any other business which may properly be transacted at an annual general meeting.

BY ORDER OF THE BOARD

HO WEI LI
COMPANY SECRETARY

Singapore,
Date: 14 Novermber 2020

NOTICE OF ANNUAL GENERAL MEETING

Explanatory 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", "Corporate governance report" and "Information on Directors Seeking Re-Election" of the Annual Report 2020.

(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 and subsidiary holdings, if any) 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 particulary set out in the resolution.

Notes

1 This Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2 Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement dated 14 November 2020 which has been uploaded together with this Notice of AGM on SGXNET on the same day. This announcement may also be assessed at the Company's website at www.tt-intl.com.

3 In view of the current Covid-19 control measures in Singapore, the AGM will be held by electronic means and a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specic instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 November 2020.

4 The Chairman of the Meeting, as proxy, need not be a member of the Company.

5 The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited at gpb@mncsingapore.com; or
- if submitted by post, be deposited at M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902.

in either case, by 1.00 p.m. on 26 November 2020.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6 The Proxy Form and Annual Report 2020 have been made available on SGXNET and the Company's website at www.tt-intl.com. Printed copies of these documents will not be despatched to members.

Personal data privacy

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with the Company's announcement dated 14 November 2020, or (c) submitting any question prior to the AGM in accordance with the Company's announcement dated 14 November 2020, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof); (ii) processing of the pre-registration for purposes of granting access to members to the live audio-visual webcast or live audio-only stream of the AGM proceedings; (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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

PROXY FORM
ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNET and the Company's website at www.tt-intl.com. A printed copy of this proxy form will not be despatched to members.

IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement dated 14 November 2020 which has been uploaded together with the Notice of AGM on SGXNET on the same day. This announcement may also be assessed at the Company's website at www.tt-intl.com.
3. In view of the current Covid-19 control measures in Singapore, the AGM will be held by electronic means and a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please read the notes overleaf which contain instructions on, among others, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.
4. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in TT International Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should contact their respective Agent Banks to submit their votes by 5.00 p.m. on 18 November 2020.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 November 2020.

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

of _____
being a member/members of TT International Limited (the "Company") hereby appoint

the Chairman of the Meeting

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the annual general meeting of the Company to be held by way of electronic means on Friday, 28 November 2020 at 1.00 p.m. and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

No.	Resolutions	No of Votes For	No of Votes Against	No of Votes Abstain
1	To adopt the directors' statement and financial statements			
2	To approve directors' fees			
3	To re-elect the following directors retiring under Article 93:-			
	(a) Mr Sng Sze Hiang			
	(b) Mr Yap Hock Soon			
4	To re-appoint Foo Kon Tan LLP as auditors			
	Special Business			
5	To authorise directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please indicate with an "X" in the relevant box provided above. Alternatively, if you wish the Chairman of the Meeting as your proxy to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided above. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid**.

Dated this _____ day of _____ 2020

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 (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. 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 of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. In view of the current Covid-19 control measures in Singapore, the AGM will be held by electronic means and a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 November 2020.

3 The Chairman of the Meeting, as proxy, need not be a member of the Company.

4 The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited at gpb@mncsingapore.com; or

- if submitted by post, be deposited at M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902

in either case, by 2.00 p.m. on 26 November 2020.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5 The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed under its seal.

6 Where an instrument appointing the Chairman of the Meeting as proxy 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 The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it 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 appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TT International Limited
49 Sungei Kadut Avenue #03-01 Singapore 729673
Tel: (65) 6793 0110 Fax: (65) 6668 0797 Website: www.tt-intl.com