**TT International Limited**
**Unaudited Financial Statements for the Second Quarter and Half Year Ended 30 September 2019**

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

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

| | | Group | | | | | |
|---|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Half Year Ended | | |
| | Note | 30/9/2019 | 30/9/2018 | +/(-) | 30/9/2019 | 30/9/2018 | +/(-) |
| | | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Revenue** | 1(a)(1) | 17,870 | 30,573 | (41.5) | 38,594 | 67,222 | (42.6) |
| Other operating income | 1(a)(2) | 327 | 1,078 | (69.7) | 990 | 2,093 | (52.7) |
| | | 18,197 | 31,651 | (42.5) | 39,584 | 69,315 | (42.9) |
| Changes in inventories of finished goods | 1(a)(1) | (558) | (2,397) | (76.7) | (1,783) | (2,709) | (34.2) |
| Purchase of goods | 1(a)(1) | (14,345) | (21,530) | (33.4) | (28,542) | (48,565) | (41.2) |
| Staff costs | | (2,420) | (4,851) | (50.1) | (5,757) | (10,783) | (46.6) |
| Depreciation and amortisation | | (3,285) | (3,515) | (6.5) | (6,639) | (7,067) | (6.1) |
| Other operating expenses | 1(a)(3) | (4,010) | (6,946) | (42.3) | (8,860) | (16,256) | (45.5) |
| **Loss from operations** | | (6,421) | (7,588) | (15.4) | (11,997) | (16,065) | (25.3) |
| Finance income | 1(a)(4) | - | 2 | nm | 1 | 425 | (99.8) |
| Finance expense | 1(a)(5) | (8,142) | (4,548) | 79.0 | (16,037) | (10,242) | 56.6 |
| **Net finance expense** | | (8,142) | (4,546) | 79.1 | (16,036) | (9,817) | 63.3 |
| **Loss before income tax** | | (14,563) | (12,134) | 20.0 | (28,033) | (25,882) | 8.3 |
| Income tax expense | | (1) | - | nm | (1) | - | nm |
| **Loss for the period** | | (14,564) | (12,134) | 20.0 | (28,034) | (25,882) | 8.3 |
| **Attributable to:** | | | | | | | |
| Owners of the Company | | (11,919) | (8,578) | 38.9 | (22,996) | (16,550) | 38.9 |
| Non-controlling interests | | (2,645) | (3,556) | (25.6) | (5,038) | (9,332) | (46.0) |
| **Loss for the period** | | (14,564) | (12,134) | 20.0 | (28,034) | (25,882) | 8.3 |

nm - denotes 'not meaningful'

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Quarter Ended | | | Half Year Ended | | |
| | 30/9/2019 | 30/9/2018 | +/(-) | 30/9/2019 | 30/9/2018 | +/(-) |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Loss for the period** | (14,564) | (12,134) | 20.0 | (28,034) | (25,882) | 8.3 |
| **Other comprehensive income** | | | | | | |
| *Items that are or may be reclassified subsequently to profit or loss :-* | | | | | | |
| Translation differences relating to financial statements of foreign subsidiaries | 1,046 | 711 | 47.1 | 1,810 | 3,227 | (43.9) |
| Other comprehensive income for the period, net of tax | 1,046 | 711 | 47.1 | 1,810 | 3,227 | (43.9) |
| **Total comprehensive income for the period** | (13,518) | (11,423) | 18.3 | (26,224) | (22,655) | 15.8 |
| **Total comprehensive income attributable to:** | | | | | | |
| Owners of the Company | (10,920) | (9,042) | 20.8 | (21,168) | (16,456) | 28.6 |
| Non-controlling interests | (2,598) | (2,381) | 9.1 | (5,056) | (6,199) | (18.4) |
| **Total comprehensive income for the period** | (13,518) | (11,423) | 18.3 | (26,224) | (22,655) | 15.8 |

nm - denotes 'not meaningful'

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

**Notes to the Income Statement**

**Note 1(a)(1)**

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Gross profit: | S$'000 | S$'000 | S$'000 | S$'000 |
| Revenue | 17,870 | 30,573 | 38,594 | 67,222 |
| Changes in inventories of finished goods | (558) | (2,397) | (1,783) | (2,709) |
| Purchase of goods | (14,345) | (21,530) | (28,542) | (48,565) |
| Gross profit | 2,967 | 6,646 | 8,269 | 15,948 |
| Gross profit margin | 16.6% | 21.7% | 21.4% | 23.7% |

**Note 1(a)(2)**

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Other operating income include: | S$'000 | S$'000 | S$'000 | S$'000 |
| Events and other activities | 348 | 611 | 743 | 1,012 |
| Miscellaneous income | (21) | 467 | 247 | 1,081 |
| | 327 | 1,078 | 990 | 2,093 |

**Note 1(a)(3)**

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Other operating expenses include: | S$'000 | S$'000 | S$'000 | S$'000 |
| Net realised and unrealised exchange loss | 703 | 327 | 1,564 | 2,043 |
| Allowance for doubtful receivables | 3 | 8 | 3 | 26 |
| Allowance for inventory obsolescence (written back)/made | (107) | 18 | 44 | 31 |
| Impairment loss on property, plant and equipment | - | 193 | - | 193 |
| Receivables written (back)/off | - | (1) | 1 | 7 |
| Inventories written off | 6 | 53 | 1 | 63 |
| Gain on disposal of property, plant and equipment | (82) | (18) | (146) | (29) |

**Note 1(a)(4)**

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Finance income include interest income from: | S$'000 | S$'000 | S$'000 | S$'000 |
| Bank deposits | - | 2 | 1 | 4 |
| Others | - | - | - | 421 |
| | - | 2 | 1 | 425 |

**Note 1(a)(5)**

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Finance expense | S$'000 | S$'000 | S$'000 | S$'000 |
| Interest expense paid/payable on: | | | | |
| Term loans, bills payable & trust receipts | 2,158 | 2,819 | 4,362 | 6,843 |
| Finance lease liabilities | 4 | 12 | 8 | 25 |
| | 2,162 | 2,831 | 4,370 | 6,868 |
| Accretion of interest expense: | | | | |
| - RCBs - loan component | 5,980 | 1,717 | 11,667 | 3,374 |
| | 5,980 | 1,717 | 11,667 | 3,374 |
| | 8,142 | 4,548 | 16,037 | 10,242 |

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

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| | | S$'000 | S$'000 | S$'000 | S$'000 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | | 205,188 | 211,562 | 271 | 305 |
| Investment properties | | 7,100 | 7,031 | - | - |
| Subsidiaries | | - | - | 14,747 | 14,747 |
| Intangible assets: | | | | | |
| Trademarks and rights | | 9,249 | 9,277 | - | - |
| Unsecured loan to a subsidiary | | - | - | - | - |
| | | 221,537 | 227,870 | 15,018 | 15,052 |
| **Current assets** | | | | | |
| Inventories | | 7,834 | 9,617 | - | - |
| Trade and other receivables | 1(b)(1) | 18,358 | 19,347 | 81,061 | 81,925 |
| Cash and cash equivalents | 1(c)(1) | 1,838 | 2,829 | 25 | 23 |
| | | 28,030 | 31,793 | 81,086 | 81,948 |
| **Total assets** | | 249,567 | 259,663 | 96,104 | 97,000 |
| **Equity** | | | | | |
| Share capital | | 175,622 | 175,622 | 175,622 | 175,622 |
| Reserves | | (425,392) | (404,224) | (593,099) | (578,078) |
| **Equity attributable to owners of the Company** | | (249,770) | (228,602) | (417,477) | (402,456) |
| Non-controlling interests | | (140,836) | (135,780) | - | - |
| **Total equity** | | (390,606) | (364,382) | (417,477) | (402,456) |
| **Non-current liabilities** | | | | | |
| Borrowings | 1(b)(3) | 174,476 | 162,899 | 95,885 | 83,951 |
| Derivative financial liabilities | | 664 | 664 | 742 | 742 |
| Deferred tax liabilities | | 4,717 | 4,712 | - | - |
| | | 179,857 | 168,275 | 96,627 | 84,693 |
| **Current liabilities** | | | | | |
| Trade and other payables | 1(b)(2) | 181,860 | 177,158 | 266,953 | 264,761 |
| Borrowings | 1(b)(3) | 277,680 | 277,746 | 150,001 | 150,002 |
| Provisions | 1(b)(4) | 61 | 61 | - | - |
| Current tax payable | | 715 | 805 | - | - |
| | | 460,316 | 455,770 | 416,954 | 414,763 |
| **Total liabilities** | | 640,173 | 624,045 | 513,581 | 499,456 |
| **Total equity and liabilities** | | 249,567 | 259,663 | 96,104 | 97,000 |

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

| | Group | | | |
|---|---|---|---|---|
| | 30/9/2019 | | 31/3/2019 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Borrowings payable in one year or less, or on demand | 261,847 | 15,833 | 261,917 | 15,829 |
| Borrowings repayable after one year | 87,119 | 87,357 | 75,542 | 87,357 |

**Details of any collateral**

Secured financial liabilities comprise:

(i) Bank loans of S$8.7 million are secured by legal mortgages on subsidiaries' leasehold and freehold properties.

(ii) Hire purchase of S$0.2 million is secured by a charge over motor vehicles.

(iii) Term Loans of S$109.9 million are secured by legal mortgage on subsidiaries' leasehold properties.

The substantial shareholders of the Company had provided personal guarantees for a subsidiary's term loan amounting to S$2.8 million.

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

**Scheme Creditors**

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

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

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

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

In accordance with the Bondholders' exercising of their rights under the First Dilution Exercise to convert the RCBs entitled for the conversion of Dilution Shares, the Company had, on 14 May 2014 (the First Dilution Date), issued 20,285,041 Dilution Shares which were quoted on the SGX-ST on 15 May 2014. As a result, the RCBs issued to Scheme Creditors were reduced by a face value amounting to S$2,840,000 (being the face value of the RCBs being converted to the Company's new ordinary shares as a result of the First Dilution Exercise) on 14 May 2014. As such, the total amount of RCBs with a total face value amounting S$152,302,000 were issued to Scheme Creditors (instead of S$155,142,000) in exchange for those issued previously on the same terms.

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

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

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

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

On 18 April 2016, the Company made an offer to each Scheme Creditor to convert a number of RCB into the Company's new ordinary shares ("Dilution Shares") at a conversion price of S$0.16 in the Company by way of a third dilution exercise (the "Third Dilution Exercise") in accordance with the Scheme Terms. On 13 May 2016 ("Third Dilution Date"), 35 bondholders had exercised their rights to convert their RCBs into Dilution Shares. On the Third Dilution Date, 23,078,216 Dilution Shares (representing approximately 2.20% of the enlarged issued share capital of the Company) were issued and quoted on the SGX-ST on 16 May 2016.

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

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

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

On 11 August 2017, the Company filed an application ("Application") in the High Court of the Republic of Singapore ("Court") for a moratorium pursuant to section 211B(1) of the Companies Act (Cap.50) of Singapore ("Companies Act"). The Application seeks, inter alia, orders that (a) no appointment shall be made of a receiver or manager over any property or undertaking of the Company and (b) except with the leave of Court, (i) no legal proceedings may be commenced or continued against the Company, (ii) no execution, distress or other legal process against any property of the Company shall be commenced, continued or levied, (iii) no steps may be taken to enforce any security over any property of the Company and (iv) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company may be enforced (collectively the relief sought in (a) and (b), the “Moratorium”) for a period of six (6) months from the date of the Application or until further order. The Application would be heard on a date to be fixed by the Court at a pre-trial conference in respect of the Application scheduled on 24 August 2017.

Pursuant to section 211B(8) of the Companies Act, during the period commencing on the filing of the Application and ending on the earlier of 30 days after the Application is made and the date on which the Application is decided by the Court, the Moratorium takes effect automatically and no order may be made for the winding up of the Company (collectively the “Automatic Moratorium”).

The Board believes that the Automatic Moratorium and the Moratorium, if granted, will provide stability for the day to-day operations of the Group to continue with support of its key trade suppliers and allow the Company an opportunity and adequate time to pursue the Refinancing Options for a total solution for the Group, including in respect of the BBPL’s liabilities, the Rent Dispute, the Unpaid Facility, the Settlement Sum, as well as the financing and restructuring of the existing indebtedness of the Company and working capital requirements of the Group.

At the pre-trial conference on 24 August 2017, the Court directed that the hearing of the Application be fixed at 2:30 p.m. on 6 September 2017.

On 6 September 2017, the Court granted the Company the Moratorium 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 to facilitate the completion of the documentation for the Settlement Sum.

On 2 February 2018, the Company made an application to the Court to extend the Moratorium (“Moratorium Extension Application”). The Moratorium Extension Application has been fixed to be heard on 5 March 2018. In the meantime, the Court has granted an interim extension of the Moratorium until the conclusion of the Moratorium Extension Application.

The Court, at the hearing on 5 March 2018, has adjourned the hearing to 26 March 2018. In the meantime, the interim Moratorium remains in effect 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 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 expires on 11 August 2018 ("2nd Moratorium Extension Application"). The 2nd Moratorium Extension Application will 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 has 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 has 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 2 August 2018, the Company announced that the Court has fixed the 2nd Moratorium Extension Application to be heard on 10 August 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 has been despatched to Creditors and announced on SGX's website on the respective dates.

The New Scheme will be funded by an amount of up to S$45 million, which will 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 13 November 2018, the Company made an application to the Singapore High Court for an extension of existing Moratorium, which expires on 11 December 2018 ("3rd Moratorium Extension Application"). The 3rd Moratorium Extension Application will be heard on a date to be fixed by the Singapore High Court.

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 has been fixed by the Court to be heard on 18 March 2019.

On 18 March 2019, the hearing of the Sanction Application has 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 has 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 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 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").

The Company will assess the impact(s), if any, arising from the amendments to the New Scheme and the Creditor Standstill on the completion of the Proposed Disposal and the New Scheme.

The Company will proceed to extract the Order of Court and lodge a copy of the Order of Court with the Registrar of Companies. Upon being so lodged, the New Scheme will take effect on and from the date of lodgement of the Order of Court.

On 28 March 2019, the Company has extracted the Order of Court.

On 18 April 2019, the Company has applied to 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.

On 18 April 2019, the Company and the Purchaser have 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 will 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.

The Court has 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 has 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 now known as the "Investor") have 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 has 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.

**Notes to the Balance Sheet**

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

| | Group | | Company | |
|---|---|---|---|---|
| | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| Trade and other receivables include: | S$'000 | S$'000 | S$'000 | S$'000 |
| Trade receivables | 8,459 | 9,256 | 92 | 75 |
| Deposits, prepayments and other receivables | 9,609 | 9,801 | 1,436 | 1,936 |
| Tax recoverable | 290 | 290 | 289 | 289 |
| Amounts due from subsidiaries | - | - | 79,244 | 79,625 |
| | 18,358 | 19,347 | 81,061 | 81,925 |

**Note 1(b)(2) Trade and other payables**

| | Group | | Company | |
|---|---|---|---|---|
| | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| Trade and other payables include: | S$'000 | S$'000 | S$'000 | S$'000 |
| Trade payables | 13,164 | 14,064 | - | - |
| Accrued operating expenses | 131,076 | 125,506 | 52,623 | 51,453 |
| Deposits from customers | 2,083 | 4,089 | - | - |
| Advance payments by customers | 1,868 | 978 | - | - |
| Other payables | 31,080 | 30,976 | 11,344 | 11,835 |
| Amount due to a director | 2,589 | 1,545 | - | - |
| Amounts due to subsidiaries | | | | |
| - Trade | - | - | 1,096 | 1,073 |
| - Non-trade | - | - | 201,890 | 200,400 |
| | 181,860 | 177,158 | 266,953 | 264,761 |

**Note 1(b)(3) Borrowings**

| | Group | | Company | |
|---|---|---|---|---|
| | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Non-current | | | | |
| Amounts due to Scheme Creditors : | | | | |
| - RCBs - loan component | 87,024 | 75,358 | 95,884 | 83,949 |
| Unsecured loans from non-controlling shareholders of subsidiaries | 87,357 | 87,357 | - | - |
| Finance lease liabilities | 95 | 184 | 1 | 2 |
| | 174,476 | 162,899 | 95,885 | 83,951 |
| Current | | | | |
| Amounts due to Scheme Creditors : | | | | |
| - Sustainable debts (Crystallised) | 132,538 | 132,538 | 139,771 | 139,771 |
| - RCBs - loan component (Uncrystallised) | 10,229 | 10,229 | 10,229 | 10,229 |
| | 142,767 | 142,767 | 150,000 | 150,000 |
| Secured bank loans | 9,101 | 8,992 | - | - |
| Secured term loans (non-bank) | 109,847 | 109,967 | - | - |
| Unsecured bank loans | 386 | 378 | - | - |
| Unsecured loan from non-controlling shareholder of a subsidiary | 30 | 30 | - | - |
| Bills payable and trust receipts | 417 | 421 | - | - |
| Bondholders' loans (Note a) | 15,000 | 15,000 | - | - |
| Finance lease liabilities | 132 | 191 | 1 | 2 |
| | 277,680 | 277,746 | 150,001 | 150,002 |

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

**Note 1(b)(4) Provisions**

| | Group | | Company | |
|---|---|---|---|---|
| | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| Provisions for: | S$'000 | S$'000 | S$'000 | S$'000 |
| Warranties | 61 | 61 | - | - |
| | 61 | 61 | - | - |

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

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Cash flows from operating activities** | | | | |
| Loss for the period | (14,564) | (12,134) | (28,034) | (25,882) |
| Adjustments for: | | | | |
| Impairment loss on property, plant and equipment | - | 193 | - | 193 |
| Allowance for doubtful receivables | 3 | 8 | 3 | 26 |
| Allowance for inventory obsolescence (written back)/made | (107) | 18 | 44 | 31 |
| Receivables written (back)/off | - | (1) | 1 | 7 |
| Depreciation and amortisation | 3,285 | 3,515 | 6,639 | 7,067 |
| Gain on disposal of property, plant and equipment | (82) | (18) | (146) | (29) |
| Exchange loss, unrealised | 714 | 225 | 1,529 | 1,906 |
| Inventories written off | 6 | 53 | 1 | 63 |
| Finance expense | 8,142 | 4,548 | 16,037 | 10,242 |
| Finance income | - | (2) | (1) | (425) |
| Income tax expense | 1 | - | 1 | - |
| | (2,602) | (3,595) | (3,926) | (6,801) |
| Changes in working capital: | | | | |
| Inventories | 694 | 2,345 | 1,825 | 2,690 |
| Trade and other receivables | (207) | 49 | 1,195 | 1,236 |
| Trade and other payables | 999 | 3,252 | 300 | 3,630 |
| Bills payable and trust receipts | 4 | (438) | (4) | 691 |
| Deposits and advance payments from customers | (872) | (324) | (1,116) | (2,519) |
| Provisions | (20) | (6) | - | (9) |
| **Cash (used in)/generated from operations** | (2,004) | 1,283 | (1,726) | (1,082) |
| Income tax paid | (46) | (30) | (91) | (85) |
| Interest income received | - | 2 | 1 | 425 |
| **Net cash (used in)/generated from operating activities** | (2,050) | 1,255 | (1,816) | (742) |
| **Cash flows from investing activities** | | | | |
| Proceeds from disposal of property, plant and equipment | 403 | 63 | 480 | 130 |
| Purchase of property, plant and equipment | (180) | (20) | (227) | (397) |
| **Net cash generated from/(used in) investing activities** | 223 | 43 | 253 | (267) |
| **Cash flows from financing activities** | | | | |
| Restricted bank deposits | - | (1) | - | (2) |
| Interest paid on borrowings | (166) | (219) | (305) | (400) |
| Payment of obligations under finance leases | (106) | (55) | (150) | (129) |
| Proceeds from/(Repayment of) loans from directors | 1,318 | (369) | 1,043 | (661) |
| Proceeds from interest-bearing borrowings | 97 | - | 1,519 | 515 |
| Repayment of borrowings | (21) | (372) | (1,533) | (772) |
| **Net cash generated from/(used in) financing activities** | 1,122 | (1,016) | 574 | (1,449) |
| **Net (decrease)/increase in cash and cash equivalents** | (705) | 282 | (989) | (2,458) |
| **Effect of foreign exchange rate changes on balances held in foreign currencies** | 2 | (64) | (2) | (54) |
| **Cash and cash equivalents at beginning of the period** | 1,547 | 2,530 | 1,835 | 5,260 |
| **Cash and cash equivalents at end of the period** | 844 | 2,748 | 844 | 2,748 |
| **Note 1(c)(1) Cash and cash equivalents (net) include:** | | | | |
| Cash at bank and in hand | 807 | 2,710 | 807 | 2,710 |
| Fixed deposits with financial institutions | 1,031 | 1,032 | 1,031 | 1,032 |
| Cash and cash equivalents in the balance sheet | 1,838 | 3,742 | 1,838 | 3,742 |
| Restricted bank deposits | (994) | (994) | (994) | (994) |
| Cash and cash equivalents in the statement of cash flows | 844 | 2,748 | 844 | 2,748 |

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

Statement of Changes in Equity

| Group (S$'000) | Share capital | Capital reserves | Fair value and revaluation reserves | Foreign currency translation reserves | Accumu-lated losses | Total attributable to Owners of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2019 | 175,622 | 22,819 | 43,543 | (26,769) | (443,817) | (228,602) | (135,780) | (364,382) |
| **Total comprehensive income for the period** | - | - | - | 829 | (11,077) | (10,248) | (2,458) | (12,706) |
| At 30 June 2019 | 175,622 | 22,819 | 43,543 | (25,940) | (454,894) | (238,850) | (138,238) | (377,088) |
| **Total comprehensive income for the period** | - | - | - | 999 | (11,919) | (10,920) | (2,598) | (13,518) |
| At 30 September 2019 | 175,622 | 22,819 | 43,543 | (24,941) | (466,813) | (249,770) | (140,836) | (390,606) |
| At 1 April 2018 | 175,622 | 18,711 | 42,670 | (30,945) | (438,008) | (231,950) | (115,757) | (347,707) |
| **Total comprehensive income for the period** | - | - | - | 558 | (7,972) | (7,414) | (3,818) | (11,232) |
| At 30 June 2018 | 175,622 | 18,711 | 42,670 | (30,387) | (445,980) | (239,364) | (119,575) | (358,939) |
| **Total comprehensive income for the period** | - | - | - | (464) | (8,578) | (9,042) | (2,381) | (11,423) |
| At 30 September 2018 | 175,622 | 18,711 | 42,670 | (30,851) | (454,558) | (248,406) | (121,956) | (370,362) |

| Company (S$'000) | Share capital | Capital reserves | Accumu-lated losses | Total equity |
|---|---|---|---|---|
| At 1 April 2019 | 175,622 | 121 | (578,199) | (402,456) |
| **Total comprehensive income for the period** | - | - | (8,077) | (8,077) |
| At 30 June 2019 | 175,622 | 121 | (586,276) | (410,533) |
| **Total comprehensive income for the period** | - | - | (6,944) | (6,944) |
| At 30 September 2019 | 175,622 | 121 | (593,220) | (417,477) |
| At 1 April 2018 | 175,622 | 121 | (531,685) | (355,942) |
| **Total comprehensive income for the period** | - | - | (10,860) | (10,860) |
| At 30 June 2018 | 175,622 | 121 | (542,545) | (366,802) |
| **Total comprehensive income for the period** | - | - | 3,724 | 3,724 |
| At 30 September 2018 | 175,622 | 121 | (538,821) | (363,078) |

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

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

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

| | Company | |
|---|---|---|
| | No. of Shares | |
| | 30/9/2019 | 31/3/2019 |
| Issued ordinary shares | 1,048,391,917 | 1,048,391,917 |

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

Other than the adoption of the new SFRS(I)s as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 March 2019.

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

The Group has adopted new Singapore Financial Reporting Standards (International) ("SFRS(I)s") effective for the financial period from 1 April 2018 as follows:

- SFRS(I) 16 Leases

The adoption of the above new SFRS(I) is assessed to have no material financial effect on the results and financial position of the Group for the period ending 30 September 2019. Accordingly, comparative financial information presented in this set of announcement has not been restated.

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

| | Group | | | |
|---|---|---|---|---|
| | Quarter Ended | | Half Year Ended | |
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Earnings per ordinary share for the year calculated based on profit attributable to Owners of the Company: | Cents | Cents | Cents | Cents |
| (i) Based on the weighted average number of ordinary shares on issue | (1.14) | (0.82) | (2.19) | (1.58) |
| (ii) On a fully diluted basis | (1.14) | (0.82) | (2.19) | (1.58) |

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

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

| | Group | | Company | |
|---|---|---|---|---|
| | 30/9/2019 | 31/3/2019 | 30/9/2019 | 31/3/2019 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share | (23.82) | (21.81) | (39.82) | (38.39) |

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

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

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

Second Quarter ended 30 September 2019 versus Second Quarter ended 30 September 2018

The Group recorded revenue of S$17.9 million, gross profit of S$3.0 million and loss from operations of S$6.4 million, as compared to 2QFY2019, which recorded revenue, gross profit and loss from operations amounting to S$30.6 million, S$6.6 million and S$7.6 million respectively. These represent a 41.5% decrease in revenue and 55.4% decrease in gross profit.

Lower revenue and gross profit (a decrease of S$12.7 million and S$3.7 million respectively) was due to severe lack of working capital and the ongoing discussions to complete the refinancing.

Loss from operations decreased by S$1.2 million in 2QFY2020.

The Group reported loss for the period of S$14.6 million in 2QFY2020 is mainly due to:

| | S$ million |
|---|---|
| (i) Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities | 10.0 |
| Total | 10.0 |

Excluding the effects of these items, the Group would have recorded a net loss of S$4.6 million for 2QFY2020 as compared to loss of S$5.5 million for 2QFY2019.

First Half Year ended 30 September 2019 versus First Half Year ended 30 September 2018

For the first half year ended 30 September 2019 (1HFY2020), the group recorded revenue of S$38.6 million, gross profit of S$8.3 million and loss from operations of S$12.0 million, as compared to 1HFY2019, which recorded revenue, gross profit and loss from operations amounting to S$67.2 million, S$15.9 million and S$16.1 million respectively. These represent a 42.6% decrease in revenue and 48.2% decrease in gross profit.

Lower revenue and gross profit (a decrease of S$28.6 million and S$7.7 million respectively) was due to severe lack of working capital as a result of delay in obtaining refinancing, scaling down of business operations in warehouse retail and ceased retail sales in Indonesia in July 2018.

Loss from operations decreased by S$4.1 million in 1HFY2020. This was due mainly to decrease in other operating expenses.

The Group reported loss for the period of S$28.0 million in 1HFY2020 is mainly due to:

| | S$ million |
|---|---|
| (i) Non-cash expenses such as depreciation and accretion of interests on Scheme liabilities | 19.8 |
| (ii) Other Scheme-related expenses such as professional fees | 0.5 |
| Total | 20.3 |

Excluding the effects of these items, the Group would have recorded a net loss of S$7.7 million for 1HFY2020 as compared to loss of S$10.7 million for 1HFY2019.

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

Not applicable.

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

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

The Company is under the Scheme of Arrangement (the "Scheme") sanctioned by the Court of Appeal in Singapore on 13 October 2010. The effective date of the Scheme is 19 April 2010.

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

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

On 11 August 2017, the Company filed an application ("Application") in the High Court of the Republic of Singapore ("Court") for a moratorium pursuant to section 211B(1) of the Companies Act (Cap.50) of Singapore ("Companies Act"). The Application seeks, inter alia, orders that (a) no appointment shall be made of a receiver or manager over any property or undertaking of the Company and (b) except with the leave of Court, (i) no legal proceedings may be commenced or continued against the Company, (ii) no execution, distress or other legal process against any property of the Company shall be commenced, continued or levied, (iii) no steps may be taken to enforce any security over any property of the Company and (iv) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company may be enforced (collectively the relief sought in (a) and (b), the “Moratorium”) for a period of six (6) months from the date of the Application or until further order. The Application would be heard on a date to be fixed by the Court at a pre-trial conference in respect of the Application scheduled on 24 August 2017.

Pursuant to section 211B(8) of the Companies Act, during the period commencing on the filing of the Application and ending on the earlier of 30 days after the Application is made and the date on which the Application is decided by the Court, the Moratorium takes effect automatically and no order may be made for the winding up of the Company (collectively the “Automatic Moratorium”).

The Board believes that the Automatic Moratorium and the Moratorium, if granted, will provide stability for the dayto-day operations of the Group to continue with support of its key trade suppliers and allow the Company an opportunity and adequate time to pursue the Refinancing Options for a total solution for the Group, including in respect of the BBPL’s liabilities, the Rent Dispute, the Unpaid Facility, the Settlement Sum, as well as the financing and restructuring of the existing indebtedness of the Company and working capital requirements of the Group.

At the pre-trial conference on 24 August 2017, the Court directed that the hearing of the Application be fixed at 2:30 p.m. on 6 September 2017.

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

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

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

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

On 31 December 2017, the Company had submitted to EDB its business proposal for the WRS. Concurrently, the Company had also prepared for the WRS Audit (for the remaining 19 years) and had informed EDB in January 2018 that it will submit the Annual Progress Report for the Financial year ended 31 March 2015, 2016, 2017 and 10 months ended 31 January 2018 to EDB in the week of 5 February 2018.

On 31 January 2018, the Company had submitted its application (together with a copy of the Term Sheet (as defined below) to Singapore Land Authority and JTC, seeking 3 months' extension to pay the Differential Premium ("DP").

On 27 February 2018, the Company announced that Big Box Pte Ltd (Receivers & Managers Appointed) ("BBPL"), the Company's 51% owned subsidiary and landlord of the Big Box building ("Property") was required to pay differential premiums ("DP") by 31 January 2018, the deadline stipulated by the relevant authorities. Despite the Company's efforts to procure financing for the DP and other statutory payments payable by BBPL ("Statutory Payments") within the stipulated deadline, a consensus could not be reached with the Receivers & Managers of BBPL in a timely manner on the terms of the financing between a potential lender (the "Potential Lender") and BBPL to make available funding for the Statutory Payments. Consequent to BBPL's failure to make payment of DP by the stipulated deadline, the Company received notification on 6 February 2018 from the relevant authority that the Company's Warehouse Retail Scheme ("WRS") licence was terminated, citing BBPL's failure to make timely payment of DP as the primary reason for termination, despite that the Company had on 31 January 2018, submitted its application (together with a copy of the Term Sheet (as defined below) to Singapore Land Authority and JTC, seeking extension to pay the DP.

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

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

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

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

As announced on 1 June 2018, the Long Stop Date has been extended to 31 August 2018.

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

The Court, at the hearing on 5 March 2018, has adjourned the hearing to 26 March 2018. In the meantime, the interim Moratorium remains in effect 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 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 expires on 11 August 2018 ("2nd Moratorium Extension Application"). The 2nd Moratorium Extension Application will be heard on a date to be fixed by the Court.

The Company understands from the previous Potential Lenders that it could not strike a deal with the existing Lenders of BBPL Facility which form part of the contemplated investment. Further, due to the on-going negative developments of the Company, the previous Potential Lenders had adjusted their offer significantly downwards. The change of goal-posts by previous Potential Lenders has made it more difficult for the Company to close the deal with them.

Notwithstanding to the above, the Company has not given up on its efforts to pursue various Refinancing and/or Fund-raising Options to provide a total solution for the Group.

On 30 July 2018, the Company has 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 has 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 will apply the Consideration received from the Purchaser in the following manner:

(a) First, the amount of up to S$45 million will 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 will 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 will 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 is 30 November 2018.

On 31 July 2018, the Company has proposed to enter into a 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 will be funded by an amount of up to S$45 million from the Proposed Disposal consideration of S$37.5 million and the Purchaser Loan of S$7.5 million.

The New Scheme document dated 31 July 2018 and the addendum to the New Scheme dated 31 July 2018, together with the Explanatory Statement, Voting Form and the Proof of Debt form has been despatch to the Creditors on 31 July 2018.

On 2 August 2018, the Company announced that the Court has fixed the 2nd Moratorium Extension Application to be heard on 10 August 2018.

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

As announced on 17 August 2018, PT Bank Resona Perdana ("Bank Resona"), a creditor of the Company's indirect Indonesian subsidiary PT Sumber Electrindo Makmur ("PT Sumber") had earlier submitted a petition in the Commercial Court of the Central Jakarta District Court ("Indonesia Court") for PT Sumber to be placed under the Suspension of Debt Payment Obligations regime (Penundaan Kewajiban Pembayaran Utang) ("PKPU" and Bank Resona's petition for the PKPU, the "PKPU Petition").

The Company has been informed that the Indonesia Court had on, 16 August 2018, granted the PKPU Petition and has accordingly placed PT Sumber under PKPU. The PKPU provides for inter alia a temporary moratorium of 45 days, which may be extended by the Indonesia Court to a fixed moratorium not exceeding 270 days. During the period of the moratorium, a composition plan will have to be submitted for approval by PT Sumber's creditors.

A creditors meeting was held on 1 October 2018 regarding voting on the composition plan of PT Sumber or the conversion of the status of the PKPU from a temporary moratorium to a fixed moratorium.

It was brought to the attention of the Company on 26 April 2019, pursuant to an Indonesian newspaper advertisement published on 8 April 2019 ("8 April 2019 Advertisement"), that the Indonesin Court had on 4 April 2019, decided, amongst others, that:

(a) the first creditor meeting of PT Sumber (in Bankruptcy) be held on Thursday, 11 April 2019, at 10.00 a.m. at the Commercial Court of Central Jakarta District Court;

(b) claims against PT Sumber (in Bankruptcy) be submitted to the curator team appointed by the Indonesia Court in respect of PT Sumber (in Bankruptcy) by Friday, 26 April 2019, 10.00 a.m. at Gedung Arva Cikini, Floor 3, Jl. Cikini Raya Number 60 FGMN, Menteng, Central Jakarta 10330; and

(c) the next creditors' meeting for the purposes of verifying of creditors' claims as well as PT Sumber's tax obligations be held on 14 May 2019, at 10.00 a.m. at the Commercial Court of Central Jakarta District Court.

PT Sumber had subsequently been placed under bankruptcy proceeding pursuant to an Indonesian Court Order on 28 March 2019. Accordingly the Group is deemed to have lost control of PT Sumber from that date.

On 4 September 2018, the Company and the Purchaser have entered into an amended agreement ("Amendment Agreement") to amend certain terms of the SPA. The salient amendments include 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 will be set aside from the Amended Consideration and used to discharge the Company's obligation under the New Scheme.

On 11 September 2018, Big Box Singapore Pte Ltd (an indirect wholly-owned subsidiary of the company) ("BBS") has initiated creditors' voluntary liquidation proceedings. BBS' principal activities were general retail trade under the Warehouse Retail Scheme ("WRS") which included selling of goods in the ground floor of the Big Box building 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 have severely affected the operations of BBS. The significantly adverse effects on BBS' operations have, in turn, led to the resultant cash flow constraints of BBS. As such, BBS cannot by reason of its liabilities continue its business. Accordingly, the directors of BBS have decided to liquidate BBS.

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

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

On 13 November 2018, the Company made an application to the Singapore High Court for an extension of existing Moratorium, which expires on 11 December 2018 ("3rd Moratorium Extension Application"). The 3rd Moratorium Extension Application will be heard on a date to be fixed by the Singapore High Court.

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

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 will be no change or any shortfall to the Scheme Funds of S$45 million to be received by Eligible Creditors under the New Scheme.

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

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 has been fixed by the Court to be heard on 18 March 2019.

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

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 26 March 2019, the Court has approved the New Scheme subject to the exclusion of a Said Creditor from the New Scheme and the extension of the Long Stop Date for the implementation of the New Scheme until 30 April 2019.

On 18 April 2019, the Company has applied to Court for an extension of the existing Moratorium, which expires on 30 April 2019 ("4th Moratorium Extension Application"), 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 have 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 will 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.

The Court has 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 has 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") have 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 has 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.

The Company will make further announcements in relation to the Proposed Investment through the Convertible Loan and the New Scheme in due course and as and when there are material developments.

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

**11. Dividend**

**(a) Period ended 30 September 2019**

Any dividend declared for the current financial period reported on?

None

**(b) Period ended 30 September 2018**

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

None

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared or recommended for the period ended 30 September 2019.

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

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

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the period ended 30 September 2019 to be false or misleading in any material aspect.

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

A confirmation has been provided.

Koh Sock Tin
Company Secretary

Date: 14 November 2019