TT INTERNATIONAL LIMITED

Company Registration Number 198403771D

(Incorporated in Singapore)

Business Update

The Board of Directors (the "Board") of TT International Limited ("TTI" or the "Group") wishes to provide a business update.

I. Recap of Recent Developments

SGX Mainboard-listed TTI is a Singapore-based company with business activities in international trading, distribution, supply chain management, brand management and retailing of consumer electronics and furniture. Within the last six months, TTI has undertaken two major business developments:

- On 27 December 2014 it launched Big Box, a 1.3 million square foot warehouse retail mall adjacent to Jurong East MRT station ("BIG BOX"). The 51%-owned BIG BOX project is a new business division which will provide a fresh retail experience to shoppers in Singapore's western region.
- On 6 May 2015, TTI concluded a US$42 million investment by Standard Chartered Private Equity Limited ("SCPE") which involved the formation of a joint-venture which now holds TTI's Indonesian retail business. TTI holds a controlling stake of about 54.9% of the joint-venture with the balance held by SCPE.

Both developments will have positive impact on the future financial performance of TTI.

II. Launch of BIG BOX

BIG BOX – with its unique "factory-to-store-front" concept offering consumers quality products and services at affordable prices – currently draws approximately 600,000 customers per month. With a total of 700 staff, the mall currently offers leading international brands and TTI's own house brands (such as AKIRA, Mod Living, Castilla, Natural Living, Barang Barang and Novena) for electronics goods and furniture/household items. In addition, it also offers international brands such as Habitat, Conour, Gama, Ashley and many others. To provide better shopper experience, BIG BOX will regularly review its store layout and product range. Barring unforeseen circumstances, TTI is cautiously optimistic that following these adjustments, the footfall at the mall is likely to increase by about 20% by the end of 2015. BIG BOX will contribute its first full year of revenue to the Group the financial year ending 31 March 2016 ("FY2016").

BIG BOX is strategically located at the Jurong Gateway precinct which houses the proposed Singapore-Malaysia High-Speed Rail ("HSR") Terminus. The terminus will not only increase capital values of properties in the vicinity but will also increase foot traffic to the mall. BIG BOX had a carrying amount at fair values of S$299.0 million as at 31 March 2014.

With the opening of Genting Hotel Jurong – the first major hotel in Singapore's West – the increasing flow of Malaysian tourists has contributed positively to shopper traffic in the malls within the vicinity since April 2015. With targeted opening of Ng Teng Fong General Hospital – a major healthcare hub for the western part of Singapore – at the end of June 2015, the Group expects shopper footfall to increase further.

III. Retail Operations; Corporate Restructuring of Indonesian Retail Business

The Group currently owns and operates 100 stores in six countries – Singapore, Indonesia, Brunei, Cambodia, Myanmar and Taiwan. TTI intends to increase its total Asian retail network to 300 stores, or a total of approximately 280,000 retail square metres ("sqm"), within the next four years.

Following the successful completion of the joint-venture investment with SCPE, the Group received US$42 million investment injected by SCPE to restructure the store network in Indonesia to focus only on large stores exceeding 1,200 sqm in size. TTI now controls Omni Centre, the joint-venture company, via its 54.9% stake, which holds 39 large retail stores in Indonesia under the "Electronic Solution" brand.

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

IV. FY2015 Financial Performance, Outlook and Scheme of Arrangement

As announced on 30 May 2015, the Group reported a loss of S$56.3 million in FY2015 which included the following:

		S$ million
(i)	Unrealised foreign exchange impact arising from the weakening of domestic currencies in countries where the Group operates (principally Indonesia), compared to the Singapore dollar, the Group's reporting currency	5.2
(ii)	Accretion of interest fair value impact adjustment (in accordance with Singapore Accounting Standards)	18.7
(iii)	Commencement of depreciation for BIG BOX (upon obtaining Temporary Occupation Permit or "TOP"), which was NIL previously	5.7
(iv)	One-off pre-operating expenses incurred for BIG BOX operations. (FY2014 : S$2.1 million)	6.7
(v)	Impairment of goodwill by a subsidiary	2.6
(vi)	Value Added Tax and other tax expenses incurred by a subsidiary	2.1
(vii)	Interest expense on loan, bonds and scheme debts	7.6
	Total	48.6

Excluding the items stated above, the Group would have reported a loss of S$7.7 million.

The Group's net asset value per share as at 31 March 2015 has improved to 5.85 Singapore cents from 3.00 Singapore cents a year ago.

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

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

Notwithstanding the challenges faced, the Group will focus on recent business developments and dedicate relentless efforts to improve its financial performance. The management will also continue to engage its Scheme Creditors to explore various options so as to discharge the Scheme in the near future.

BY ORDER OF THE BOARD

Tong Jia Pi Julia
Executive Director
24 June 2015