TT INTERNATIONAL LIMITED

Company Registration Number 198403771D

(Incorporated in Singapore)

ANNOUNCEMENT

PROPOSED SCHEME OF ARRANGEMENT

*All references to "**Existing Scheme**" shall mean the scheme of arrangement of TT International Limited (the "**Company**") which took effect on 19 April 2010, the terms of which are contained in the scheme of arrangement document dated 9 September 2009, and as varied by the Brief Grounds of Decision of the Honourable Court of Appeal on 13 October 2010, and as the same may be amended from time to time.*

Unless otherwise defined, all capitalised terms shall bear the same meaning as set out in the New Scheme (as defined below).

1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of the Company, along with its subsidiaries and associated companies (collectively the "**Group**"), refers to:

(a) its announcement dated 30 July 2018 ("**Disposal Announcement**") in relation to the Company's and Celestial Palace Limited's (the "**Purchaser**") entry into a sale and purchase agreement ("**SPA**") for the sale of shares in the Company's various subsidiaries (the "**Sale Companies**") to the Purchaser (the "**Proposed Disposal**"); and

(b) its announcement dated 30 July 2018 in relation to the Company's application to the High Court of the Republic of Singapore ("**Court**") for an extension to the existing moratorium over the Company, which is due to expire on 11 August 2018 ("**2nd Moratorium Extension Application**");

(collectively, the "**Previous Announcements**").

1.2 The Company wishes to announce that in connection with the Proposed Disposal and further to the Previous Announcements, 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**") pursuant to the Companies Act (Cap.50) of Singapore ("**Companies Act**").

2. PROPOSED NEW SCHEME

2.1 **Overview of the New Scheme**

(a) The Company has been under the Existing Scheme for close to eight (8) years. A great portion of the Group's revenue has gone to servicing the Company's obligations to the Existing Scheme Creditors under the Existing Scheme. Further, the Company has also incurred liabilities in respect of the Non-Existing Scheme Creditors. Based on the latest announced unaudited consolidated financial statements of the Group as at 31 December 2017, the total indebtedness owed by the Company was approximately S$437 million, including the rental due by the Company to its 51% owned subsidiary, Big Box Pte. Ltd. ("**BBPL**"), under the lease of the Big Box building ("**Property**") by the Company from BBPL which continues to accrue.

(b) As at 27 July 2018, the total indebtedness due to the Existing Scheme Creditors (as assessed and certified by the Existing Scheme Manager (as defined in the New Scheme) and Non-Existing Scheme Creditors is approximately S$268.2 million and S$193.8 million respectively. These amounts are subject to adjudication by the Scheme Manager (as defined in the New Scheme) in due

course and may change. The present liabilities of the Company owing to its Creditors are not sustainable without an urgent restructuring of the Company's liabilities.

(c) 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$48 million to be received from the Purchaser for the Proposed Disposal (please refer to paragraph 2.7 of the Disposal Announcement). The New Scheme will allow the Existing Scheme Creditors to receive full recovery of the secured portion of their liabilities and the Company's unsecured creditors (including the unsecured liabilities of the Existing Scheme Creditors and the Non-Existing Scheme Creditors) will stand to obtain a higher recovery compared to a liquidation scenario.

(d) In return for the payment under the New Scheme, all liabilities due to the Existing Scheme Creditors and Non-Existing Scheme Creditors and all Guarantees (as defined in the New Scheme), the Debenture (as defined below) and other Security Interest (as defined in the New Scheme) granted or created pursuant to the Existing Scheme shall be completed and absolutely discharged and released in accordance with the terms of the New Scheme.

(e) The implementation of the New Scheme would allow the Company to resolve presently unsustainable liabilities and the right-sizing of its balance sheet which will allow the Company to pursue post-restructuring business directions as a going concern.

2.2 Conditions precedent to the New Scheme

The New Scheme shall become effective on the date on which all of the following events have been fulfilled or on such earlier date as the High Court of Singapore ("**Court**") may determine and as may be specified in the Order of Court sanctioning the New Scheme ("**Scheme Effective Date**"):-

(a) the approval of the Court with or without modifications, additions or conditions imposed by the Court; and

(b) unless the Court orders otherwise, a copy of the Order of Court sanctioning the New Scheme being lodged with the Accounting & Corporate Regulatory Authority of Singapore.

2.3 Conditions to implementation of the New Scheme

Upon the Scheme Effective Date, the Company shall take reasonable endeavours to fulfil its obligations to satisfy the conditions precedent under the SPA for the Proposed Disposal.

The Scheme Manager shall certify and issue a completion certificate to confirm the full and irrevocable release and discharge pursuant to the New Scheme of all Security Interests created by the Company with respect to the Existing Scheme Claims, including the Debenture ("**Implementation Certificate**"), when all the conditions precedent under the SPA for the Proposed Disposal, save for the conditions precedent of the full and irrevocable release and discharge of the Debenture as well as all Security Interests (other than those created by the Company) in respect of the Sale Shares, have been fulfilled or waived. The date on which Implementation Certificate is issued is referred to as the "**Implementation Date**".

The Company shall after the Implementation Date and completion of the Proposed Disposal, make payment of the Scheme Payments in accordance with the terms of the New Scheme.

2.4 **Despatch of Scheme document and Important Information for Creditors**

The Company has arranged for the despatch of 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 to the Creditors on 31 July 2018.

All Creditors should take note of the following important actions required and timelines:

S/Nos.	Action required	Date and time
(a)	Last date and time to raise objection in respect of the assessed and certified Existing Scheme Claims (Existing Scheme Claims Objection Date)	5:00 p.m. on 17 August 2018
(b)	Last date and time for submission of proof of debt form (Proof of Debt Submission Date)	5:00 p.m. on 17 August 2018
(c)	General meeting of Existing Scheme Creditors (Existing Scheme General Meeting)	3:00 p.m. on 18 September 2018
(d)	Last date and time for submission of voting form (Voting Form Submission Date)	5:00 p.m. on 24 September 2018

3. TRADING CAUTION

The New Scheme document, including the Explanatory Statement, contains extensive information and details and should be read in their entirety.

There is no certainty or assurance as at the date of this announcement that the Proposed Disposal or the New Scheme will be completed, or other conditions precedent will be satisfied, or that no changes will be made to the terms of the Proposed Disposal or the New Scheme.

Trading in the Company's shares on the SGX-ST has been voluntarily suspended by the Company on 4 August 2017.

Pending completion of the restructuring, the New Scheme and the Proposed Disposal, shareholders and potential investors should exercise caution when dealing in the shares of the Company.

People who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

BY ORDER OF THE BOARD

Koh Sock Tin
Company Secretary
31 July 2018