

# TT INTERNATIONAL LIMITED

Company Registration Number 198403771D

(Incorporated in Singapore)

## ANNOUNCEMENT

### RESPONSE TO QUERIES FROM SGX-ST

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The Board of Directors (the "Board") of TT International Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 January 2021 in relation to the Company's unaudited financial statements for the second quarter ended 30 September 2020 ("2QFY2021") released on 31 December 2020. The Company wishes to provide replies as follows:

#### **Query (a)**

With regard to page 1 of the Financial Statements, please explain the material variances in the line item "staff costs" and "finance expenses".

#### **Company's response:**

Staff costs decreased by 30.5% from S\$2.4 million to S\$1.7 million due to cost savings attributed by the cutting down of retail operations and reduced headcount.

Finance expenses decreased by 70.3% from S\$8.1 million to S\$2.4 million mainly due to accretion of scheme interests in previous financial period.

#### **Query (b)**

With regard to page 2 of the Financial Statements, please explain the material variances in the following line items: (i) purchase of goods; and (ii) miscellaneous income

- (i) purchase of goods

#### **Company's response:**

Purchase of goods increased 76.8% from S\$5.5 million to S\$9.7 million was attributed to increased purchase cost from overseas subsidiaries

- (ii) miscellaneous income

#### **Company's response:**

Miscellaneous income decreased by 16.5% from S\$327,000 to S\$273,000 mainly due to reduction in Income from events and trade shows activities which was not allowed to operate under the Covid-19 law.

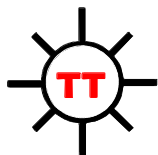
#### **Query (c)**

With regard to page 3 of the Financial Statements, please explain the material variances in the following line items: (i) right of use assets; (ii) inventories; and (iii) lease liabilities

- (i) right of use assets

#### **Company's response:**

Right of use assets decreased from S\$4.5 million to S\$3.9 million due to depreciation of right of use assets.



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- (ii) inventories

**Company's response:**

Inventories increased from S\$5.6 million to S\$7.6 million due to the complete shutdown of operation activities during the Covid 19 Lockdown period; and slowing down of operation activities Post-COVID 19 lock down.

- (iii) lease liabilities

Lease liabilities decreased from S\$4.8 million to S\$4.2 million due to repayment of lease liabilities.

**Query (d)**

With regard to page 8 of the Financial Statements, please explain the material variances in the following line items: (i) trade payables; (ii) amount due to a director; and (iii) amounts due to subsidiaries (both trade and non-trade).

- (i) trade payables

**Company's response:**

Trade payables increased by 28.5% from S\$8.3 million to S\$10.4 million due to slow payment to suppliers in line with slow collection from Trade Receivables arising from COVID 19 lockdown impacts.

- (ii) amount due to a director

**Company's response:**

Amount due to a director decreased from S\$2.9 million to S\$2.3 million due to partial repayment of advances from director.

- (iii) amounts due to subsidiaries (both trade and non-trade).

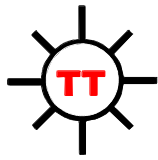
**Company's response:**

At Company level, amounts due to subsidiaries (both trade and non-trade) increased by 0.2% or S\$429,000 from S\$202.5 million to S\$202.9 million due to intercompany balances off-setting.

**Query (e)**

Paragraph 12 of Appendix 7.2 (Financial Statements and Dividends Announcement) provides that if no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision must be disclosed in the financial statements.

We note that the Company stated that "no dividend has been declared or recommended for the period ended 30 September 2020". Please explain the reason(s) for the decision.



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#### Company's Response:

The Company had stated in Paragraph 12 of Appendix 7.2 that "no dividend has been declared or recommended for the period ended 30 September 2020".

The Company had been placed under the Scheme of Arrangement on 13 October 2010. Being a Company under Scheme for the last 10 years struggling with severe working capital constraints and very limited resources, the Company is not in a position to declare or recommend dividend for the period ended 30 September 2020.

By Order of the Board

Ho Wei Li  
Company Secretary  
12 January 2021