TEE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Company registration number 200007107D)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION IN RELATION TO THE COMPANY'S ANNOUNCEMENT DATED 30 SEPTEMBER 2022 ON THE COMPANY'S ANNOUNCEMENT ON RESIGNATION OF INDEPENDENT DIRECTOR

The Board of Directors (the "**Directors**" or the "**Board**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by Singapore Exchange Regulation ("**SGX RegCo**") on 18 October 2022 in relation to the Company's announcement dated 30 September 2022 on the Company's announcement on the Resignation of Independent Director (the "**Announcement**").

The Board also refers to the announcement dated 18 August 2022 in relation to the entry into conditional subscription agreement with Meta5 Pte Ltd (the "**Subscription Announcement**"). Unless otherwise defined, capitalised terms used herein shall bear the meanings as ascribed in the Announcement or the Subscription Announcement, as the case may be.

Query (a)

The specific condition precedents that the Company or Meta5 Pte Ltd have to fulfil that is/are the subject of the disagreement(s).

Company's Response

The subject of disagreement is in relation to an undertaking provided by Meta5 Pte Ltd (the "**Subscriber**") under the conditional subscription agreement dated 18 August 2022 ("**Subscription Agreement**"). For reference, the undertaking clause in the Subscription Agreement has been reproduced below (the "**Undertaking**"):

"*provide assurance and confirmation to the Company of availability of funds to proceed to Completion and within one (1) week (or such other time as may be mutually agreed between the Parties) from the date of satisfaction of the condition under Clause 4.1(g)*[1] *(which shall be informed to the Subscriber by the Company in writing), deliver to the Company a written confirmation of financial resources issued by a licensed bank in Singapore for the Subscription Amount (less any amounts which have already been deposited into the Escrow Account, being the Deposit Amount)*"

To clarify, this is an undertaking by the Subscriber to the Company and not a condition precedent. The payment of the Subscription Amount is a necessity to Completion and this undertaking was included in the Subscription Agreement as a confirmation of financial resources and to facilitate smooth transition to Completion when all Conditions have been met.

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[1] Being the Condition in relation to "*the in-principle approval of SGX-ST being obtained for the listing and quotation of the Subscription Shares, the Settlement Shares, the Management Reward Shares, the RSM Shares, the Rights Shares and the Option Shares*".

Query (b)

The specific issues raised in the differing opinions between the Company and the Board, and Mr Hoon on the Agreement.

Company's Response

The issue related to due diligence checks on the Subscriber and its shareholders, in particular, the due diligence performed by the Company regarding the relevant funds to be disbursed by the Subscriber in connection with the Agreement and the transaction(s) contemplated therein.

To satisfy the due diligence on the Subscriber and its shareholders, the Company engaged its advisor to perform know-your-client checks (the "**KYC Checks**"), conducted various due diligence sessions both physically or via electronic means with the Subscriber (the "**DD Sessions**"), procured the Undertaking in the Subscription Agreement and included in the Subscription Agreement a representation and warranty from the Subscriber that the Subscriber, its directors and its shareholder(s) have abided by and complied with and will abide by and comply with all applicable laws, rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency in relation to anti-bribery, anti-corruption and anti-money laundering (the "**ABCML Representation and Warranty**") (collectively, the "**Due Diligence Measures**").

Regardless, Mr Hoon was of the view that the above Due Diligence Measures were insufficient and had requested for a provision of proof of source of funds.

Query (c)

Please fully disclose with detailed information the specific concerns raised by Mr Hoon and why he is of the view that they remain unresolved.

Company's Response

Please refer to the Company's response to (b) above. As Mr Hoon was of a differing opinion in relation to the sufficiency of the Due Diligence Measures, he abstained from voting on the entry into the Subscription Agreement.

Query (d)

How the Board had addressed the concerns raised by Mr Hoon and to provide the Board's views and the basis how the resolution is in the best interest of the Company and its shareholders as a whole, including its public shareholders.

Company's Response

As set out in the Company's response to (b) above, the Due Diligence Measures were conducted to address the concerns raised. The Board was of the opinion that the Due Diligence Measures were sufficient and was satisfied with the outcome of the KYC Checks and DD Sessions.

Accordingly, the Board (other than Mr Hoon) is of the view that entering into the Subscription Agreement was in the best interests of the Company and its shareholders as a whole in light of urgency of the Group's current financial situation and taking into consideration that the entry into the Subscription

Agreement and the implementation of the transaction(s) contemplated therein are crucial milestones in the Group's restructuring plans and resumption of trading.

Query (e)

Whether the board, other than Mr Hoon was unanimous in approving the Agreement taking into account the issues and concerns raised by Mr Hoon.

If not, please disclose if there were any concerns raised by other directors on the Agreement and/or any other issues relating to the state of affairs of the Company, in addition to Mr Hoon.

Company's Response

Save for Mr Hoon, the Directors of the Company (as at the time that the Agreement was entered into) had unanimously approved the entry into the Subscription Agreement after taking into account the issues and concerns raised by Mr Hoon and the steps taken by the Company to address such issues and concerns including the Due Diligence Measures.

Query (f)

Please disclose the financial impact or impact on the Group arising from specific concern(s) raised by Mr Hoon and/or any other director(s) of the Company, where applicable.

Company's Response

To the best of the Company's and the Board's knowledge, there is no foreseeable financial impact or impact on the Group arising specifically from the specific concern raised by Mr Hoon.

The Subscriber had paid the Deposit Amount of S$500,000 to the Company according to the Subscription Agreement.

The transaction(s) contemplated under the Subscription Agreement will not proceed to completion if the Conditions are not fulfilled. Additionally, if the ABCML Representation and Warranty given by the Subscriber to the Company is inaccurate or false, the Subscriber would be in breach of the Agreement and the Company would be able to take the necessary legal and other actions against the Subscriber in accordance with the terms of the Subscription Agreement and applicable laws.

BY ORDER OF THE BOARD
TEE INTERNATIONAL LIMITED

Ong Beng Hong
Company Secretary
21 October 2022