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

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(1) APPLICATION FOR MORATORIA PURSUANT TO SECTIONS 64 & 65 OF THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018
(2) FINDINGS OF FINANCIAL CONSULTANT AND OTHER UPDATES ON THE STATUS OF THE GROUP
(3) UPDATES ON CLAIMS AGAINST THE GROUP

The Board of Directors (the "**Directors**" or the "**Board**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 19 June 2021, 29 June 2021, 15 July 2021 on the Unaudited Fourth Quarter Financial Statements and Dividend Announcement for the Period Ended 31 May 2021 and 3 August 2021 (the "**Previous Announcements**").

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Previous Announcements.

1. Application for moratoria pursuant to sections 64 & 65 of the Insolvency, Restructuring and Dissolution Act 2018

The Board wishes to announce that the Company intends to propose a scheme of arrangement between the Company and its creditors. The Company has accordingly filed an application in the General Division of the High Court of the Republic of Singapore for a moratorium under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) (the "**IRDA**") in case number HC/OS 804/2021 ("**OS 804**") on 6 August 2021 (the "**Application**").

An automatic moratorium period commences upon the filling of the Application and ends on either a date that is 30 days after the date on which the Application is made or the date on which the Application is decided by the Court, whichever is earlier.

Pursuant to Section 64(8) of the IRDA, during the automatic moratorium period:

(a) no order may be made, and no resolution may be passed, for the winding up of the Company;

(b) no receiver or manager may be appointed over any property or undertaking of the Company;

(c) no proceedings (other than proceedings under sections 210 or 212 of the Companies Act (Cap. 50), or sections 64, 66, 69 or 70 of the IRDA) may be commenced or continued against the Company, except with the leave of the Court and subject to such terms as the Court imposes;

(d) no execution, distress or other legal process may be commenced, continued or levied against any property of the Company, except with the leave of the Court and subject to such terms as the Court imposes;

(e) no step may be taken to enforce any security over any property of the Company, or to repossess any goods under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, except with the leave of the Court and subject to such terms as the Court imposes; and

(f) despite sections 18 and 18A of the Conveyancing and Law of Property Act (Cap. 61), no right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company may be enforced, except with the leave of the Court and subject to such terms as the Court imposes.

In addition, PBT Engineering Pte Ltd ("**PBT Engineering**"), Trans Equatorial Engineering Pte Ltd ("**Trans Equatorial**"), TEE Infrastructure Private Limited and TEE E&C (Malaysia) Sdn Bhd have also filed applications under Section 65 of the IRDA in case numbers HC/OS 798/2021 ("**OS 798**"), HC/OS 802/2021 ("**OS 802**"), HC/OS 803/2021 ("**OS 803**") and HC/OS 805/2021 ("**OS 805**") on 6 August 2021 respectively in support of the Company's proposed restructuring.

A Pre-Trial Conference in respect of OS 798 and OS 802 – OS 805 has been fixed for 13 August 2021, at 10.00 am at the Singapore High Court before the Learned Assistant Registrar Jacqueline Lee.

The Group's corporate advisors and legal counsel in respect of the proposed restructuring are RSM Corporate Advisory Pte Ltd ("**RSM**") and Oon & Bazul LLP respectively. Creditors should direct any queries to SOAenquiry@teeintl.com.

2. Findings of Financial Consultant and Update on Status of the Group

The Board wishes to update that the Financial Consultant has undertaken an initial review of the Group's businesses and operations and has presented a preliminary proposed restructuring plan to the Board.

After taking into consideration RSM's recommendations, the Board notes that in view of the total liabilities and estimated contingent liabilities of the Company (arising from corporate guarantees given to financial institutions and certain customers of Trans Equatorial) as well as the total liabilities and losses incurred by the other Group entities, applications for moratoria (details of which are set out above) have been filed with the General Division of the High Court of the Republic of Singapore. The moratorium orders

are being sought to preserve the assets of the Group pending the formulation of a holistic restructuring plan.

The Group (including the respective boards of each Group entity) will, on the advice of the Financial Consultant and its other professional advisers, formulate, propose and undertake the appropriate actions and plans in respect of each Group entity, including a debt restructuring, equity injection, scheme of arrangement and judicial management.

For the avoidance of doubt, the Company wishes to note that G3 Environmental Private Limited is currently unaffected and is able to continue with its business and operations as usual.

The Group, with the assistance of the Financial Consultant, will continue to (a) look for opportunities to divest its non-core assets, (b) assess the viability and working capital requirements of its on-going projects with an aggregate contract value of S$121.2 million in the Engineering and Construction business, and (c) actively engage with the financial institutions and trade creditors on alternative repayment schedules and/or terms of repayment. The Group will also continue to manage its costs of operations given its current tight working capital position.

The Group further wishes to update the Shareholders on the following:

(a) the arbitration proceedings in respect of disputes arising out of and/or in connection with a construction contract in Malaysia are still ongoing. The Group's legal counsels have discharged themselves due to non-payment of legal fees. The Group is currently looking for new legal counsels for the arbitration proceedings; and

(b) the Board had requested that the Company engage the services of the Company's auditors, Foo Kon Tan LLP ("**FKT**") to produce an agreed-upon procedures report providing factual findings on the revenue, cost of sales, trade receivables, contract assets and trade payables for four projects undertaken by Trans Equatorial. FKT is expected to provide the Board with its findings by the end of September 2021.

3. Update on claims against the Group

The Board wishes to update that further to the announcement on 3 August 2021, PBT Engineering has noted two more claims amounting to an aggregate amount of about S$18,703 and Trans Equatorial has noted four more claims amounting to an aggregate amount of about S$1.2 million. None of the aforementioned claims individually amount to S$1.0 million or more.

The Company will make further announcements via SGXNET as and when there are any material developments.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their

securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
TEE International Limited

Ong Beng Hong
Company Secretary
7 August 2021