

TEE International Limited
and its subsidiaries
Registration Number: 200007107D

Condensed Consolidated Financial Statements
for the Full Year Ended 30 September 2023

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A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group Fourth Quarter Ended 30 September 2023 Unaudited S$'000	30 September 2022 Unaudited S$'000	Change %	Group Twelve Months Ended 30 September 2023 Unaudited S$'000	30 September 2022 Audited S$'000	Change %
Continuing operations							
Revenue	**4**	7,549	6,963	8.4	29,152	30,413	(4.1)
Cost of sales		(5,731)	(6,113)	(6.2)	(24,614)	(24,849)	(0.9)
Gross profit		1,818	850	113.9	4,538	5,564	(18.4)
Other operating income		283	393	(28.0)	1,050	918	14.4
Gain on de-recognition of a subsidiary upon loss of control	**21**	-	-	-	5,685	-	N.M.
Administrative expenses		(2,785)	(1,827)	52.4	(7,396)	(6,164)	20.0
Other operating expenses		(534)	46	N.M.	(3,538)	(24,047)	(85.3)
Share of results of associate		224	145	54.5	578	380	52.1
Finance costs		(229)	(386)	(40.7)	(840)	(1,250)	(32.8)
(Loss)/profit before income tax		**(1,223)**	**(779)**	57.0	**77**	**(24,599)**	(100.3)
Income tax (expense)/credit		(386)	377	(202.4)	(334)	232	(244.0)
Loss for the period/year from continuing operations		**(1,609)**	**(402)**	300.2	**(257)**	**(24,367)**	(98.9)
Profit/(loss) for the period/year from discontinued operations		**-**	**5,578**	(100.0)	**(1,449)**	**68,838**	(102.1)
(Loss)/profit for the period/year		**(1,609)**	**5,176**	(131.1)	**(1,706)**	**44,471**	(103.8)
(Loss)/profit for the period/year attributable to:							
Owners of the Company		(1,828)	4,835	(137.8)	(2,606)	43,688	(106.0)
Non-controlling interests		219	341	(35.8)	900	783	14.9
		(1,609)	**5,176**	(131.1)	**(1,706)**	**44,471**	(103.8)

NM: Not Meaningful
See accompanying notes to condensed consolidated financial statements.

A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

	Group			Group		
	Fourth Quarter Ended			Twelve Months Ended		
	30 September 2023 Unaudited	30 September 2022 Unaudited	Change	30 September 2023 Unaudited	30 September 2022 Audited	Change
	S$'000	S$'000	%	S$'000	S$'000	%
(Loss)/profit for the period/year						
Loss from continuing operations, net of tax	**(1,609)**	**(402)**	300.2	**(257)**	**(24,367)**	(98.9)
Profit/(loss) from discontinued operations, net of tax	**-**	**5,578**	(100.0)	**(1,449)**	**68,838**	(102.1)
	(1,609)	**5,176**	(131.1)	**(1,706)**	**44,471**	(103.8)
Other comprehensive income, net of tax						
Item that may be reclassified to profit or loss in subsequent periods:						
Currency translation differences arising from consolidation						
Loss from continuing operations, net of tax	(85)	121	(170.2)	(63)	(151)	(58.3)
Loss from discontinued operations, net of tax	-	(309)	(100.0)	-	(1,083)	(100.0)
	(85)	(188)	(54.8)	(63)	(1,234)	(94.9)
Total comprehensive (loss)/profit for the period/year	**(1,694)**	**4,988**	(134.0)	**(1,769)**	**43,237**	(104.1)
(Loss)/profit attributable to:						
Loss from continuing operations, net of tax	(1,828)	(743)	146.0	(1,157)	(25,413)	(95.4)
Profit/(loss) from discontinued operations, net of tax	-	5,578	(100.0)	(1,449)	69,101	(102.1)
Owners of the Company	(1,828)	4,835	(137.8)	(2,606)	43,688	(106.0)
Profit from continuing operations, net of tax	219	341	(35.8)	900	1,046	(14.0)
Loss from discontinued operations, net of tax	-	-	-	-	(263)	(100.0)
Non-controlling interests	219	341	(35.8)	900	783	14.9
	(1,609)	**5,176**	(131.1)	**(1,706)**	**44,471**	(103.8)
Total comprehensive (loss)/profit attributable to:						
Owners of the Company	(1,913)	4,647	(141.2)	(2,669)	42,449	(106.3)
Non-controlling interests	219	341	(35.8)	900	788	14.2
	(1,694)	**4,988**	(134.0)	**(1,769)**	**43,237**	(104.1)

NM: Not Meaningful
See accompanying notes to condensed consolidated financial statements.

A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

	Group			Group		
	Fourth Quarter Ended			Twelve Months Ended		
	30 September 2023 Unaudited	30 September 2022 Unaudited	Change	30 September 2023 Unaudited	30 September 2022 Audited	Change
	S$'000	S$'000	%	S$'000	S$'000	%
(Loss)/profit per share for (loss)/profit for the period/year attributable to the owners of the Company:						
From continuing and discontinued operations						
- Basic (SGD in cent)	(0.28)	0.75	(137.8)	(0.40)	6.75	(106.0)
- Diluted (SGD in cent)	(0.28)	0.75	(137.8)	(0.40)	6.75	(106.0)
Weighted average number of ordinary shares	646,882	646,882		646,882	646,882	
From continuing operations						
- Basic (SGD in cent)	(0.28)	(0.11)	146.0	(0.18)	(3.93)	(95.4)
- Diluted (SGD in cent)	(0.28)	(0.11)	146.0	(0.18)	(3.93)	(95.4)
Weighted average number of ordinary shares	646,882	646,882		646,882	646,882	

NM: Not Meaningful
See accompanying notes to condensed consolidated financial statements.

B. Condensed Statements of Financial Position

	Note	Group		Company	
		30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and bank balances		4,957	5,967	25	280
Fixed deposits		8,012	6,038	-	-
Trade receivables	**11**	4,879	4,304	-	-
Other receivables		1,289	1,473	8,983	11,960
Inventories		48	45	-	-
Contract assets		333	267	-	-
		19,518	18,094	9,008	12,240
Non-current assets held for sale	**12**	-	14,212	-	18
Total current assets		19,518	32,306	9,008	12,258
Non-current assets					
Other receivables		147	157	-	-
Investment in associate	**13**	5,273	4,927	-	-
Investment in subsidiaries	**14**	-	-	3,957	3,957
Property, plant and equipment	**15**	22,546	24,278	17	82
Deferred tax assets		396	447	-	-
Total non-current assets		28,362	29,809	3,974	4,039
Total assets		**47,880**	**62,115**	**12,982**	**16,297**
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	**16**	1,685	1,717	143	79
Other payables	**17**	69,679	44,995	61,696	63,373
Contract liabilities		1	2	-	-
Provisions	**18**	1,625	489	1,108	-
Current portion of lease liabilities	**19**	374	510	17	65
Current portion of long-term borrowings	**19**	735	651	-	-
Financial guarantee liabilities	**20**	100,439	98,617	100,439	98,617
Income tax payable		584	704	343	559
		175,122	147,685	163,746	162,693
Liabilities associated with non-current assets held for sale	**12**	-	39,125	-	-
Total current liabilities		175,122	186,810	163,746	162,693
Non-current liabilities					
Lease liabilities	**19**	1,854	2,160	-	17
Long-term borrowings	**19**	9,486	10,087	-	-
Deferred tax liabilities		232	103	-	-
Total non-current liabilities		11,572	12,350	-	17
Capital, reserves and non-controlling interests					
Share capital	**23**	73,194	73,194	73,194	73,194
Treasury shares	**23**	(269)	(269)	(269)	(269)
Currency translation reserve		(907)	(844)	-	-
Capital reserve		-	-	(274)	(274)
Accumulated losses		(211,997)	(209,391)	(223,415)	(219,064)
Equity attributable to owners of the Company		(139,979)	(137,310)	(150,764)	(146,413)
Non-controlling interests		1,165	265	-	-
Net equity		(138,814)	(137,045)	(150,764)	(146,413)
Total liabilities and equity		**47,880**	**62,115**	**12,982**	**16,297**

See accompanying notes to condensed consolidated financial statements.

C. Condensed Consolidated Statements of Changes in Equity

	Attributable to equity owners of the Company						
Group	**Share capital S$'000**	**Treasury shares S$'000**	**Currency translation reserve S$'000**	**Accumulated (losses)/profit S$'000**	**Equity attributable to Owners of the Company S$'000**	**Non-controlling interests S$'000**	**Total S$'000**
Balance at 1 October 2021	73,194	(269)	395	(253,079)	(179,759)	(1,518)	(181,277)
Total comprehensive (loss)/income for the year:							
Profit for the year	-	-	-	43,688	43,688	783	44,471
Other comprehensive loss for the year	-	-	(156)	-	(156)	5	(151)
Exchange difference realised on de-recognition of subsidiaries upon loss of control recycled to profit or loss	-	-	(1,083)	-	(1,083)	-	(1,083)
Total comprehensive (loss)/income for the year	-	-	(1,239)	43,688	42,449	788	43,237
De-recognition of subsidiaries upon loss of control (Note 21)	-	-	-	-	-	995	995
Balance at 30 September 2022	**73,194**	**(269)**	**(844)**	**(209,391)**	**(137,310)**	**265**	**(137,045)**

See accompanying notes to condensed consolidated financial statements.

C. Condensed Consolidated Statements of Changes in Equity (Cont'd)

	Attributable to equity owners of the Company						
Group	**Share capital S$'000**	**Treasury shares S$'000**	**Currency translation reserve S$'000**	**Accumulated (losses)/profit S$'000**	**Equity attributable to Owners of the Company S$'000**	**Non-controlling interests S$'000**	**Total S$'000**
Balance at 1 October 2022	**73,194**	**(269)**	**(844)**	**(209,391)**	**(137,310)**	**265**	**(137,045)**
Total comprehensive (loss)/income for the year:							
Loss for the year	-	-	-	(2,606)	(2,606)	900	(1,706)
Other comprehensive loss for the year	-	-	(63)	-	(63)	-	(63)
Total comprehensive loss for the year	-	-	(63)	(2,606)	(2,669)	900	(1,769)
Balance at 30 September 2023	**73,194**	**(269)**	**(907)**	**(211,997)**	**(139,979)**	**1,165**	**(138,814)**

See accompanying notes to condensed consolidated financial statements.

C. Condensed Statements of Changes in Equity (Cont'd)

Company	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total S$'000
Balance at 1 October 2022	73,194	(269)	(274)	(219,064)	(146,413)
Loss for the year, representing total comprehensive loss for the year	-	-	-	(4,351)	(4,351)
Balance at 30 September 2023	**73,194**	**(269)**	**(274)**	**(223,415)**	**(150,764)**
Balance at 1 October 2021	73,194	(269)	(274)	(181,815)	(109,164)
Loss for the year, representing total comprehensive loss for the year	-	-	-	(37,249)	(37,249)
Balance at 30 September 2022	**73,194**	**(269)**	**(274)**	**(219,064)**	**(146,413)**

See accompanying notes to condensed consolidated financial statements.

D. Condensed Consolidated Statement of Cash Flows

	Note	Group 30 September 2023 Unaudited S$'000	Group 30 September 2022 Audited S$'000
Operating activities			
Profit/(loss) before tax from continuing operations		77	(24,599)
(Loss)/profit before tax from discontinued operations		(1,449)	68,802
		(1,372)	44,203
Adjustments for:			
Share of results of associate		(578)	(380)
Provision for restructuring costs	**18**	1,108	-
Depreciation of property, plant and equipment	**6.1**	2,369	2,529
Gain on de-recognition of subsidiaries upon loss of control	**6.1 & 21**	(5,685)	(90,442)
Loss on disposal of a subsidiary	**6.1 & 22**	1,982	-
Trade receivables written off	**6.1**	12	-
Other payables written back	**6.1**	(253)	-
Other receivables written off	**6.1**	166	8
Due from former subsidiaries written off	**6.1**	2,984	23,621
Allowance for doubtful trade receivables	**6.1 & 11**	274	74
Allowance for doubtful other receivables	**6.1**	48	17,786
Allowance for doubtful trade receivables written back	**6.1 & 11**	(171)	-
Allowance for impairment loss on contract asset	**6.1**	-	4,824
Amortisation of deferred commission expenses	**6.1**	9	9
Loss on disposal of financial asset at fair value through other comprehensive income		-	22
Changes in fair value of investment properties	**6.1**	-	820
Changes in fair value of non-current assets held for sale	**6.1**	-	115
Gain on pretermination of leases	**6.1**	-	(15)
Gain on disposal of non-current assets held for sale	**6.1**	-	(9)
Gain on disposal of property, plant and equipment	**6.1**	(55)	(153)
Property, plant and equipment written off	**6.1**	5	22
Provision for onerous contracts written back		-	(229)
Financial guarantee liabilities adjustment	**6.1 & 20**	(514)	-
Contract assets written back	**6.1**	-	(18)
Impairment loss on property, plant and equipment	**6.1**	225	84
Unrealised currency translation loss		-	189
Interest income		(124)	(26)
Interest expense		844	1,733
Operating cash flows before movements in working capital		1,274	4,767
Trade receivables		(497)	6,635
Other receivables		(606)	933
Inventories		(3)	42
Contract assets		1,352	5,285
Trade payables		(1,042)	(3,746)
Other payables		381	(684)
Contract liabilities		232	1,035
Provision		11	-
Utilisation of provision for maintenance costs		(10)	(523)
Utilisation of provision for onerous contracts		(71)	(962)
Cash generated from operations		1,021	12,782
Income tax paid		(274)	(123)
Net cash generated from operating activities		**747**	**12,659**

See accompanying notes to condensed consolidated financial statements.

D. Condensed Consolidated Statement of Cash Flows (Cont'd)

	Note	Group 30 September 2023 Unaudited S$'000	Group 30 September 2022 Audited S$'000
Investing activities			
Placement of fixed deposits		(1,482)	(3,030)
Proceeds on disposal of property, plant and equipment		122	221
Purchase of property, plant and equipment		(904)	(618)
Net proceeds from disposal of non-current assets held for sale		-	17,637
Expenses paid on behalf of a former subsidiary		(12)	-
Repayment of advances to directors of subsidiaries		13	141
Repayment of finance lease receivables		10	10
Repayment for payable for acquisition of subsidiary		-	(38)
Net cash outflow on de-recognition of subsidiaries upon loss of control	**21**	-	(1,361)
Net cash outflow on disposal of a subsidiary	**22**	(1,410)	-
Dividend received from associate		169	-
Interest received		123	26
Net cash (used in)/generated from investing activities		**(3,371)**	**12,988**
Financing activities			
Repayment of bank loans		-	(2,677)
Repayment of long-term borrowings		(517)	(18,446)
(Increase)/decrease in bank balances pledged		(492)	1,432
Decrease in amount due from former immediate holding company of a subsidiary		534	-
Repayment to former immediate holding company of a subsidiary		-	(168)
Repayment of loan to former intermediate holding company of a subsidiary		-	(1,744)
Repayment of amounts due to former subsidiary		-	(1,230)
Repayment of principal portion of lease liabilities		(484)	(897)
Loan from Subscriber[1]		1,800	-
Loan from a related party		200	-
Loan from third party		50	100
Loan from director and investor of a subsidiary classified as held for sale		-	300
Payment to former immediate holding company of a subsidiary		-	(678)
Interest paid		(570)	(1,632)
Net cash generated from/(used in) financing activities		**521**	**(25,640)**
Net (decrease)/ increase in cash and cash equivalents		(2,103)	7
Cash and cash equivalents at beginning of year		7,060	7,053
Cash and cash equivalents at end of year (Note a)		**4,957**	**7,060**

Note a	Group 30 September 2023 Unaudited S$'000	Group 30 September 2022 Unaudited S$'000
Cash and cash equivalents	4,957	5,967
Cash at bank in disposal group held for sale	-	1,093
	4,957	**7,060**

[1]Subscriber refers to Meta5 Pte. Ltd.. Please refer to Note 1 of Section E *Notes to Condensed Consolidated Financial Statements*.

See accompanying notes to condensed consolidated financial statements.

E. Notes to the Condensed Consolidated Financial Statements

1. Corporate information

TEE International Limited (the "Company" or "TIL") (Registration No. 200007107D) is incorporated in Singapore with its principal place of business and registered office at 25 Bukit Batok Street 22, TEE Building, Singapore 659591. The Company is listed on the Singapore Exchange Securities Trading Limited. The Company's immediate and ultimate holding company is Tramore Global Limited, a company incorporated in the British Virgin Islands.

These condensed consolidated financial statements as at and for the financial year ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are investment holding. The principal activities of its associate and subsidiaries are those of engineering and infrastructure business.

Proposed Restructuring Exercise

On 15 July 2021, the Company announced the appointment of RSM Corporate Advisory Pte. Ltd. ("RSM") as financial consultant in September 2021, to, inter alia, undertake a review of the Group's businesses and assist to formulate restructuring plans to improve the financial position and/or performance of the Group.

Following the completion of RSM's review and their proposed restructuring plan to the Company, on 7 August 2021, the Company announced that it 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") on 6 August 2021 (the "Application"). Please see the announcement on 7 August 2021 for more information. In addition, the Company's former wholly-owned subsidiaries PBT Engineering Pte Ltd ("PBT Engineering", now known as Tracebuild Pte Ltd), Trans Equatorial Engineering Pte Ltd ("Trans Equatorial"), TEE Infrastructure Private Limited ("TEE Infra") and TEE E&C (Malaysia) Sdn Bhd ("TEE E&C (M)"), (together with the Company, PBT Engineering, Trans Equatorial and TEE Infra, the "Applicants") have also filed applications under Section 65 of the IRDA on 6 August 2021 respectively in support of the Company's proposed restructuring. The moratorium orders are being sought to preserve the assets of the Group pending the formulation of a holistic restructuring plan. Please also see further announcements on material developments in this regard made on 17 August 2021, 7 September 2021, 8 September 2021, 19 October 2021, 1 November 2021, 29 November 2021, 23 March 2022, 31 March 2022, 20 September 2022, 29 September 2022, 21 September 2022 and 27 September 2022 (the "Previous Announcements").

Other significant events taken place during the Proposed Restructuring Exercise are as follows:

Disposal and scheme of arrangement of PBT Engineering

On 3 August 2022, the Company entered into a sale and purchase agreement (the "SPA") with Chia Yoke Heng ("Mr Chia") and ADS Builders (1988) Pte. Ltd. ("ADS") (Mr Chia and ADS collectively, the "Purchasers"), to sell to the Purchasers 100% of the issued and paid-up share capital of PBT Engineering for a consideration of S$18,000 (the "Consideration") (the "Disposal").

Further on 20 February 2023, the Company announced that the Disposal was completed and accordingly, PBT Engineering is no longer a subsidiary of the Company.

Separately, PBT Engineering is also undertaking a separate scheme of arrangement (the "PBT Scheme") with its creditors for, *inter alia*, the restructuring of PBT Engineering's debts. On 10 February 2023, the Company updated that the Scheme Meeting with its creditors was held and the PBT Scheme was approved by a majority of the Creditors presented at the said meeting.

Creditors' Voluntary Liquidation of Trans Equatorial

On 26 November 2021, the Court has granted leave for Trans Equatorial to withdraw its application and the Court also ordered that RSM to be appointed as Monitoring Accountants. On 16 December 2021, the Company has announced that the Group has commenced the winding-up process of Trans Equatorial by way of creditors' voluntary liquidation (the "CVL").

On 13 January 2022, the Company further announced that Trans Equatorial has been officially placed in CVL pursuant to a special resolution passed at the Extraordinary General Meeting ("EGM") of Trans Equatorial and confirmation by the creditors of Trans Equatorial at a creditors meeting, both held on 12 January 2022.

As at the date of this announcement, the Company has not been informed by the liquidator of any material development in relation to the CVL.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

1. Corporate information (cont'd)

Winding Up Order in respect of TEE E&C (M)

On 24 September 2022, the Company had announced that the High Court of Penang has made the orders on 16 September 2022 to wind up TEE E&C (M) under the provisions of the Companies Act 2016 of Malaysia and the Receiving Officer/Director General of Insolvency to be appointed as the Liquidator for TEE E&C (M).

As at the date of this announcement, the Company has not been informed by the liquidator on any material development in relation to the winding up process.

Entry into Conditional Subscription Agreement and loan agreement with Meta5 Pte. Ltd.

On 18 August 2022, the Company announced that it has entered into a conditional subscription agreement (the "Subscription Agreement") with Meta5 Pte. Ltd. (the "Meta5" or "Subscriber") in relation to the following:

a) Subscription by the Subscriber of S$7.5 million in new ordinary shares in the Company; and
b) Subscription by the Subscriber of S$7.5 million in principal amount (the "Option Amount") of unlisted and non-transferable share options (the "Options"), with each Option carrying the right to subscribe for one (1) new ordinary share (the "Option Share") in the Company per Option.

Based on the terms and conditions of the Subscription Agreement (the "Proposed Subscriber Transactions"), the completion is subject to the fulfilment (or waiver) of the conditions precedent as defined in the Subscription Agreement. Further on 20 January 2023, the Company entered into the following agreements with the Subscriber in relation of the following:

a) A loan agreement (the "Loan Agreement") for a term loan of up to S$1.8 million (the "Loan") to mainly fund the costs and expenses incurred for the restructuring exercise of the Group as well as operating expenses of the Group; and
b) A supplemental agreement to the Subscription Agreement to extend the Longstop Date to 18 August 2023 (where both parties may mutually agree to extend by another two (2) months, pending on the progress of the restructuring exercise.

On 7 October 2023, the Company updated that it has on 6 October 2023, entered into a second supplemental agreement to the Subscription Agreement (the "Second Supplemental Agreement") with the Subscriber to extend the Longstop Date to 31 March 2024 (whereby the Longstop Date shall be further extended by another six (6) months) if the Company is still in the process of fulfilling the conditions precedent as set out in Clause 4.1of the Subscription Agreement.

On 31 October 2023, the Company also entered into a supplemental loan agreement to the Loan Agreement (the "Supplemental Loan Agreement"). Pursuant to the Supplemental Loan Agreement, the Subscriber agreed to extend a further principal amount up to S$2.0 million to the Company (the "Further Loan'), amounting to the sum of up to S$3.8 million cumulatively.

The Company will make further announcement should there be material development.

Creditors' Voluntary Liquidation of Arrow Waste Management Pte Ltd ("AWM")

On 5 December 2022, the Company has placed AWM under CVL. The Final Meeting of AWM was held and concluded on 29 May 2023 and a dissolution return was lodged with Accounting and Corporate Regulatory Authority (the "ACRA"). The Company further updated on 4 September 2023, that the CVL of AWM has been completed.

Proposed Scheme of Arrangement by the Company

In the 7 August 2021 announcement, it was stated that the Company intends to propose a scheme of arrangement (the "Scheme") between the Company and its creditors. The Company has appointed representatives from RSM as the scheme managers. On 24 February 2023, the Company has proposed a pre-packaged Scheme with its creditors pursuant to section 71 of the IRDA, and will be relying on ballot forms completed and submitted by its creditors as evidence of the manner in which the creditors would have voted had a meeting of creditors been summoned and held.

Further on 13 April 2023, the Company announced that the Scheme has been approved by a majority in number representing at least three-fourths in value of the creditors casting their votes through the ballot forms. As such, on 3 May 2023, the Company filed an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 71 of the IRDA for the Court's sanction of the Scheme (the "Sanction Application").

In this regard, the Sanction Application has been fixed for a hearing on 11 May 2023 and at the hearing, the Court granted the application and approved the Scheme. Further on 16 May 2023, a copy of the Order of Court approving the Scheme was lodged with ACRA and accordingly, the said Order took effect on and from 16 May 2023.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

1. Corporate information (cont'd)

Submission of trading resumption proposal ("Resumption Proposal") to Singapore Exchange Securities Trading Limited ("SGX-ST")

Trading in the Company's shares has been suspended since 18 September 2021. Pursuant to Rules 1303(3) and 1304(1) of the Listing Manual of the SGX-ST, the Company is required to submit a Resumption Proposal with a view to resume trading in its securities.

On 31 March 2023, the Company announced that an application including its Resumption Proposal, was submitted to SGX-ST, for review and approval. As at the date of this announcement, the Company is working on a revised Resumption Proposal to be re-submitted to the SGX-ST to further provide information and details to demonstrate and to substantiate how the proposed business plan will be able to support the Group to operate as a going concern, upon the completion of its business and debt restructuring.

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

The Company will continue to work with RSM and its legal advisors on the restructuring plan.

As the proposed restructuring exercise is still in progress, and the above Subscription Agreement and Second Supplemental Agreement are subject to the fulfilment (or waiver) of the conditions precedent therein, the final outcome is uncertain and the actual impact, whether financial or non-financial, is not determinable as at the date of this announcement. The condensed consolidated financial statements in this announcement, explanatory notes and other information in this announcement are prepared based on information available to the Company as at the date of this announcement. Accordingly, the condensed financial statements and information in this announcement have not been audited by the Company's auditors. As such, depending on the eventual outcome of the aforementioned, the Company and/or its subsidiaries may have to make material adjustments to its financial performance and financial position as contained herein, in this regard, the Company will make the appropriate announcements accordingly when more information is available.

Shareholders and potential investors of the Company are accordingly advised to read this announcement in full and any other prior and further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

2. Basis of preparation

The condensed consolidated financial statements for the full year ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year ended 30 September 2022 ("FY2022").

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed consolidated financial statements are presented in Singapore dollar which is the Company's functional currency and all values in the tables are rounded to the nearest thousand (S$'000), except when otherwise indicated.

Going concern assumption

As at 30 September 2023, the Group and the Company's current liabilities exceeded their current assets by S$155,604,000 (30 September 2022 - S$154,504,000) and S$154,738,000 (30 September 2022 - S$150,435,000) respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

As disclosed in Note 1, the Company entered into a conditional subscription agreement on 18 August 2022 and Second Supplemental Agreement on 6 October 2023 with Meta5 Pte. Ltd. to raise an equity fund of S$15,000,000 by issuance of new shares and share options in the Company. Furthermore, the Company is also proposing a rights issue to raise S$3,500,000, bringing the total of equity fund to S$18,500,000 to be raised. The Company is also undertaking a scheme of arrangement (the "Scheme") with its creditors for, *inter alia*, the restructuring of the Company's debts as part of the proposed restructuring exercise.

Based on the aforementioned, the condensed consolidated financial statements of the Company and the Group for the financial year ended 30 September 2023 have been prepared on the assumption that the Company and its subsidiaries is able to continue as a going concern. As the completion of the Subscription Agreement and proposed restructuring exercise including discussions with creditors are still in progress, the final outcome is uncertain and accordingly, the actual impact, whether financial or non-financial, is not easily determinable as at the date of this announcement. It should therefore be noted that the going concern assumption is premised upon, *inter alia*, (i) the successful completion of the Subscription Agreement, (ii) the successful completion of the proposed restructuring exercise, (iii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iv) the sufficiency of cash flows generated from the Group's operating activities.

The condensed consolidated financial statements in this announcement, explanatory notes and other information have not been audited or reviewed by the Company's auditors. Accordingly, depending on the eventual outcome of the aforementioned, the Company and/or its subsidiaries may have to make material adjustments to its financial performance and financial position for the year ended 30 September 2023 as contained herein. In this regard, the Company will make appropriate announcements accordingly when more information is available.

Basis of consolidation

The condensed consolidated financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

2. Basis of preparation (cont'd)

Change in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Following the liquidation of Trans Equatorial[1] in 2QFY2022 and the winding up of TEE E&C (M)[2] in 3QFY2022, the consolidation of these entities ceased when the Company lost its control of these entities.

In 1QFY2023, AWM was also placed under creditors' voluntary liquidation (the "CVL") on 5 December 2022 and further on 4 September 2023, the Company updated that the CVL of AWM has been completed. As a result, the Company no longer has control over AWM and the consolidation of AWM ceased accordingly. Detailed information is disclosed in Note 21.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held-for-sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

As disclosed in Note 1, these events were taken place in FY2022 within Engineering and Construction Segment:

- Trans Equatorial was placed into creditors' voluntary liquidation (the "CVL") on 12 January 2022
- Winding up of TEE E&C (M) on 24 September 2022
- Proposed disposal of PBT Engineering

Following the events described above and in compliance with SFRS (I) 5 *Non-current Assets Held-for-sale and Discontinued Operations*, the Group has classified Engineering and Construction Segment as discontinued operations in FY2022.

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[1] Trans Equatorial and its subsidiaries i.e. PBT Engineering Sdn Bhd (Brunei), PBT Engineering Sdn Bhd (Malaysia), TEE Philippines, Inc., Trans Equatorial Indochina Co., Ltd, Oscar Estate Management Co., Ltd and Oscar Design & Decoration Co., Ltd (collectively, the "Trans Group") were de-recognised upon loss of control in 2QFY2022 when Trans Equatorial was placed under CVL as at 12 January 2022.

[2] TEE E&C (M) and its subsidiary i.e. TEE Project Solutions Sdn Bhd (collectively, the "TEE E&C (M) Group") were de-recognised upon loss of control in 3QFY2022 when TEE E&C (M) was wound up under provisions of the Companies Act 2016 of Malaysia.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

2. Basis of preparation (cont'd)

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I) Standards 2018 – 2020		
- Amendment to SFRS(I) 1	*Subsidiary as a First-time Adopter*	1 January 2022
- Amendment to SFRS(I) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
- Amendment to SFRS(I) 16	*Lease Incentives*	1 January 2022
- Amendment to SFRS(I) 1-41	*Taxation in Fair Value Measurements*	1 January 2022
SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

2.2 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 30 September 2022 ("FY2022").

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the condensed consolidated financial statements is included in the following notes:

(a) Going concern assumption

As at 30 September 2023, the Group and the Company's current liabilities exceeded their current assets by S$155,604,000 (30 September 2022 - S$154,504,000) and S$154,738,000 (30 September 2022 - S$150,435,000) respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

As disclosed in Note 1, the Company entered into a conditional subscription agreement on 18 August 2022 and a Second Supplemental Agreement on 6 October 2023 with Meta5 Pte. Ltd. to raise an equity fund of S$15,000,000 by issuance of new shares and share options in the Company. Furthermore, the Company is also proposing a rights issue to raise S$3,500,000, bringing the total of equity fund to S$18,500,000 to be raised. The Company is also undertaking a scheme of arrangement (the "TIL Scheme") with its creditors for, inter alia, the restructuring of the Company's debts as part of the proposed restructuring exercise.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(a) Going concern assumption (cont'd)

Based on the aforementioned, the condensed consolidated financial statements of the Company and the Group for the year ended 30 September 2023 have been prepared on the assumption that the Company and its subsidiaries is able to continue as a going concern. As the completion of the proposed restructuring exercise, including the fulfilment of the Subscription Agreement and the Second Supplemental Agreement are still in progress, the final outcome is uncertain and accordingly, the actual impact, whether financial or non-financial, is not easily determinable as at the date of this announcement. It should therefore be noted that the going concern assumption is premised upon, *inter alia*, (i) the successful completion of the Subscription Agreement, (ii) the successful completion of the proposed restructuring exercise, (iii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iv) the sufficiency of cash flows generated from the Group's operating activities.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business ad adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the condensed consolidated financial statements.

(b) Determination of lease terms

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next period are included in the following notes:

(a) Revenue recognition

The Group recognises revenue from the following major sources:

- Construction engineering contracts (from discontinued operation)
- Sale of goods
- Revenue from services rendered
- Interest income
- Rental income

As described in the FY2022 audited consolidated financial statements, the Group recognises revenue either at a point in time or over time, depending on the contractual terms. Revenue from construction engineering contracts is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

Significant management judgements are required to estimate the total budgeted contract costs which include estimation for variation works and any other claims from contractors or sub-contractors. Any changes to the total budgeted contract costs will impact the percentage of completion, resulting in an impact to the revenue recognised.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

For projects that are liable to additional charges payable to the relevant authorities if the projects are not completed within the stipulated time, management takes into consideration the reasons for and the length of the time exceeded, the past experience of applying for extension of time and the likely outcome of such application for extension of time. Such charges are accrued only if it is probable that it will result in a liability.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(b) Calculation of loss allowances

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes reference to historical data, assumptions and expectations of future conditions.

(c) Contract assets arising from construction engineering contracts (from discontinued operation)

The Group recognises contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable and recognised over time on a cost-to-cost method i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant assumptions are required in determining the over-time revenue recognition on cost-to-cost method. The estimated total contract revenue and estimated total construction costs include estimation for variation works and any other claims from contractors. In making these estimates, the Group relies on past experience and the work of external specialists.

Management has performed the cost studies, taking into account the costs to date and costs to complete on each contract. Management has also reviewed the status of such contracts and is satisfied that the cost estimates to complete, the total contract costs and the expected profitability are realistic.

Additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

(d) Impairment of investment in associates and subsidiaries, and property, plant and equipment

Management exercises their judgement in estimating recoverable amounts of its investment in associates of the Group and Company and subsidiaries of the Company, and the Group's property, plant and equipment.

The recoverable amounts of these assets are reviewed at the end of each reporting period to determine whether there is any indication that those investments and assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

(e) Estimation of incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses the IBR to measure lease liabilities. The IBR is defined as the rate of the interest that the lessee would have to pay to borrow over a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The Group and the Company estimate the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield where available, and then making certain lessee specific adjustments such as Group entity's credit rating.

(f) Estimation of provisions made on various claims

In conjunction with the proposed restructuring exercises as disclosed in Note 1, the Group and the Company continue to assess the adequacy of the various provisions for liabilities made from the claims received.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

For management purposes, the Group is organised into two major business segments/operating divisions based on their services as follows:

i. Segment 1: Infrastructure – infrastructure business offers infrastructure solutions in the areas of water and energy related projects and commercial and industrial real estate management. This includes comprehensive sustainable solutions to meet demands for integrated infrastructure, utilities and environmental services

ii. Segment 2: Corporate & Others – involves a range of activities from corporate exercises and include income and expenses not attributable to other operating segments such as rental income from industrial building

The Chief Executive and Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included in the following table. Performance is measured based on segment profit/(loss) before taxation. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Geographical Information

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced. For the current financial year ended 30 September 2023, the revenue across all segments is generated from Singapore only.

Segment non-current assets: Segment non-current assets (excluding financial instruments and deferred tax assets) are analysed based on the location of those assets. As at 30 September 2023, the segment non-current assets are based in Singapore, except for investment in associate which is located in Philippines.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Corporate & Others		Infrastructure		Discontinued Operations		Elimination / Adjustments		Group	
	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue										
External sales	273	1,853	28,879	28,560	11,116	53,198	-	-	40,268	83,611
Inter-segment sales	169	362	6	12	-	-	(175)	(374)	-	-
Total revenue	**442**	**2,215**	**28,885**	**28,572**	**11,116**	**53,198**	**(175)**	**(374)**	**40,268**	**83,611**
Segment results										
Segment results	(3,602)	(23,736)	4,380	1,327	(1,884)	67,969	-	(4)	(1,106)	45,556
Share of results of associate	-	-	578	380	-	-	-	-	578	380
Finance costs	(804)	(1,038)	(36)	(212)	(4)	(487)	-	4	(844)	(1,733)
(Loss)/Profit before tax	(4,406)	(24,774)	4,922	1,495	(1,888)	67,482	-	-	(1,372)	44,203
Income tax credit/(expense)	61	(86)	(395)	318	-	36	-	-	(334)	268
(Loss)/Profit for the period	**(4,345)**	**(24,860)**	**4,527**	**1,813**	**(1,888)**	**67,518**	**-**	**-**	**(1,706)**	**44,471**

	Corporate & Others		Infrastructure		Discontinued Operations		Elimination / Adjustments			Group
	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment assets										
Segment assets	22,416	23,930	19,795	18,599	-	14,212	-	-	42,211	56,741
Investment in associate	-	-	5,273	4,927	-	-	-	-	5,273	4,927
Deferred tax assets	-	-	396	447	-	-	-	-	396	447
Total assets	**22,416**	**23,930**	**25,464**	**23,973**	**-**	**14,212**	-	-	**47,880**	**62,115**
Segment liabilities										
Segment liabilities	161,984	131,600	11,445	14,220	-	39,125	-	-	173,429	184,945
Loans, borrowings and lease liabilities	12,057	12,536	392	872	-	-	-	-	12,449	13,408
Income tax payable	370	559	214	145	-	-	-	-	584	704
Deferred tax liabilities	-	-	232	103	-	-	-	-	232	103
Total liabilities	**174,411**	**144,695**	**12,283**	**15,340**	**-**	**39,125**	**-**	**-**	**186,694**	**199,160**

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

	Continuing operations		Discontinued operations		
	2023 Unaudited	2022 Unaudited	2023 Unaudited	2022 Unaudited	Increase/ (Decrease)
	S$'000	S$'000	S$'000	S$'000	%
Revenue reported for first half year	14,228	16,105	11,116	27,967	(42)
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	1,564	(17,660)	(1,449)	51,476	(100)
Revenue reported for second half year	14,924	14,308	-	25,231	(62)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(1,487)	(6,707)	-	17,362	(114)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 30 September 2022:

	Group		Company	
	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at amortised cost	**18,975**	**17,464**	**8,984**	**12,210**
Financial liabilities				
Financial guarantee liabilities	100,439	98,617	100,439	98,617
Financial liabilities at amortised cost	83,398	59,797	61,713	63,455
	183,837	**158,414**	**162,152**	**162,072**

Financial assets at amortised cost consist of cash and bank balances, fixed deposits, trade receivables and other receivables excluding prepayments, deferred commission expenses, grant receivables, accrued rental income and GST receivable.

Financial liabilities at amortised cost consist of trade payables excluding GST payables, other payables, lease liabilities, long-term borrowings, long-term deposit and financial guarantee liabilities.

6. Profit/(Loss) before income tax

6.1 Significant items

	Continuing operations		Discontinued operations		Total	
	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Change in fair value of investment properties	-	-	-	820	-	820
Changes in fair value of non-current assets held for sale	-	115	-	-	-	115
Amortisation of deferred commission expenses	9	9	-	-	9	9

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

6. Profit/(Loss) before income tax (cont'd)

6.1 Significant items (cont'd)

	Continuing operations		Discontinued operations		Total	
	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Net foreign currency adjustment loss	-	9	-	116	-	125
Professional fees	2,032	539	203	578	2,235	1,117
Depreciation of property, plant and equipment, including ROU assets	2,369	2,500	-	29	2,369	2,529
Gain on de-recognition of subsidiaries upon loss of control (Note 8 and 21)	(5,685)	-	-	(90,442)	(5,685)	(90,442)
Loss on disposal of a subsidiary (Note 22)	-	-	1,982	-	1,982	-
Gain on disposal of property, plant and equipment	(55)	(137)	-	(16)	(55)	(153)
Impairment loss on property, plant and equipment	225	84	-	-	225	84
Property, plant and equipment written off	1	15	4	7	5	22
Other payables written back	(253)	-	-	-	(253)	-
Trade receivables written off	12	-	-	-	12	-
Other receivables written off	166	-	-	8	166	8
Due from former subsidiaries written off	2,984	23,621	-	-	2,984	23,621
Contract assets written back	-	-	-	(18)	-	(18)
Impairment loss on financial assets and contract assets						
- Trade receivables	274	74	-	-	274	74
- Other receivables	48	107	-	17,679	48	17,786
- Contract assets	-	-	-	4,824	-	4,824
Impairment loss on financial assets written back						
- Trade receivables	(171)	-	-	-	(171)	-
Financial guarantee liabilities adjustment (Note 20)	-	-	(514)	-	(514)	-

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere (see Note 5 under Section F Other Information Required by Listing Rule Appendix 7.2) in the condensed consolidated financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Continuing operations		Discontinued operations		Total	
	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited	2023 Unaudited	2022 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current:						
- Profit/(loss) for the period	193	272	-	-	193	272
- Adjustment in respect of prior years	(64)	(52)	-	(13)	(64)	(65)
- Withholding tax	25	1	-	4	25	5
Deferred:						
- Charge/(credit) for the period	180	(453)	-	(27)	180	(480)
	334	**(232)**	**-**	**(36)**	**334**	**(268)**

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

8. Discontinued operations

During FY2022, the Company placed Trans Equatorial under CVL and entered into a sale and purchase agreement (the "SPA") to dispose PBT Engineering. In addition, TEE E&C (M) was under winding up process. As such, the E&C Segment was classified as discontinued operations.

The results of the discontinued operations and re-measurement of the disposal group is as follows:

	Discontinued operations	
	2023 Unaudited	2022 Audited
	S$'000	S$'000
Revenue	11,116	53,198
Cost of sales	(10,532)	(50,021)
Gross profit	584	3,177
Other operating income	16	369
Administrative expenses	(573)	(1,203)
Other operating expenses	(4)	(23,500)
Finance costs	(4)	(483)
Profit/(loss) before tax	19	(21,640)
Income tax credit	-	36
Profit/(loss) after tax	19	(21,604)
Net gain on de-recognition of subsidiaries upon loss of control (Note 6.1)	-	90,442
Loss on disposal of a subsidiary	(1,982)	-
Financial guarantee liabilities adjustment (Note 20)	514	-
(Loss)/profit for the year	**(1,449)**	**68,838**

The Disposal of PBT Engineering was completed on 20 February 2023 and accordingly, PBT Engineering is no longer a subsidiary of the Company. Please refer to Note 22 for further details.

9. Dividend

No dividend has been declared or recommended by the board of directors of the Company ("Board" or "Directors") for the current financial year as the Company is in an accumulated loss-making position and the Group's priority is to manage its cash flow prudently and responsibly to meet its financial commitments in the current highly volatile and uncertain global operating environment.

10. Net asset value

Group	30 September 2023 Unaudited	30 September 2022 Audited
Net assets value per ordinary share based on issued share capital at end of financial year (in cents)	(21.5)	(21.2)
Number of ordinary shares issued at the end of the year	646,882,476	646,882,476

Company	30 September 2023 Unaudited	30 September 2022 Audited
Net assets value per ordinary share based on issued share capital at end of financial year (in cents)	(23.3)	(22.6)
Number of ordinary shares issued at the end of the year	646,882,476	646,882,476

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

11. Trade receivables

	Group	
	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000
Third parties	5,153	4,631
GST receivable	6	-
	5,159	4,631
Less: Allowance for impairment		
- At beginning of year	(327)	(7,275)
- Allowance for the year (Note 6.1)	(274)	(74)
- Written back during the year (Note 6.1)	171	-
- Amount utilised during the year	150	-
- De-recognition of subsidiaries	-	7,010
- Reclassification to disposal group	-	12
- At end of year	(280)	(327)
Trade receivables – net	**4,879**	**4,304**

12. Non-current assets held for sale and liabilities associated with non-current assets held for sale

Following the approval of the Company's Board for the Proposed Disposal of PBT Engineering, the assets and liabilities related to PBT Engineering have been presented separately in the consolidated statement of financial position as a disposal group held for sale.

Disposal of PBT Engineering was completed on 20 February 2023.

The assets and liabilities of the disposal group classified as held for sale in FY2022 are as follows:

PBT Engineering	30 September 2022 Audited
	S$'000
Assets	
Cash and cash equivalents	1,093
Trade receivables	3,619
Other receivables	1,093
Contract assets	8,403
Property, plant and equipment	4
Assets of the disposal group	**14,212**
Liabilities	
Trade payables	36,366
Other payables	1,113
Loan from director and investor	300
Contract liabilities	1,238
Provisions	108
Liabilities of the disposal group	**39,125**

Company	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000
Details of assets in non-current assets classified as held-for-sale were as follows:		
Investment on subsidiary (Note 14)	**-**	**18**

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

13. Investment in associate

Group	30 September 2023 Unaudited S$'000	30 September 2022 Audited S$'000
Unquoted equity shares, at cost	4,332	4,332
Share of post-acquisition reserves, net of dividend received	941	595
Net	**5,273**	**4,927**

Details of the Group's significant associate are as follows:

Name of associate/ Country of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		30 September 2023 %	30 September 2022 %
PowerSource Philippines Distributed Power Holdings, Inc. ("PWS") Philippines	Construction, operation and maintenance of power plants	21.05	21.05

14. Investment in subsidiaries

Company	30 September 2023 Unaudited S$'000	30 September 2022 Audited S$'000
Unquoted equity shares, at cost	12,094	27,137
Reclassified to non-current assets held for sale (Note 12)	-	(15,043)
	12,094	12,094
Less: Allowance for Impairment loss		
- At beginning of year	(8,137)	(37,653)
- Allowance for the year	-	(7,480)
- Allowance utilised	-	21,971
- Reclassified to non-current assets held for sale (Note 12)	-	15,025
- At end of year	(8,137)	(8,137)
Net	**3,957**	**3,957**

Details of the Company's significant subsidiaries are as follows:

Name of subsidiary/ Country of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		30 September 2023 %	30 September 2022 %
TEE Industrial Pte. Ltd. Singapore	Operating an Industrial building for rental	100.00	100.00
G3 Environmental Private Limited Singapore	Commercial and industrial real estate Management	50.10	50.10
PBT Engineering Pte. Ltd. Singapore[(1)]	Provision of addition, alteration and upgrading of existing buildings, mechanical and electrical engineering services	-	100.00

[(1)] Disposed on 20 February 2023. Information about the Group's disposal of PBT Engineering is disclosed in Note 1 and Note 12. As at 30 September 2022, the subsidiary is reclassified to disposal group classified as held-for-sale.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

15. Property, plant and equipment

Right-of-use assets ("ROU") acquired under leasing arrangements are part of property, plant and equipment.

During the financial year ended 30 September 2023, the Group acquired assets amounting to S$0.9 million (30 September 2022: S$1.1 million) and disposed of assets with net book value amounting to S$67,000 (30 September 2022: S$0.3 million).

16. Trade Payables

	Group		Company	
	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000	S$'000	S$'000
Third parties	1,299	1,424	-	-
GST payable	386	293	143	79
Total	**1,685**	**1,717**	**143**	**79**

17. Other Payables

	Group		Company	
	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000	S$'000	S$'000
Amounts due to:				
- Subsidiaries	-	-	3,206	32,204
- Former immediate holding company of a subsidiary	1,587	1,363	241	16
- Former subsidiaries	49,684	24,839	49,647	24,802
Shareholder loans	2,968	2,968	2,968	2,768
Loan from a related party	200	-	-	-
Loan from non-controlling interest	6,188	6,188	-	-
Loan from Subscriber	1,800	-	1,800	-
Accrued expenses	3,487	3,647	696	578
Accrued interest expense	129	89	23	-
Rental and security deposits	1,204	918	1,000	785
Loans from third parties	355	305	355	305
Other payables	2,077	4,678	1,760	1,915
Amounts shown under current liabilities	**69,679**	**44,995**	**61,696**	**63,373**

The former immediate holding company of a subsidiary refers to Amcorp Global Limited (the "AGL"). The amounts due to AGL carry a fixed interest rate of 9% per annum and are secured by assignment of sales proceed from the property of the subsidiary; investment property under the Company and certain shares of the subsidiaries under the Group.

The amounts due to former subsidiaries, namely PBT Engineering and Trans Equatorial Engineering were reclassified and recognised as other payables as a result of the completion of the disposal of PBT Engineering and CVL of Trans Equatorial Engineering, respectively.

18. Provisions

	Group		Company	
	30 September 2023 Unaudited	30 September 2022 Audited	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000	S$'000	S$'000
Provision for restoration costs	517	489	-	-
Provision for restructuring costs	1,108	-	1,108	-
Total	**1,625**	**489**	**1,108**	**-**

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

19. Borrowings

Amount repayable in one year or less, or on demand

Group	As at 30 September 2023 S$'000 Secured	S$'000 Unsecured	S$'000 Total	As at 30 September 2022 S$'000 Secured	S$'000 Unsecured	S$'000 Total
Lease liabilities	374	-	374	510	-	510
Long-term borrowings	735	-	735	651	-	651
	1,109	**-**	**1,109**	**1,161**	**-**	**1,161**

Amount repayable after one year

Group	As at 30 September 2023 S$'000 Secured	S$'000 Unsecured	S$'000 Total	As at 30 September 2022 S$'000 Secured	S$'000 Unsecured	S$'000 Total
Lease liabilities	1,854	-	1,854	2,160	-	2,160
Long-term borrowings	9,486	-	9,486	10,087	-	10,087
	11,340	**-**	**11,340**	**12,247**	**-**	**12,247**

Company	30 September 2023 Unaudited S$'000	30 September 2022 Audited S$'000
Lease liabilities		
Amount shown under current liabilities	17	65
Amount shown under non-current liabilities	-	17
	17	**82**

Loan from financial institutions and other borrowings are secured by (i) fixed deposits; (ii) corporate guarantees by the Company and former immediate holding company of a subsidiary; and (iii) certain property, plant and equipment.

The Group's bank facility agreements include financial covenants. As at 30 September 2023 and 30 September 2022, the Group is in compliance with the relevant covenants.

20. Financial Guarantee Liabilities

Group and Company	30 September 2023 Unaudited S$'000	30 September 2022 Audited S$'000
At the beginning of year	98,617	-
Liabilities assumed pursuant to financial guarantees upon disposal and/or de-recognition of subsidiaries (Note 22 and Note 21)	2,336	98,617
Financial guarantees liabilities adjustment (Note 6.1)	(514)	-
Amounts shown under current liabilities	**100,439**	**98,617**

Financial guarantee liabilities pertain to corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries. The adjustment of financial guarantees liabilities was made to align with the Company's Scheme.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

21. De-recognition of subsidiaries upon loss of control

Arrow Waste Management Pte Ltd

The Company had placed Arrow Waste Management Pte Ltd ("AWM") under CVL. Accordingly, consolidation of AWM ceased when the Company ceased to control AWM. The fair value of identifiable assets and liabilities were as follows:

Effects on de-recognition	As at 5 December 2022 S$'000
Cash and bank balances	-*
Other receivables	-*
Trade payables and other payables	(5,685)
Net identifiable liabilities de-recognised	(5,685)
Gain on de-recognition (Note 6.1)	5,685
	-
Cash and bank balances disposed of	-*
Net cash outflow from the de-recognition upon loss of control	-*

**immaterial, not meaningful*

Trans Equatorial and its subsidiaries

In 2QFY2022, the Company no longer has control over Trans Group when Trans Equatorial was placed into CVL and appointment of liquidators for the purposes of the CVL on 12 January 2022. Accordingly, consolidation of Trans Group ceased when the Company ceased to control Trans Equatorial and its subsidiaries.

The fair value of identifiable assets and liabilities were as follows:

Effects on de-recognition	As at 12 January 2022 S$'000
Cash and cash equivalents	1,359
Trade receivables and other receivables	27,302
Contract assets	778
Property, plant and equipment (inclusive of Right-of-use assets)	225
Investment properties	8,626
Deferred tax assets	76
Bank loans and overdraft	(13,749)
Trade payables and other payables	(132,527)
Contract liabilities	(897)
Provisions	(52,064)
Long-term borrowings	(5,000)
Income tax payable	(2,959)
Lease liabilities	(9,198)
Net identifiable liabilities de-recognised	(178,028)
Non-controlling interest	871
Foreign currency translation	(631)
Liabilities assumed pursuant to financial guarantees (Note 20)	82,997
Net	(94,791)
Gain on de-recognition (Note 6.1)	94,791
	-
Cash and cash equivalents disposed of	(1,359)
Net cash outflow from the de-recognition upon loss of control	(1,359)

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

21. De-recognition of subsidiaries upon loss of control (cont'd)

TEE E&C (M) and its subsidiary

In 3QFY2022, the Company no longer has control over TEE E&C (M) Group when TEE E&C (M) was under winding up order on 16 September 2022. Accordingly, consolidation of TEE E&C (M) Group ceased when the Company ceased to control TEE E&C (M) and its subsidiary.

The fair value of identifiable assets and liabilities were as follows:

Effects on de-recognition	As at 16 June 2022 S$'000
Cash and cash equivalents	2
Trade receivables and other receivables	17
Trade payables and other payables	(10,962)
Net identifiable liabilities de-recognised	(10,943)
Non-controlling interest	124
Foreign currency translation	(452)
Liabilities assumed pursuant to financial guarantees (Note 20)	15,620
Net	4,349
Loss on de-recognition (Note 6.1)	(4,349)
	-
Cash and cash equivalents disposed of	(2)
Net cash outflow from the de-recognition upon loss of control	(2)

22. Disposal of subsidiary

The Company disposed of its entire stake in PBT Engineering. Effect of the disposal of subsidiary on the consolidated statement of cash flows are:

Effects on disposal	As at 20 February 2023 S$'000
Cash and cash equivalents	1,410
Trade receivables	3,557
Other receivables	26,055
Contract assets	6,985
Property, plant and equipment	16
Trade payables	(35,332)
Other payables	(1,248)
Loan from director and investor	(300)
Contract liabilities	(1,471)
Provisions	(26)
Net assets in a subsidiary	(354)
Liabilities assumed pursuant to financial guarantees (Note 20)	2,336
Loss on disposal (Note 6.1)	(1,982)
Consideration, net of transaction costs (Note A)	-
Cash and bank balances disposed of	(1,410)
Net cash outflow from the disposal of a subsidiary	(1,410)
Note A	
Consideration	18
Transaction costs	(18)
Net consideration	-

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

23. Share capital

There have been no changes in the Company's share capital since 15 February 2019.

There are 1,270,400 treasury shares as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year. The total number of issued shares as at 30 September 2023 is 648,152,876 (30 September 2022: 648,152,876).

The Company's subsidiaries do not hold any shares in the Company as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

24. Contingent liabilities

Various claims have been made against the Company and the Group in the Engineering and Construction segment (discontinued operation) for liquidated damages, defects, and/or under guarantees for the performance of the contracts. The Company released the latest announcement on 17 January 2023 to provide an update in relation to claims against the Company and the Group.

As at the date of this announcement, there are 3 claims against the Company amounting to about S$13.7 million, a sum amounted to approximately S$13.6 million has been repaid in full to the relevant creditor in prior financial year and the Company has entered into settlement agreements with the other creditors in respect of the balance of S$0.1 million. Furthermore, there are 67 claims against PBT Engineering (disposed on 20 February 2023) amounting to about S$17.0 million.

Trans Equatorial and TEE E&C (M) are under liquidation process and liquidators have been appointed for these entities. The liquidators have control over these entities and the Company has not received any updates from the liquidators in relation to any further claims made against these entities since the last update regarding claims received by these entities announced by the Company on 25 July 2022 and 18 October 2022. In total, there were 135 claims and 13 claims against Trans Equatorial and TEE E&C (M) to the date of the said announcements, amounted to an aggregate of about S$143.4 million and RM5.9 million or S$1.9 million, respectively. AWM was liquidated as at the date of this announcement and there was 1 claim against AWM amounted to S$2.5 million.

The management assessed and estimated the potential exposure on liabilities (see Note 20) and contingent liabilities. Accordingly, the Group has made adequate provision for liabilities in connection with the claims in these condensed consolidated financial statements based on current best estimates and available information.

As part of the proposed restructuring exercise, the Company proposed and launched the Scheme between the Company and its creditors. Together with the scheme managers, the management discussed with various parties/creditors to reach amicable conclusions. On 24 February 2023, the Company has proposed a pre-packaged Scheme with its creditors pursuant to section 71 of the IRDA and further on 13 April 2023, the Company announced that the Scheme has been approved by majority creditors. In this regard, the Sanction Application was fixed for a hearing on 11 May 2023 and at the hearing, the Court granted the application and approved the Scheme.

25. Subsequent events

Subsequent to the end of the financial year, the following events have taken place:

i) Entry into second supplemental agreement to the Subscription Agreement (the "Second Supplemental Agreement")

On 7 October 2023, the Company updated that it has on 6 October 2023, entered into the Second Supplemental Agreement with the Subscriber to extend the Longstop Date to 31 March 2024 (whereby the Longstop Date shall be further extended by another six (6) months) if the Company is still in the process of fulfilling the conditions precedent as set out in Clause 4.1of the Subscription Agreement.

ii) Entry into supplemental loan agreement to the Loan Agreement (the "Supplemental Loan Agreement")

On 31 October 2023, the Company also entered into the Supplemental Loan Agreement with the Subscriber. Pursuant to the Supplemental Loan Agreement, the Subscriber agreed to extend a further principal amount up to S$2.0 million to the Company (the "Further Loan'), amounting to the sum of up to S$3.8 million cumulatively.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of TEE International Limited and its subsidiaries as at 30 September 2023 and the related condensed consolidated statement of comprehensive income for the financial year then ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Please refer to the Company's Annual Report released on 13 January 2023 and announcement made on 13 January 2023 for the follow-up actions taken by the Company.

(i) On-going CAD investigations on Unauthorised Remittances – Unauthorised Remittances totally S$6.55 million were made in FY2019 and these Unauthorised Remittances have been repaid to the Group in prior years. The CAD was investigating and had requested further information from the Company in prior years. As at the date of this announcement, the Company is not aware of or informed of any developments.

(ii) Opening balance of FY2022 – this refers to the audit of the Group's financial statements for financial period from 1 September 2020 to 30 September 2021 ("FP2021"). A significant subsidiary, Trans Equatorial was not audited as Trans Equatorial was insolvent and has been placed in liquidation. As the opening balance as at 1 October 2021 form the basis for determining the financial performance, changes in equity and cash flows of the Group for FY2022, the auditor was unable to determine whether adjustments are required to FY2022 financial statements. Save as disclosed in this announcement, there are no further material development with regards to the liquidation of Trans Equatorial.

(iii) Contingent liabilities - please refer to Note 24 to the condensed financial statements of this announcement.

With regards to the Arbitration Proceedings commenced on 6 March 2020 by a Malaysian client (the "Claimant") (a) against TEE E&C (M) (the "Malaysia Arbitration"); and (b) against the Company in Singapore (the "Singapore Arbitration"), the Arbitration Proceedings are in respect of disputes between the Claimant and TEE E&C (M) arising out of and/or in connection with a construction contract dated 30 September 2014. The Company is the Corporate Guarantor of TEE E&C (M) under the construction contract. All parties have reached a full and final settlement of their disputes against each other in these Arbitrations and on 5 May 2023, Singapore International Arbitration Centre issued an Order for Termination to all parties.

(iv) Appropriateness of going concern assumption – please refer to Note 1 and Note 2.2(a) to the condensed consolidated financial statements for going concern assumption and relevant updates of the announcement.

(v) Insufficient information to complete the audit of the consolidated financial statements of Group – this refers to audit of former subsidiaries, Trans Equatorial and PBT Engineering. Please refer to Note (ii) above for information with regards to the audit of Trans Equatorial.

PBT Engineering's company level was issued with a Disclaimer of Opinion for FY2021 and FY2022 audit in view of the insufficiency of supporting documents which are required to ascertain the completeness and accuracy and/or to reconcile various evidence mainly for project related items in PBT Engineering. As of the date of this announcement, PBT Engineering is no longer a subsidiary of the Company.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

To its best knowledge, the Board of Directors confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

2. Review of performance of the Group

Financial performance review

Since September 2021, the Group has commenced a strategic review of the Group's business with the appointment of RSM as financial consultant to assist to formulate restructuring plans to improve the financial position and/or performance of the Group. As of the date of this announcement, the restructuring exercise is still in progress.

Fourth Quarter Ended 30 September 2023 ("4QFY2023") against Fourth Quarter Ended 30 September 2022 ("4QFY2022")

Higher revenue by $0.6 million mainly contributed from environmental business by securing new waste management contracts. The gross profit of S$1.8 million is contributed by the Group's environmental business.

Other operating income decreased marginally by S$0.1 million mainly due to lesser government grants received during the financial period.

Administrative expenses increased by S$1.0 million mainly due to professional fees incurred for the proposed restructuring exercise of the Company.

Other operating expenses increased by $0.6 million mainly comprised of allowance for doubtful trade and other receivables S$0.1 million, trade and other receivables written off S$0.2 million and impairment loss on property, plant and equipment S$0.2 million.

Finance costs lower by S$0.1 million mainly contributed by lower bank loans and borrowings due to repayment.

Overall, the Group reported a loss after tax of S$1.6 million in 4QFY2023 as compared to profit after tax of $5.1 million in 4QFY2022. The profit after tax in 4QFY2022 was mainly arising from the adjustment made for financial guarantees liabilities in relation to the corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries (under discontinued operations) based on best estimates and available information in 4QFY2022.

Attributable to the owners of the Company was a loss of S$1.8 million in 4QFY2023 as compared to a profit of S$4.8 million in 4QFY2022.

Financial Year Ended 30 September 2023 ("FY2023") against Financial Year Ended 30 September 2022 ("FY2022")

Revenue is lower as compared to prior financial year by S$1.3 million mainly due to lower rental income as a result of the completion of the sale of an investment property located at 33 Changi North Crescent, Singapore (the "33CNC Property") on 18 July 2022. The detailed breakdown of the revenue by segments is shown in Note 4.1 to the condensed consolidated financial statements. The gross profit of S$4.5 million is mainly contributed by the Group's environmental business.

Other operating income increased marginally by S$0.1 million mainly due to higher interest income received during the year.

Administrative expenses increased by S$1.2 million mainly due to professional fees incurred for the proposed restructuring exercise of the Company.

Other operating expenses in FY2023 are mainly due to other receivables written off, arising from the amount due from former subsidiary i.e. Arrow Waste Management Pte Ltd ("AWM") due to liquidation. Other operating expenses in FY2022 on the other hand pertained to trade and other receivables written off S$23.7 million arising from amount due from former subsidiaries from E&C business due to liquidation of Trans Group and TEE E&C (M) Group.

Finance cost lower by S$0.4 million mainly contributed by lower bank loans and borrowings due to repayment.

Overall, the Group reported loss after tax of S$1.7 million in FY2023, in which, loss after tax of S$0.3 million from continuing operations and a loss from discontinued operations of S$1.4 million. Attributable to the owners of the Company was loss of S$2.6 million in FY2023 as compared to a profit of S$43.7 million in FY2022.

Financial position review

Total cash and bank balances, and fixed deposits increased by $0.9 million mainly contributed from cash generated from operating activities.

Trade receivables increased by S$0.6 million, consistent with the increase in revenue generated from the environmental business during the current financial year.

PBT Engineering's assets and liabilities are reclassified as held for sale since FY2022 as a result of the Proposed Disposal. NIL balance as at 30 September 2023 due to completion of disposal of PBT Engineering on 20 February 2023.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

2. Review of performance of the Group (cont'd)

Financial position review (cont'd)

Property, plant and equipment decreased by S$1.7 million mainly due to depreciation charge and amortisation of right-of-use assets of S$2.4 million and impairment loss on property, plant and equipment of S$0.2 million, offset by purchase of motor vehicle and machinery S$0.9 million during the year.

Trade and other payables increased by S$24.7 million mainly arising from the recognition of amount due to PBT Engineering upon the disposal of this former subsidiary.

Provisions increased by $1.1 million mainly arising from provision for restructuring costs.

Provision of financial guarantee liabilities is explained in Note 20 and Note 24 in the condensed consolidated financial statements.

Long-term borrowings and lease liabilities decreased by S$1.0 million due to repayment during the financial year.

Income tax payables decreased by S$0.1 million mainly due to payment of tax during the financial period and adjustment of overprovision of tax in respect of prior years.

Cash Flow Statement

Net cash generated from operating activities amounted to approximately S$0.7 million mainly contributed by improved working capital management.

Net cash used for investing activities was approximately S$3.4 million mainly due to net cash outflow on disposal of a subsidiary of S$1.4 million, purchase of property, plant and equipment of $0.9 million and placement of fixed deposit S$1.5 million, offset with dividend income received from an associate of S$0.2 million, interest income received of S$0.1 million and proceeds from disposal of property, plant and equipment of S$0.1 million.

Net cash generated from financing activities was S$0.5 million, mainly due to loan received from Subscriber and a controlling shareholder of S$2.0 million and decrease in amount due from former immediate holding company of a subsidiary by S$0.5 million, offset by increase in bank balances pledged of S$0.5 million, net repayment of bank borrowings and lease liabilities of S$1.0 million and relevant interest paid of S$0.5 million.

As a result, the Group recorded a net decrease in cash and cash equivalents of S$2.1 million.

Net Current Liabilities and Negative Net Equity

As at 30 September 2023, the Group and the Company's current liabilities exceeded its current assets by S$155.6 million and S$154.7 million respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against former subsidiaries.

As at 30 September 2023, the Group and the Company's accumulated losses exceeded its share capital, resulting in negative net equity by S$138.8 million and S$150.8 million respectively.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast or prospect statement which has been previously disclosed.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Group

The details of the restructuring exercise are explained in Note 1 under Section E above in this announcement. Based on the aforementioned, as of 18 August 2022, the Company entered into a conditional subscription agreement (the "Subscription Agreement") and a Second Supplemental Agreement with Meta5 Pte. Ltd. (the "Meta5" or "Subscriber") to issue new shares in the Company worth S$7.5 million. Meta5 will also subscribe S$7.5 million of share options in the Company. Furthermore, the Company is also proposing a rights issue to raise S$3.5 million, bringing the total of equity fund to S$18.5 million to be raised. The completion of the Subscription Agreement and the Second Supplemental Agreement is subject to the fulfilment (or waiver) of the conditions precedent therein. As part of the completion of the Subscription Agreement and Second Supplemental Agreement, the Company will be working with RSM and its legal advisors to apply for lifting of the trading suspension of the Company's shares under Chapter 13 of the listing manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months (cont'd)

Group (cont'd)

The Company will also be undertaking a scheme of arrangement (the "Scheme") with its creditors for, *inter alia*, the restructuring of the Company's debts as part of the proposed restructuring exercise. On 24 February 2023, the Company proposed a pre-packaged Scheme with its creditors and it has been approved by majority in number representing at least three-fourths in value of the creditors. As such, on 3 May 2023, the Company filed an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 71 of the IRDA for the Court's sanction of the Scheme (the "Sanction Application").

In this regard, the Sanction Application has been fixed for a hearing on 11 May 2023 and at the hearing, the Court granted the application and approved the Scheme. Further on 16 May 2023, a copy of the Order of Court approving the Scheme was lodged with ACRA and accordingly, the said Order took effect on and from 16 May 2023.

Infrastructure Business

With the easing of the COVID-19 pandemic, the market outlook for the environmental business remains positive as the demand for service has largely recovered. However, the labour crunch and the inflationary cost pressures remains a challenge for the overall waste management industry. The National Environment Agency (NEA) has also announced that the refuse disposal fee will be revised upwards with effect from 1 January 2024. This will affect the business cost of companies which may subsequently affect the profit margins of the waste management service providers in Singapore. Hence, the Group is actively engaging and working on re-negotiation with its customers to revise the contract pricing.

Separately, the Group is now embarking on a factory relocation plan to consolidate all its operations under one roof to achieve better synergies and operational efficiencies before the end of next year. Similarly, it will also continue to focus on niche areas with cost advantage and leverage on opportunistic projects to optimise profits.

The Group will also continue its efforts to divest its investment in overseas infrastructure assets.

Overall, the Group will continue to work on the operations of its remaining operating segments and any potential opportunities for new businesses will be reviewed from time-to-time post-restructuring. The Group will also continue to work with RSM and legal advisors on the restructuring plan.

5. Interested person transactions

No IPT mandate has been obtained for the period under review. However, the Company wishes to disclose the following aggregate value of interested person transactions conducted during the financial year ended 30 September 2023.

Name of Interested Person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	S$'000	**S$'000**
Tramore Global Limited [1]	Nil [2]	Nil

[1] Tramore Global Limited ("TGL") is a controlling shareholder of the Company, holding direct interest of 53.4% of the issued share capital of the Company. As at 30 September 2023, TGL granted unsecured interest-free loans of S$2.9 million in total to the Company and a subsidiary of the Company. The repayment date of the loan is on 31 December 2023, or any dates as may be agreed by TGL and the Company.

[2] Under Rule 909(3) of the Listing Rule, in the case of borrowing of funds from an interested person, the value of transaction is interest payable on the borrowing. The loan granted by TGL to the Company is an unsecured interest-free loan, hence the aggregate value of the transactions is Nil.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its Directors and executive officers in accordance with Rule 720(1) of the Listing Manual.

7. Additional information required pursuant to Rule 706A

The creditors voluntary liquidation of Arrow Waste Management Pte Ltd was completed on 31 August 2023.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that, none of the persons occupying managerial position in the Company or in any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors,

Phua Cher Chuan	**Yeo Kian Wee Andy**
Chief Executive	**Independent Non-Executive**
and Managing Director	**Chairman**

Dated: 27 November 2023

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*