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

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION IN RELATION TO THE COMPANY'S ANNOUNCEMENT DATED 13 JANUARY 2023 ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

The Board of Directors (the "**Directors**" or the "**Board**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by Singapore Exchange Regulation ("**SGX RegCo**") on 25 January 2023 in relation to the Company's announcement dated 13 January 2023 on the Company's annual report for the financial year ended 30 September 2022 (**"FY2022**") (the "**Announcement**").

Query Number 1

Pursuant to Rule 713(1) of the Listing Manual, please disclose the date of appointment of Mr Kon Yin Tong as audit partner, number of audits Mr Kon Yin Tong has been in charge for the Company, and if the Company is in compliance with Rule 713(1).

Company's Response

Foo Kon Tan LLP ("**FKT**") was appointed as the Group's auditors on 13 July 2020. Mr Kon Yin Tong has been in charge for the Company's audit engagement sine 13 July 2020. As such, FKT has conducted 3 consecutive audits, namely for the financial year ended 31 May 2020, 16-month financial period ended 30 September 2021 and FY2022. Accordingly, the Company is in compliance with Rule 713(1) of the Listing Manual.

Query Number 2

Rule 704(6) of the Listing Manual requires that if an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by its auditors must immediately be announced by the issuer.

We note that the Company had announced differences between the Unaudited and Audited Financial Statements for the FY ended 30 September 2022 on 13 January 2023 which covered discrepancies in its Statement of Comprehensive Income and Statement of Financial Position.

Please also provide a breakdown of the material adjustments to the Statement of Cash Flows in the Company's audited full year results and explain the reasons for the material adjustments.

Company's Response

As disclosed in the Company's announcement of 13 January 2023 in relation to the differences between the Unaudited and Audited Financial Statements for the FY ended 30 September 2022 (the "**Material Differences Announcement**"), the material differences arose from reclassification adjustments made for presentation purposes.

Please refer to the extract of the Consolidated Statement of Cash Flows below for further details:

Extract of the consolidated statement of cash flows for FY2022

	Unaudited Financial Statements	Adjustments	Reclassifications	Audited Financial Statements	Explanatory Note
	S$'000	S$'000	S$'000	S$'000	
Operating activities					
Loss before tax from continuing operations	(24,483)	(116)		(24,599)	(a)
Profit before tax from discontinued operations	68,739	63		68,802	(a)
Adjustments for:					
Share of results of associates	(368)	(12)		(380)	(b)
Depreciation of property, plant and equipment	2,408	121		2,529	(b)
Allowance for impairment loss on contract assets	1,924		2,900	4,824	(c)
Impairment recognised based on net estimated fair value of disposal group classified as held-for-sale	2,900		(2,900)	-	(c)
Amortisation of deferred commission expenses	-		9	9	(c)
Gain on pretermination of leases	-		(15)	(15)	(c)
Due from former subsidiaries written off	-		23,621	23,621	(c)
Trade receivables written off	604		(604)	-	(c)
Other receivables written off	23,025		(23,017)	8	(c)
Trade payables written back	(5)		5	-	(c)
Unrealised currency translation loss/(gain)	187	1	1	189	(b), (c)
Interest expense	1709	24		1,733	(b)
Operating cash flows before movements in working capital	4,686	81	-	4,767	
Trade receivables	6,031		604	6,635	(c)
Other receivables	614		319	933	(c)
Trade payables	(3,741)		(5)	(3,746)	(c)
Other payables	(1,633)	(63)	1,012	(684)	(b), (c)
Cash generated from operations	10,834	18	1,930	12,782	
Income tax paid	(122)	(1)		(123)	(b)
Net cash generated from operating activities	10,712	17	1,930	12,659	

	Unaudited Financial Statements S$'000	Adjustments S$'000	Reclassifications S$'000	Audited Financial Statements S$'000	Explanatory Note
Investing activities					
Placement of fixed deposits	-		(3,030)	(3,030)	(c)
Proceeds on disposal of property, plant and equipment	207	(1)	15	221	(b), (c)
Net cash outflow on de-recognition of subsidiaries upon loss of control	(1,767)		406	(1,361)	(c)
Repayment for payable for acquisition of subsidiary	-		(38)	(38)	(c)
Net cash generated from investing activities	15,636	(1)	(2,647)	12,988	
Financing activities					
Repayment of bank loans	(2,271)		(406)	(2,677)	(c)
Repayment to former immediate holding company of a subsidiary	(184)	16		(168)	(b)
Repayment of amounts due to former subsidiary	-		(1,230)	(1,230)	(c)
Decrease/(increase) in fixed deposits pledged	404		1,028	1,432	(c)
Repayment of principal portion of lease liabilities	(908)	11		(897)	(b)
Payment to former immediate holding company of a subsidiary	-		(678)	(678)	(c)
Interest paid	(1,592)	(40)		(1,632)	(b)
Net cash used in financing activities	(24,341)	(13)	(1,286)	(25,640)	
Net increase in cash and cash equivalents	2,007		(2,000)	7	(c)
Cash and cash equivalents at beginning of year	7,053			7,053	
Cash and cash equivalents at end of year (Note a)	**9,060**		**(2,000)**	**7,060**	
Note a					
Cash and bank balances	5,967			5,967	
Cash and bank balances in disposal group held-for-sale	1,093			1,093	
Fixed deposits	2,000		(2,000)	-	(c)
	9,060		**(2,000)**	**7,060**	

Notes

(a) Please refer to the Material Differences Announcement

(b) Immaterial adjustments

(c) Reclassifications made for presentation purposes

Query Number 3

Provision 9.1 of the Corporate Governance Code states that "The company should report to the shareholders each year on the remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company." Provision 9.3 of the CG code states that "The company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000."

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

(i) Please explain as to why the Company has only provided remuneration figures for 3 key management personnel instead of the top 5 key management personnel;

(ii) Please disclose the names of the top key management personnel whose remuneration are disclosed in the annual report or provide an explanation as to why the Company is unable to disclose the remuneration figures on a named basis; and

(iii) We note that the Company has not disclosed the exact remuneration for the directors and the CEO. Please provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

Company's Response

(i) The Company notes that, during FY2022, the Company only had 3 key management personnel (who are not also Directors on the Board) according to its management structure. Accordingly, the remuneration figures were provided for these 3 key management personnel.

(ii) The 3 key management personnel whose remuneration figures were disclosed in the annual report are Mr. Lim Chin Khuang (Managing Director, Environmental Business), Mr. Chia Yoke Heng (Executive Director, Engineering Business) and Mr. Chua Siong Kiat (the previous Group Chief Financial Officer).

(iii) The Company wishes to clarify that, as set out in the remuneration disclosure table on Page 53 of the annual report, each of Prof. Siow Yuen Khong, Mr. Hoon Chee Wai and Mr. Andy Yeo Kian Wee were paid directors' fees only for FY2022. As further set out in the notes to the remuneration disclosure table, the directors' fees payable to Prof. Siow Yuen Khong, Mr. Hoon Chee Wai and Mr. Andy Yeo Kian Wee for FY2022 were S$64,500, S$67,500 and S$63,000, respectively. As such, it is noted that full disclosure of the amounts paid or payable, as the case may be, to Prof. Siow Yuen Khong, Mr. Hoon Chee Wai and Mr. Andy Yeo Kian Wee for FY2022 has been made.

With respect to Mr. Phua Cher Chuan's remuneration, as set out in the notes to the remuneration disclosure table, he was paid directors' fees of S$10,500 which represented 3.1% of his total remuneration for FY2022. As disclosed in the remuneration table, the salary payable to Mr. Phua Cher Chuan represented 92.6% of his total remuneration, with the balance 4.3% comprising his bonus. Additionally, it has been disclosed that Mr. Phua Cher Chuan's total remuneration falls within the band of S$250,000 to below S$500,000.

Taking into consideration the disclosures in the annual report as described above, the Company is of the view that there is sufficient transparency in its practices which are consistent with the intent of Principle 8 of the Code of Corporate Governance.

BY ORDER OF THE BOARD
TEE INTERNATIONAL LIMITED

Phua Cher Chuan
Group Chief Executive and Managing Director
27 January 2023