TEE INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200007107D)

RESPONSE TO THE QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE REMITTANCES OF MONIES BETWEEN THE COMPANY'S SUBSIDIARIES AND RELATED PARTIES

The Board of Directors (the "**Board**" or the "**Directors**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by SGX-ST on 6 September 2019 in relation to the Company's announcement dated 4 September 2019 as described in the attached **Appendix A** and **Appendix B**.

CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Company will make further announcements as appropriate or when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
TEE International Limited

Saw Chin Choo (Ms)
Executive Director
8 September 2019

Appendix A
TEE INTERNATIONAL LIMITED
RESPONSE TO THE QUERIES FROM SGX-ST ON 6 SEPTEMBER 2019

SGX-ST's Query No 1
Please elaborate what were the nature of the Remittances?

Company's Response
Please refer to **Appendix B** for the nature of the Remittances as claimed by Mr. Phua.

SGX-ST's Query No. 2
Please disclose details of the beneficial owners and the principal activities of PBT Engineering, Oscar Investment and Trans Equatorial.

Company's Response
Oscar Investment Private Limited is an investment holding company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Phua.

PBT Engineering and Trans Equatorial are wholly-owned subsidiaries of the Company. PBT Engineering provides turnkey solutions for commercial, industrial and institutional buildings, while Trans Equatorial provides addition, alteration and upgrading of existing buildings, mechanical and electrical engineering services.

SGX-ST's Query No.3
Please explain who authorised the payments for each of the Remittances?

Company's Response
All the Remittances were unauthorised. However, Mr. Phua had given instructions to pay out these Remittances.

SGX-ST's Query No. 4
Please describe how were the unauthorised Remittances uncovered by the Company?

Company's Response
The Remittances amounting to S$3,000,000 were recorded in the "Other Receivable" account in the books as at the end of the financial year ended 31 May 2019. During the audit of this account as part of their normal audit procedures, the Company's external auditors, Deloitte, were unable to verify the nature of the Remittances, what these Remittances were paid for and to whom these Remittances were ultimately paid to. As a result, Deloitte informed the Audit Committee on 26 July 2019 of Deloitte's inability to verify this Other Receivable balance of S$3,000,000. Deloitte and the Board have been trying to verify the nature of the Remittances and the Board has been working to ensure the repayment of the same to the Group. As of 29 August 2019, all Remittances to Mr. Phua and Oscar Investment have been fully repaid.

SGX-ST's Query No.5
Please explain reasons for the Remittances into and out of the Group as recorded in the Company's accounts and documents?

Company's Response
The Remittances amounting to S$3,000,000 were recorded in the "Other Receivable" account by the two subsidiaries of the Company as at 31 May 2019. Mr. Phua has claimed that he would claim the Remittances as a business expense and charge them to the Profit and Loss if the Group is successful in securing the relevant project. Mr. Phua also claimed that otherwise, the Remittances would be fully recoverable from Oscar Investment or himself by the Company in the event that the Group was unsuccessful in securing the relevant project.

Appendix A (CONT'D)
TEE INTERNATIONAL LIMITED
RESPONSE TO THE QUERIES FROM SGX-ST ON 6 SEPTEMBER 2019

SGX-ST's Query No. 6
Please clarify whether there had been similar remittances before date 19 July 2018 which was undisclosed?

Company's Response
The Board is currently not in a position to determine whether there had been similar remittances before 19 July 2018. The Board has instructed Deloitte and the internal auditors Protiviti Pte. Ltd. to conduct further checks and reviews with the objective of verifying the nature of these Remittances. Deloitte appears to be unable to conclude on its expanded work, while Protiviti's work is still on-gong. In view of the inconclusive outcome of Deloitte's expanded work scope, the Board is in the process of engaging an external investigator to carry out further checks which would include special reviews to cover the financial year ended 31 May 2018 and up to 31 August 2019. Appropriate announcement will be made when the checks and reviews are completed.

Appendix B
TEE INTERNATIONAL LIMITED
RESPONSE TO THE QUERIES FROM SGX-ST ON 6 SEPTEMBER 2019

Date	Paid by/to	Amount (paid)/received by the Group (S$)	All the Remittances are unauthorised but Mr. Phua has given the following explanations to the Company's auditors which the Audit Committee is still verifying
19 July 2018	Paid by Oscar Investment to PBT Engineering	2,800,000	Mr. Phua claimed that the funds received by PBT Engineering were used to deposit into a fixed deposit account to activate a banking credit line granted to PBT Engineering.
24 July 2018	Repaid by PBT Engineering to Oscar Investment	(2,800,000)	Repayment of the above to Oscar Investment.
12 February 2019	Paid by Trans Equatorial to Mr. Phua	(500,000)	See Note 1 below.
27 February 2019	Repaid by Mr. Phua to Trans Equatorial	500,000	Repayment of the above to Trans Equatorial.
1 March 2019	Paid by PBT Engineering to Oscar Investment	(2,000,000)	See Note 1 below.
4 March 2019	Paid by Trans Equatorial to Oscar Investment	(1,000,000)	See Note 1 below.
8 March 2019	Paid by Trans Equatorial to Oscar Investment	(250,000)	See Note 1 below.
31 May 2019	Repaid by Oscar Investment to Trans Equatorial	250,000	Repayment of the above to Trans Equatorial.
28 August 2019	Repaid by Mr. Phua to PBT Engineering	1,500,000	Partial repayment of the S$3,000,000 paid to Oscar on 1 March 2019 and 4 March 2019.
29 August 2019	Repaid by Oscar Investment to Trans Equatorial	800,000	As above.
29 August 2019	Repaid by Mr. Phua to Trans Equatorial	200,000	As above.
29 August 2019	Repaid by Mr. Phua to PBT Engineering	500,000	As above.

Note 1

Mr. Phua claimed that these Remittances have been used to pay for certain expenses to secure a relevant engineering project for, on behalf, and exclusively for the benefit of, the Group. However, no supporting documents have been provided by Mr. Phua to support the nature of these Remittances, what these Remittances were paid for and to whom these Remittances were ultimately paid to.