TEE INTERNATIONAL LIMITED



ANNUAL REPORT
2021

Restructure For Growth

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CORPORATE PROFILE

Listed in 2001, TEE International Limited ("**TEE**" or together with its subsidiaries and associated companies, "**TEE Group**") is a leading regional engineering and construction group with business interests in environmental services business.

TEE's core engineering business dates back to 1991 when it was first established as a general electrical contractor. Anchored on a strong track record of delivering quality and value-added integrated engineering solutions, TEE is now recognised as a trusted partner in the engineering & construction industry.

Through its investments in the environmental services businesses, TEE expanded into the waste management and wastewater treatment businesses in Singapore and Thailand respectively. With more than 20 years of experience in the waste management industry, TEE Environmental Pte. Ltd. ("TEE Environmental") is one of the leading industrial & commercial waste management companies in Singapore. As an essential service provider, TEE Environmental offers integrated waste management solutions supported by its recycling and cleaning services.

OUR VISION

We aim to be among the best and the preferred choice in the industry.

OUR MISSION

We strive to be a leading Integrated Engineering and Infrastructure Group recognised for our quality and value-added services, as well as our cost competitiveness; resolutely backed by people with strong capabilities, a devotion to quality service delivery, and the tenacity to face challenges.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of TEE International Limited ("**TEE**") and its subsidiaries (collectively, the "Group"), we are pleased to present to you our annual report for the financial period ended 30 September 2021 ("**FP2021**").

ENGINEERING AND CONSTRUCTION BUSINESS

Engineering and construction business remains challenging by facing headwinds ahead. It will be continued to be impacted by the on-going COVID-19 pandemic and restructuring exercise as explained in this report.

The unprecedented COVID-19 pandemic has severely impacted the on-going projects in term of labour crunch, delay of project delivery lead time, supply chain disruption and rising input costs, which will dampen the profitability and liquidity. Nonetheless, the Group is committed and devoted in completing all projects under asset enhancement cluster as concurred with clients and consultants. Trans Equatorial Engineering Pte Ltd ("Trans Equatorial") and PBT Engineering Pte Ltd ("PBT Engineering") have also divested selected on-going projects in the last few months and will continue to review its existing uncompleted contracts on-hand and may decide to divest if it is in their best interests.

INFRASTRUCTURE BUSINESS

Despite the disruptions caused by the COVID-19 pandemic, the environmental business has achieved an improvement compared to the previous years. It has turned profitable for its latest financial year vis a vis loss for the last 2 years. Given the Government's strong efforts to improve the general cleanliness and hygiene of Singapore as well as the push towards a higher recycling rate, it should be beneficial to our environmental business.

The environmental business is positioned to capitalise on the higher demand for environment management services resulted from the expected improvement in economic activities. The environmental business has been consolidating and rejuvenating its operating equipment and vehicular fleet to prepare itself to cope with the competition and disruptions caused by the pandemic. It's suite of services: waste collection, recycling, cleaning and disinfection services have been spruced up to provide a seamless solution to its customers.

Concurrently, the Group will continue its efforts to selectively divest its investment in its overseas infrastructure assets.

GROUP RESTRUCTURING

RSM Corporate Advisory Pte. Ltd. ("RSM") was appointed as our financial consultant in June 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"). In addition, the Company's wholly-owned subsidiaries PBT Engineering, 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.

The Board wishes to update that the Court has, on 26 November 2021, granted orders in terms of the Applications for moratoria relief for the Company, PBT Engineering, TEE Infra and TEE E&C (M) up to 31 March 2022.

On 16 December 2021, the Group has decided to proceed with the creditors' voluntary liquidation of Trans Equatorial due to its cash flow issue and Trans Equatorial's inability to pay its debts as they fall due.

LETTER TO SHAREHOLDERS

BOARD RENEWAL

Mr. Gn Hiang Meng, Mr. Aric Loh Siang Khee, Mr. Gary Ng Jit Meng, Ms. Saw Chin Choo and Mr. Phua Boon Kin retired from the TEE Board of Directors. On behalf of the Group, we would like to extend a note of appreciation to the directors for their years of service and guidance.

On behalf of the Board, we are pleased to welcome Mr. Yeo Kian Wee Andy and Mr. Hoon Chee Wai as Independent Directors of the Board. They are seasoned professionals who complements our current Board of Directors' skills and experiences.

A NOTE OF THANKS

These are trying times for all of us and we are grateful to all our key stakeholders, especially our customers, shareholders, business partners, financiers, consultants and suppliers for their continued support of our businesses. We also cannot thank our leadership and team members enough for their hard work and dedication to see us through this rough period.

We see this group restructuring exercise as an opportunity for the Group to re-position itself to restart growth and value creation by delivering the highest quality of engineering and construction services and to continue growing our waste management and cleaning services business. We are confident that the Group will overcome these uncertain times and come out stronger.

The Board views FY2022 as a transitional year for growth and appreciates the hardwork, commitment and dedication the current management team puts in, together with the external professionals, to complete the restructuring exercise. Together, we strive to turn things around.

Yours sincerely,

Mr. Yeo Kian Wee Andy
Independent Non-Executive Chairman

Mr. Phua Cher Chuan
Group Chief Executive & Managing Director

BUSINESS SEGMENTS

ENGINEERING AND CONSTRUCTION ("E&C") BUSINESS

First established in 1991 as a general electrical contractor, TEE has grown over the years into a leading integrated engineering and construction solutions provider. With our strong track record of delivering quality integrated engineering solutions, we treasure our reputation as a trusted partner in the engineering industry. Today we offer a full suite of high-value engineering solutions based on international standards that are adopted for large-scale and complex commercial building projects.

We have a strong professional and technical team that provides an array of solutions and services. Armed with the knowledge of the latest engineering and building developments, we are able to provide comprehensive solutions for our clients from Project Management, Construction Management, to Design Management.

Over the years, our major clients include CapitaLand, Changi Airport Group, Dragages Singapore, Frasers Centrepoint, Hyundai Engineering and Construction, Land Transport Authority, Las Vegas Sands Group to name a few. The majority of them are repeat clients, which bear testimony to our work quality and ability to deliver in our focus areas of Building Services, Asset Enhancement Initiatives works, and Transport Infrastructure.

INFRASTRUCTURE BUSINESS

With more than 20 years of experience in the waste management industry, TEE Environmental Pte. Ltd. ("TEE Environmental") is one of the leading industrial & commercial waste management companies in Singapore. TEE Environmental offers an integrated waste management solution that is supported by the recycling and cleaning services. This includes on-site and off-site waste management including the collection and transport of waste and the processing of recyclables like paper and plastics. We also provide top-of-the-line equipment that are customised to suit our clients' waste solutions, as well as prompt and efficient 24/7 customer service.

As an essential services provider, TEE Environmental has expanded its range of cleaning solutions and is one of the preferred disinfection service providers for hotels, retail and commercial premises to ensure these spaces are COVID-19 free.

Over the years, we have formed lasting relationships with clients for the betterment of the environment through our green outreach programs & activities and actively supporting socially responsible causes, programs & activities. Our major clients include multinational corporations, government organisations, education & medical institutions and retail malls owners.

Our Infrastructure Business has a 21.05% stake in PowerSource Philippines Distributed Power Holdings, Inc which owns, constructs and operates a 25-megawatt greenfield thermal hybrid power plant in the Philippines. The plant has been commissioned and operational since June 2018.

OPERATION REVIEW

COVID-19

Since the WHO declared COVID-19 a pandemic in early March 2020, countries all around the world have implemented lockdowns to slow the spread of the virus. Malaysia introduced the Movement Control Order ("MCO") since mid-March, and Singapore announced a series of circuit breaker ("CB") measures from 7 April 2020 lasting until 1 June 2020. As a result of these government regulations, TEE experienced significant disruption to its E&C business, although this was slightly cushioned by our ongoing projects, which included several essential works which were allowed to continue throughout the lockdown.

ENGINEERING AND CONSTRUCTION ("E&C") BUSINESS

As of 30 September 2021, PBT Engineering's total outstanding order book stands at S$75.2 million with a total 6 ongoing projects. The E&C business margins will continue to face pressure as tender prices become more competitive alongside rising manpower, material costs, and the new norms of project execution due to COVID-19. In order to sharpen our competitive edge, we are refining our pricing strategies to mitigate the impact of margin erosion. This is coupled with our plan to maintain a lean and efficient workforce and remove discretionary spending to bring down overall operating costs.

Nevertheless, we remain cautiously optimistic about continuing to secure new contracts. The push for technologies advancement is on the rise and in line with industry's approach to drive productivity and reduce the reliance on physical labour and to improve site coordination especially in these pandemic times. We are planning ahead to understand and probably invest in this new space for the future to stay ahead of our competitors.

INFRASTRUCTURE BUSINESS

Despite the disruptions caused by the COVID-19 pandemic, the environmental business has outperformed and achieved a marked improvement compared to the previous years. It has turned profitable for its latest financial year vis a vis loss for the last 2 years.

With the transition of the COVID-19 pandemic to endemic slowly gaining momentum from now on, it is a positive news for the environmental services industry. TEE Environmental is well positioned to capitalize on the higher demand for environment management services resulted from the improved economic activities especially from the manufacturing and tourism sectors. TEE Environmental, being a National Environment Agency (NEA) approved disinfection service provider, will continue to integrate this new service with our existing environmental solutions in order to better serve our customers. Nevertheless, hiring of both local and foreign workers remain a challenge.

TEE Infrastructure continues to explore the sale of its 21.05% stake in Powersource Philippines Distributed Power Holdings Inc., where its 25-megawatt thermal hybrid power plant has been operational for more than a year.

FINANCIAL REVIEW

INCOME STATEMENT

Revenue decreased by S$206.2 million, a decrease of 62.9% despite longer financial period of 16 months, mainly due to substantial completion of a major engineering project whereby higher revenue was recognised in prior financial year. In addition, revenue was significantly affected by the suspension and delay of most of our ongoing engineering projects during pandemic.

Cost of sales decreased at a lower percentage rate of 28.6% over the past financial period, as compared to a decrease in revenue of 62.9%, mainly due to:

(a) Provision for liquidated damages and additional completion costs for certain projects resulted by the delay in project delivery, principally due to the on-going COVID-19 pandemic;

(b) In view of proposed restructuring exercise and insolvency of Trans Equatorial Engineering Pte Ltd ("Trans Equatorial"), provisions were made for performance bonds that have been called or highly to be called and/or claims from contract counterparties;

(c) Critical project budget review resulted in downward revision in project margin for ongoing engineering contracts by taking into consideration the COVID-19 impacts. Provision for unavoidable cost of onerous contracts were also made during the financial period for potential loss-making projects; and

(d) Unavoidable overhead costs incurred during the Circuit Breaker period albeit construction works had been suspended on most engineering contracts.

These primarily refer to fixed overhead costs that the Group still has to absorb despite the government mandated the suspension of most construction projects in Singapore during Circuit Breaker period as well as additional costs incurred for the implementation of safety measures during this period. These costs mainly consist of payroll and its related costs, rental of offices and equipment etc.

As a result, the Group recorded a gross loss of S$113.4 million as compared to a gross loss of S$1.2 million in FY2020.

Other operating income increased by S$4.6 million mainly due to government grants received.

Administrative expenses decreased by S$3.7 million mainly due to lower staff cost resulted from lower headcount and lower depreciation charge of property, plant and equipment as compared to prior financial year.

Other operating expenses increased significantly by S$63.2 million principally arising from the Engineering segment. There were contract assets written off amounting to S$55.7 million and trade & other receivables written off amounting to S$4.2 million. These write-offs were made principally in view of the project stoppage and termination, novation of projects and various disputes on outstanding balances. The increase is also caused by change in fair value of investment properties of S$4.3 million and loss on disposal of an associate of S$1.3 million.

Impairment loss on financial asset and contract assets increased by S$5.9 million also mainly arising from the Engineering segment due to the reasons explained above.

Finance costs decreased by S$4.3 million mainly due to repayment of borrowings and notes payables, evident by the reduction in total debts (including lease liabilities) from S$111.2 million to S$65.8 million.

Income tax expense decreased by S$2.9 million mainly due to much lower chargeable income in view of loss-making position.

Loss from discontinued operations decreased by S$30.3 million to S$0.7 million. FP2021 loss from discontinued operations arose from TEE HK Limited ("TEE HK"), as compared to prior financial year (a) S$20.3 million loss on the disposal of TEE Land Limited ("TEE Land") and (b) S$10.5 million in losses attributable to TEE Land in FY2020.

FINANCIAL REVIEW

Overall, the Group reported loss after tax of S$199.7 million for the financial period as compared to loss after tax of S$64.6 million in FY2020.

The unprecedented COVID-19 pandemic has severely impacted the Engineering business in term of labour crunch, delay in project delivery lead time, supply chain disruption and rising operating costs, which had dampened the profitability and liquidity. On the other hand, despite the disruption caused by the COVID-19 pandemic, the environmental business has achieved an improvement as compared to previous financial years. It has turned profitable for its latest financial prior vis a vis loss for the last 2 financial years.

STATEMENT OF FINANCIAL POSITION

Total assets were S$111.7 million as at end of the financial period. There was a significant decrease in total assets by S$196.5 million from S$308.2 million arising from continuing operations, mainly due to decrease in:

(a) Contract assets of S$126.7 million;
(b) Cash and cash equivalents of S$43.0 million;
(c) Trade and other receivables of S$17.4 million;
(d) Investment in associates of S$4.6 million; and
(e) Investment properties of S$25.5 million.

Overall decrease is offset by recognition of non-current assets held-for-sale, which represented by the investment property at 33 Changi North Crescent.

Total liabilities were S$292.9 million as at end of the financial period. There was an overall net increase of S$3.4 million, due mainly to increase in provisions of S$53.6 million and recognition of liabilities associated to non-current assets held-for-sale of S$2.6 million. The increase was offset by net decrease in total debts (including of lease liabilities) of S$45.4 million mainly due to repayment/redemption of borrowings, finance leases and notes payable as well as net decrease in trade and other payables of S$4.4 million.

STATEMENT OF CASH FLOWS

Operating activities

Net cash from operating activities was S$3.7 million due mainly to net cash inflow arising from changes in working capital of S$67.9 million being offset with cash outflows arising from operating cash flows before movements in working capital of S$63.6 million and tax paid of S$0.7 million.

Investing activities

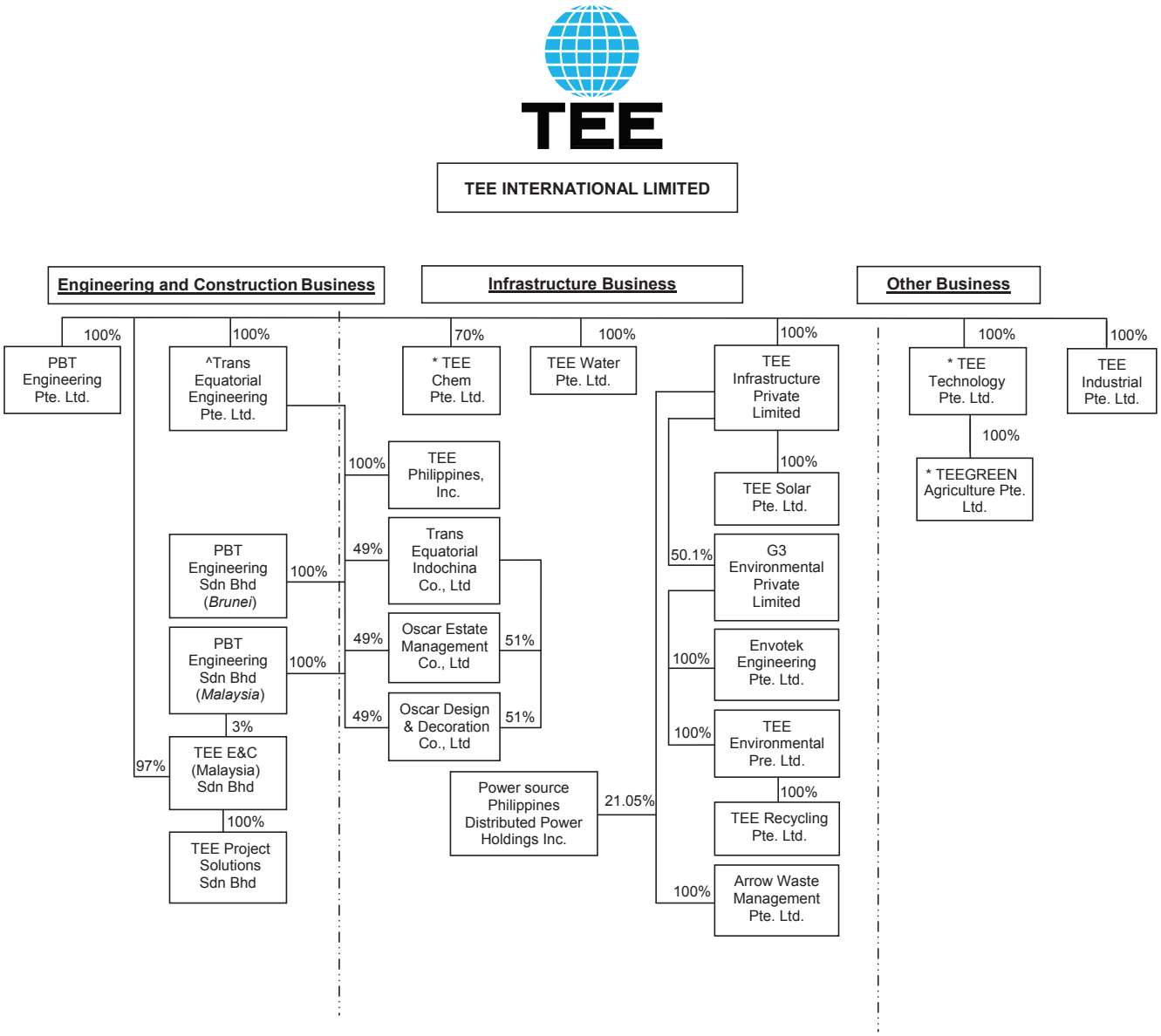
Net cash from investing activities was S$4.6 million due mainly to net cash inflows from disposal of an associate.

Financing activities

Net cash used in financing activities was S$51.8 million due mainly to repayment of loans and borrowings.

As a result, the Group recorded a net decrease in cash and cash equivalents of S$43.5 million.

CORPORATE STRUCTURE



Legend:

* In the process of closure/de-registration (closed after 30 September 2021)
^ In the process of creditors' voluntary liquidation since16 December 2021

BOARD OF DIRECTORS

MR. YEO KIAN WEE ANDY, 50
Independent Non-Executive Chairman

Mr. Yeo Kian Wee Andy was appointed to the Board on 29 December 2020 as an Independent Director. He was appointed as an Independent Non-Executive Chairman and Nominating Committee Chairman on 21 January 2021.

Mr. Yeo is presently a Partner at Eldan Law LLP. He has over 20 years of experience in legal practice. He began his career as a trainee with the Legal Service Commission in March 1996, before becoming an assistant registrar of the Supreme Court in July 1996. He was appointed as a magistrate and a coroner in the State Courts from September 1997 to September 1998. In October 1998, he joined the Attorney-General's Chambers as a state counsel and deputy public prosecutor. He left Allen & Gledhill LLP after 18 years and is now practising with Eldan Law LLP.

Mr. Yeo graduated with a Bachelor of Laws from the National University of Singapore in 1996 and was admitted as an advocate and solicitor in Singapore in 2000. He is also a non-practising solicitor of England and Wales, having been admitted to the Roll of Solicitors of England and Wales in 2010. Mr. Yeo has been an accredited international mediator of the Thailand Arbitration Centre since 2016. He is also a very active volunteer in the Singapore disability sports scene.

MR. PHUA CHER CHUAN, 52
Group Chief Executive & Managing Director

Mr. Phua was appointed as Interim Group Chief Executive & Managing Director on 24 June 2021, re-designated as Group Chief Executive & Managing Director on 1 September 2021.

Mr. Phua joined the Group in 2005 and leads the TEE Infrastructure businesses, which include the environmental business and overseas investments. In addition to the Group's infrastructure business, Mr. Phua also drives the Merger and Acquisition projects and other corporate exercises of the Group.

Mr. Phua started his career in August 1994 as an engineer with National Semiconductor Manufacturing Pte Ltd before he joined Infineon Technologies Asia Pacific Pte Ltd (formerly known as Siemens Components Pte Ltd) from March 1996 to December 2000 where he was involved in developing software for the testing of microchips as a senior engineer. In January 2001, Mr. Phua joined ST Assembly and Test Services Pte Ltd as an engineering section manager where he was in charge of testing microchips at its test development centre. He subsequently joined Flextronics International Ltd. in June 2002 as a manager at its test development department where he was a division head and responsible for testing of product designs for Singapore, Malaysia and China. Mr. Phua founded and was the Chief Executive Officer of Nexfrontier Solutions Pte. Ltd. from June 2005 to September 2012.

Mr. Phua was Executive Director and Chief Executive Officer of CMC INFOCOMM LIMITED ("CMCI", a subsidiary company of the Group) from March 2015 to May 2017. He led the team to a successful Initial Public Offering (IPO) of CMCI in Singapore Stock Exchange on 13 August 2015. Mr. Phua was responsible for the overall management of business and corporate development and he worked together with Non-Executive Chairman to formulate the business and corporate policies and strategies of CMCI.

Mr. Phua graduated from Nanyang Technological University with a Bachelor of Engineering degree in May 1994 and from the National University of Singapore with a Master of Science (Electrical Engineering) degree in July 1999.

MR. TEO YI-DAR, 50
Non-Executive Director, Non-Independent Director

Mr. Teo was appointed as Non-Executive, Non-Independent Director of the Company on 7 September 2020.

Mr. Teo is a Partner of Altair Capital General Partner Limited ("ACGP"). ACGP manages the investment operation of Altair ASEAN Fund Limited Partnership.

Mr. Teo started his career as an Engineer in SGS-Thomas Microelectronics and moved on to Keppel Corporation Ltd, conducting business development activities for Keppel's offshore and marine businesses. In 1999, he joined Boston-based Advent International Private Equity Group to conduct direct investments into Asian based businesses.

BOARD OF DIRECTORS

Mr. Teo is currently a director of several companies listed in Singapore, Hong Kong and China.

Mr. Teo holds two Masters' degrees: Master of Science Degree in Industrial and Systems Engineering (1998) and Master of Science Degree in Applied Finance (2000) from the National University of Singapore. Mr. Teo graduated from the same university with a Bachelor of Electrical Engineering (Honours) in 1996. Mr. Teo was accredited as a Chartered Financial Analyst by the CFA Institute in 2001.

PROFESSOR SIOW YUEN KHONG ALEX, 67

Independent Director

Professor Siow was appointed an Independent Director of the Company on 18 February 2020. He currently serves as member of the Audit Committee, member of the Nominating Committee and Chairman of the Remuneration Committee.

Professor Siow is currently Professor (Practice) in the School of Computing, National University of Singapore (NUS). Professor Siow started his career as a Structural Engineer in the HDB in 1981 and was appointed the Chief Information Officer in 1989. In 2003, Professor Siow joined the private sector and became the Senior Vice-President in StarHub Ltd. He held various portfolios including Head, Business Market, CIO and Head, Enterprise Risk Management. In 2013, he joined Accenture as Managing Director, Health and Public Service and in 2015, he joined NUS.

Professor Siow is a member of Temasek Polytechnic Board of Governors, a member of the Board of Trustees of Singapore University of Social Sciences and a board member of Thye Hua Kwan Ang Mo Kio Hospital. He is also the Chairman of the Board of Directors of Toffs Technologies Pte Ltd and Executive Chairman of DART Consulting and Training Pte Ltd. He is Managing Director of Alex Siow & Associates and director of 4P Consulting Pte Ltd.

Professor Siow graduated with a Bachelor of Engineering (Civil) degree from University of Applied Science, Stuttgart in July 1979 and a Master of Science (Engineering) (Construction Management) degree from the University of Birmingham in December 1986. He had also attended the Senior Management Programme at INSEAD, France in 1995.

MR. HOON CHEE WAI, 53

Independent Director

Mr. Hoon Chee Wai was appointed to our Board on 29 December 2020 as an Independent Director. He was appointed as the Audit Committee Chairman on 21 January 2021.

He has a total experience of approximately 30 years in banking, finance and accounting. He started his career at one of the big 4 public accounting firms, as an auditor from 1992. From 1994, Mr. Hoon joined the banking industry as an investment banker in various local and regional financial institutions where he was involved in numerous initial public offerings of Singapore and Chinese companies on the Stock Exchange of Singapore, equity and debt fund raising exercises from the capital markets as well as financial advisory on takeovers, mergers and acquisitions. During the period from 1998 to 1999, Mr. Hoon was an investment manager in a venture capital firm in Singapore.

In 2012, he joined a listed leisure, entertainment and hospitality group in Singapore, leading its corporate development functions. In 2017, Mr. Hoon joined a listed real estate, leisure and hospitality company in Hong Kong, heading its finance, corporate development and investors' and media relations functions. He is currently an executive director of a MAS licenced exempt corporate finance firm in Singapore.

Mr. Hoon graduated with a Bachelor of Accountancy from Nanyang Technological University, Singapore in May 1992. He has also completed an INSEAD Leadership Program from November 2010 to September 2011. He is a member of the Singapore Institute of Directors.

SENIOR MANAGEMENT

MR. CHUA SIONG KIAT, 50
Group Chief Financial Officer

Mr. Chua was recently appointed as Group Chief Financial Officer on 1 October 2021. He supports Group Chief Executive and Managing Director in charting the Group's business strategies, is responsible for corporate finance of the Company including investor relations and listing compliance, as well as providing oversight on the Company's financial reporting and accounting.

Prior to joining us, Mr. Chua is a director of Lighthouse Business Consulting Pte Ltd, a boutique business consulting firm. He has over 25 years of international broad-based financial and management experience, mainly in real estate investment and development, building construction and materials, healthcare and medical assurance industries; and having lived and worked in London, Beijing, Ho Chi Minh City and Singapore. He has experience in business strategy and management, corporate governance and compliance, investor relations, corporate finance and M&A, public listing (IPO/RTO), finance transformation, financial reporting, controls and planning. Mr. Chua is also a non-executive independent director of New Silkroutes Group Limited, a SGX mainboard listed group since August 2020. He is former executive director and chief financial officer of Libra Group Limited from 2013 to 2015, and former executive director and head of non-property division of Pacific Star Development Limited from 2016 to 2017. He is former non-executive independent directors of three other SGX listed companies progressively for the period from September 2019 till August 2020.

Mr. Chua is a Fellow of Chartered Certified Accountant (FCCA, UK), Certified Internal Auditor (CIA, USA), Chartered Accountant of Singapore (CA Singapore), Chartered Valuer and Appraiser (CVA) and member of the Singapore Institute of Director (SID). He holds a Master of Business Administration and Diploma of the Imperial College in Management (MBA, DIC) from Imperial College London Business School.

He was a Board member, Honorary Treasurer and alternate as Audit and Compliance Sub Committee's Chairman of National Arthritis Foundation (NAF), Singapore from 2015 to 2020.

MR. HENRY CHIA YOKE HENG, 45
Managing Director, Engineering and Construction Business

Mr. Chia joined the Group in 2004. He was appointed as Company Director of PBT Engineering Pte. Ltd. in 2015.

Mr. Chia leads and drives the construction and management of Asset Enhancement Initiatives (AEI) and Mission Critical projects. With more than 20 years of experience in the Building and Construction field, Mr. Chia has successfully completed AEI and mission critical projects for commercial, retail, industrial, healthcare, institution of higher-learning, aviation, transportation and infrastructure developments.

Mr. Chia holds a Master of Science (Building Sciences) from National University of Singapore and Bachelor (Honours) of Engineering (Civil Engineering).

MR. LIM CHIN KHUANG, 55
Managing Director, Environmental Business

Mr. Lim joined the Group in May 2019 and oversees the waste management business. Mr. Lim is responsible for formulating and executing the growth strategies of TEE Environmental. Prior to joining the Group, Mr. Lim held the position of Senior Vice President of SembWaste Pte Ltd and Sembcorp Environment Pte Ltd. Mr. Lim's career with Sembcorp Environment Pte Ltd spanned over 17 years and was overall in charge of its waste management business from 2011 to 2019. He also previously held management positions in Keppel Logistics Pte Ltd and The Westin Hotels Singapore.

Mr. Lim holds a Master of Management from Macquarie University.

SUSTAINABILITY REPORT

1 BOARD STATEMENT

This report marks the Group's fourth year of sustainability reporting. The Board believes this report is a reasonable and clear presentation of the Company's plans and of its environmental, social and governance performance. The Board has emphasised that management will continue to be evaluated by its success in executing the Company's strategic plan to meet stakeholders' and the Board's expectations, including being agile in responding to changing circumstances while respecting the commitments in this report.

The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Committee, which is chaired by the Group Chief Executive and Managing Director and key executives across business functions and business segments in the Group. The Board reviewed and discussed the final text of this report before its adoption of a formal resolution approving the report.

The Group conducted our first materiality analysis and published our inaugural sustainability report in 2018. This year, we have continued to report on the material topics and have further aligned them to our three Sustainability Focus Areas, namely Our Business, Our Environment and Our People. Our values and principles continue to guide us, providing a balanced consideration of economy, environment, and people.

The current COVID-19 pandemic is a challenging time but our top priorities are ensuring business contingency plans are working effectively and efficiently and the well-being of all our employees especially our workers. We are re-inventing the way we work while maintaining safety precautions in line with the local health advisories. All TEE's offices and subsidiaries are equipped with sanitation facilities, temperature screening and the implementation of safe entry check in/out systems. We continue to pay close attention to the development of this virus as well as the advisories from the health authorities to ensure health and safety of all our employees remain our top priority.

2 REPORTING PRACTICE AND BOUNDARY

TEE's fourth sustainability report covers the Group's sustainability performance for the financial period ended 30 September 2021. The scope of the Group's sustainability report includes the headquarters TEE, as well as the infrastructure entities – TEE Infrastructure Private Limited ("TEE Infra"), TEE Environmental Pte. Ltd. ("TEE Environmental"), TEE Recycling Pte. Ltd.; and the engineering and construction entities – Trans Equatorial Engineering Pte. Ltd. (Trans") and PBT Engineering Pte. Ltd. ("PBT"). With the exception of employee headcount, which includes our operations in Hong Kong, Malaysia and Thailand, the boundary for all data reported covers operations in Singapore only.

The report has been prepared with reference to the GRI Standards and will continue to be published on an annual basis.

Our Sustainability Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business. The report can also be found online at www.teeintl.com. We value your interest in our report and welcome questions, comments and suggestions at IR@teeintl.com.

SUSTAINABILITY REPORT

3 OUR STAKEHOLDERS

The sustainability committee continues to engage the different business segments as well as vendors, contractors, employees to further understand emerging issues and concerns.

Key Stakeholders	Significance to TEE Group	Topics of Interest	Engagement Channels
EMPLOYEES	Our people are one of our most valuable assets. The well-being and capabilities of our employees ensure their continual contributions to the success of all aspects of our businesses.	• Benefits and remuneration • Career progression • Training and development • Employee well-being and welfare	• Internal and external trainings • Staff appraisal • Onboarding and orientation • Ongoing sharing sessions and dialogues • Management feedback sessions
CUSTOMERS (Engineering and Construction Business)	The Engineering and Construction business delivers a full suite of high-value engineering solutions on a timely basis without compromising on quality. Fulfilling customers' requirements while adhering to various regulatory requirements is of utmost importance.	• Project management • Ability to meet requirements • Timeline and execution • Work quality	• Ongoing dialogues and meetings • Feedback form for analysis of performance
CUSTOMERS (Infrastructure Business)	TEE Infrastructure's environmental division offers a full suite of waste management solutions in accordance to customers' requirements. We do so while striving to be more environmentally-friendly.	• Service management • Ability to meet requirements • Execution and quality of service	• Customer service hotline • Ongoing engagement with clients
SUPPLIERS & VENDORS	In line with our goal of delivering quality products and services to our customers, we work with reliable contractors with good track records to ensure our projects are delivered in a timely manner without compromising on quality.	• Company financial strength • Payment terms	• Regular project progress updates • Project meetings
GOVERNMENT & REGULATORS	Being a Mainboard listed company on the Singapore Excharge Securities Trading Limited ("SGX-ST"), we are required to comply with the requirements of the listing rules of SGX-ST as well as the Securities and Futures Act. Relevant permits and licences are obtained from the relevant authorities such as the Building and Construction Authority ("BCA"), Ministry of Manpower ("MOM") and National Environment Agency ("NEA").	• Compliance with laws and regulations as mandated by the relevant authorities • Anti-corruption and bribery	• Announcements via SGXNet • Ongoing engagement with clients • Annual Report • Sustainability Report • Attending seminars and trainings conducted by regulatory bodies • Direct engagement with authorities • Newsletter updates

SUSTAINABILITY REPORT

Key Stakeholders	Significance to TEE Group	Topics of Interest	Engagement Channels
SHAREHOLDERS & INVESTORS	We view our shareholders as our utmost supporters as we continue to grow the Group. We fully understand the need to address their concerns, as well as share timely and accurate information about TEE Group with our shareholders to enable a transparent assessment of TEE Group's financial performance and state of affairs. This is in accordance to our Investor Relations policy.	• Group business strategy and developments • Financial performance • Dividend policy • Risk management • Operational efficiency • Regulatory compliance • Corporate Governance	• General Meetings • Announcements via SGXNet • Annual Report • Investor Relations team • Company website • Media releases
SOCIETY	The Group strives to have a positive impact on the community. We are dedicated to being a model corporate citizen who positively contributes to the community and encourages the spirit of volunteerism.	• Charitable contribution • Volunteering activities	• Corporate Social Responsibility (CSR) programme • Community service events
MEDIA & ANALYST	In line with our proactive investor and media relations approach, TEE Group regularly engages the media and analysts to keep them updated on our various corporate activities while gaining different perspectives on our business performance.	• Company performance • Valuation and stock performance • Corporate Governance	• Interviews • Press releases • Face-to-face meetings
STRATEGIC PARTNERS	Our strategic partners help complement our capabilities to provide our customers with the best services and products.	• Financial performance • Track records and reputation	• Ongoing meetings and dialogues • Business reviews

4 APPROACH TO SUSTAINABILITY AND MATERIALITY ANALYSIS

At the Group, sustainability is embedded in our business model. We place a strong emphasis on high standards of corporate governance and stringent risk management practices. Integrating sustainability best practices in our business guides us in formulating our business strategy and how it impacts on our people, environment and communities we work in.

We have also reviewed our material topics to check that we are responding appropriately to emerging concerns or legislation as well as to identify opportunities for improvement. There are no changes to the Group's material topics and Sustainability Focus Areas for FP2021. We continue to use GRI standards as a reference to report on our selected material topics and have provided further insight on our emissions use by including data on emission intensity this year.

Sustainability Focus Areas	Material Topics	Relevant GRI Standard reported
Our Business	Economic Performance	GRI 201-1
	Procurement Practices	GRI 204-1
	Anti-Corruption	GRI 205-3
Our Environment	Energy & Emissions	GRI 302-1, GRI 305-1, GRI 305-2 GRI 305-4
	Water	GRI 303-1
	Effluents & Waste	GRI 306-2
	Environment Compliance	GRI 307-1
Our People	Employment	GRI 401-1
	Diversity & Equal Opportunity	GRI 405-1
	Training & Education	GRI 404-1
	Occupational Health & Safety	GRI 403-2

SUSTAINABILITY REPORT

5 OUR SUSTAINABILITY FOCUS AREAS

OUR BUSINESS
As an established integrated engineering and infrastructure group, we strive to deliver quality and value-added services to our customers. With an expansive network of businesses under the Engineering and Infrastructure arms, as well as various scales of operations and exposure, we recognise the importance of maintaining stringent ethical work practices. Due to the labour-intensive nature of our businesses, as well as exposure to environmental impacts, TEE is committed to conduct our business in a sustainable and ethical manner. We condemn any form of bribery and our whistle blowing channel allows reporting of any non-compliance or breach of conduct in confidence.

Economic Performance
GRI 201-1

Our Approach
The Group believes in integrating sustainable practices as part of our business strategy in driving long-term growth. We are committed to high standards of business ethics, a nurturing and safe working environment to boost our employee productivity and morale in delivering quality service to our customers. Our sustainability agenda also guides our business strategy in maintaining sustainable economic value for our stakeholders while investing in our people's development and giving back to our communities. TEE is committed to strengthening our economic value to our shareholders while investing in our people and communities.

Our Performance
In FP2021, we have generated an economic value of S$121.5 million[1] and distributed S$253.5 million[2] in the form of operating costs, employee wages and benefits, payments to providers of capital, taxes and community investments.

Procurement & Practices
GRI 204-1

Our Approach
TEE partners with various vendors, contractors and suppliers on delivering quality and value-added services. Thus, maintaining a good working relationship with our partners is vital. We adopt a stringent selection process and only work with vendors with an excellent track record of health and safety standards, compliance to local regulations and certification bodies. High levels of service efficiency without jeopardising on health, safety and environmental standards are prerequisites in our selection process. Where possible, TEE works with local vendors for the projects.

Our Performance
TEE has a predominantly local supply chain; approximately 95 percent of our approximately 1,900 suppliers providing products and services are from the local market. Examples of products procured are equipment, hardware, rental of equipment, fabrication work; while services procured refer to supply and installation services, consultancy services, testing and commissioning services, and calibration services etc.

Anti-corruption
GRI 205-3

Our Approach
The Group believes good governance is important as it helps to guide our businesses to be conducted in a fair and ethical manner, governed by the internal controls and risk management practices. We take a strong stand towards issues like bribery and corruption and prohibit any form of bribery. In addition, our whistle-blowing policy allows suspected breaches of conduct or conflicts of interest to be reported seamlessly and anonymously. More information on our internal controls systems, and whistle blowing policy are respectively set out in Provisions 9.1, 9.2 and 10.1 of the Corporate Governance Report. All new employees at the Group undergo a briefing to encourage them to be familiarised with the Group's code of conduct.

Our Performance
There was no confirmed incident of corruption across our Group in FP2021.

Foot note:
1 Revenue
2 Comprises operating costs, employee wages and benefits, payments to providers of capital, payments to taxes and community investments

SUSTAINABILITY REPORT

OUR ENVIRONMENT

The Group's objective for Our Environment is to improve the operational performance of our assets whilst actively reducing the environmental impact of our operations. The most significant environmental impact arises from energy, emissions and water consumption from our operations. As such, the greatest impact we can have on reducing these emissions, is through improving energy efficiency of our operations.

Energy & Emissions
GRI 302-1, GRI 305-1, GRI 305-2, 305-4

Our Approach
At businesses and sites where we have operational control, our asset managers monitor consumption and set energy improvement targets. We recognise the energy usage levels used at our sites, which is contributed largely from the environmental business, TEE Environmental, which is held under the infrastructure business. Our subsidiaries, PBT, Trans and TEE Environmental are ISO 14001:2015 certified. The purpose of ISO 14001 aims to provide organisations with a framework to protect the environment and respond to changing environmental conditions, and will enable PBT and Trans to continually improve our environmental management.

Our Performance
In FP2021, we have seen a 14% decrease in the overall amount of energy consumed compared with 12 months same period in FY2020. The reduction in energy consumption was from our Infrastructure business due to optimised trucks operations during the COVID-19. Our total energy consumed in FP2021 (16 months) was 72.9 TJ compared to 63.1 TJ in FY2020 (12months). Similarly, our overall Scope 1 and Scope 2 carbon emissions for the Group has also decreased from 4,833 tCO_2 in FY2020 to 4,744 tCO_2 in first 12 months of FP2021. This decrease is largely attributed to the lower fuel consumption from reduced trucks usage in our TEE Infra business.

Our emissions intensity for FP2021 is 51.1 tCO_2 per million revenue, which is significantly higher than our intensity for FY2020 which was 14.7 tCO_2 per million revenue. It was mainly due to the lower revenue recognized in FP2021 in engineering and construction business. We will continue to collect information on our energy and emissions consumption, as well as monitor our emissions intensity so that we may better understand our performance over time.

Energy Consumption for the Group

	FP2021											
	1 June 2021 - 30 September 2021			1 June 2020 - 31 May 2021			FY2020			FY2019		
Business Entity	**Fuel**	**Electricity**	**Total**	**Fuel**	**Electricity**	**Total**	**Fuel**	**Electricity**	**Total**	**Fuel**	**Electricity**	**Total**
	(TJ)	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**
TEE International	–	0.1	0.1	–	0.5	0.5	–	0.5	0.5	–	0.6	0.6
TEE Infrastructure	16.4	0.1	16.5	49.6	0.5	50.1	56.9	1.4	58.3	75.3	1.0	76.3
TEE Engineering & Construction	0.2	1.8	2.0	3.0	0.6	3.6	2.5	1.9	4.3	2.8	0.6	3.4
TOTAL	**16.6**	**2.1**	**18.7**	**52.6**	**1.6**	**54.2**	**59.3**	**3.8**	**63.1**	**78.2**	**2.1**	**80.3**

SUSTAINABILITY REPORT

Emissions for the Group

SCOPE 1 (kg CO_2)

Business Entity	1 June 2021 - 30 September 2021	1 June 2020 - 31 May 2021	FY2020	FY2019
TEE International	–	–	–	–
TEE Infrastructure	1,213,153	3,675,322	4,212,282	5,581,828
TEE Engineering & Construction	14,827	217,929	179,880	159,523
Total	**1,227,979**	**3,893,252**	**4,392,162**	**5,741,351**

SCOPE 2 (kg CO_2)

Business Entity	1 June 2021 - 30 September 2021	1 June 2020 - 31 May 2021	FY2020	FY2019
TEE International	12,903	56,802	57,758	69,915
TEE Infrastructure	16,814	58,729	164,935	135,901
TEE Engineering & Construction	212,361	734,814	218,475	332,685
Total	**242,078**	**850,345**	**441,168**	**538,501**

Overall emissions for the Group

	1 June 2021 - 30 September 2021	1 June 2020 - 31 May 2021	FY2020	FY2019
SCOPE 1 (t CO_2)	1,228	3,893	4,392	5,741
SCOPE 2 (t CO_2)	242	850	441	539
Total	**1,470**	**4,744**	**4,833**	**6,280**

Water
GRI 303-1

Our Approach
Water is essential for the Group's day-to-day operations in the offices and other site locations. As some of our business operations use substantial amounts of water, management of water usage is a priority for the Company. In addition to the use of water efficient taps installed at the office premises, we are also looking at ways to optimise the use of water for the environmental business held under TEE Infrastructure, which contributes to the bulk of the Group's overall water consumption.

Our Performance
We have consumed a total of 37,474 m3 of water in FP2021. This is approximately 260% more than what was consumed in FY2020, the key reason being additional construction sites were included under the TEE Engineering & Construction business, as well as 4 additional months more in FP2021 compared with normal 12 months financial period.

Water consumption for the Group

Business Entity	1 June 2021 - 30 September 2021	1 June 2020 - 31 May 2021	FY2020	FY2019
TEE International	109	443	577	652
TEE Infrastructure	626	4,874	6,960	4,217
TEE Engineering & Construction	6,249	25,174	2,881	1,925
Total	6,984	30,490	10,418	6,795

SUSTAINABILITY REPORT

Effluents & Waste
GRI 306-2

Our Approach
Pollution prevention and resource conservation are essential towards sustainable development. The Group has implemented several "green" initiatives from paper recycling, circulating "Go Green" awareness emails to conserving energy and minimising electrical wastage by equipping our office with light sensors.

TEE Environmental is in the waste management and recycling business. As such, the reporting of this section focuses primarily on what TEE has recycled from the Company's business activities.

Our Performance
As part of our environmental business operations in Singapore, we have recycled approximately 13,597 tonnes of plastic, metal, paper and word waste and incinerated 17,711 tonnes of general waste.

For the period 1 Jun 2020 - 30 September 2021

Waste Type	Method of Disposal	Total (in tonnes)
General Waste	Incineration	17,711
Plastics	Recycled	355
Metals	Recycled	588
Paper	Recycled	9,788
Wood	Recycled	2,865

Environment Compliance
GRI 307-1

Our Approach
The Group conducts all aspects of our business in a manner that ensures compliance with environmental law. As TEE believes in environmental protection and stewardship, all employees go through environmentally-friendly measures, briefings, courses and trainings, and are encouraged to put it to good use in their respective departments to foster awareness and responsibility. At TEE, we recognise that a material breach of any environmental laws or regulations could have significant impact and result in irreversible reputational damage or lead to other costly liabilities. We adhere to the highest standards of governance practices, which ensure compliance to all applicable laws and regulations.

Our Performance
A robust monitoring structure is in place for our construction projects to ensure that the noise levels are within the permissible levels. Creating walled enclosures around the construction projects and alternative construction methods such as avoidance of impact piling, or specially quieter equipment and installation of mufflers are used to reduce the noise levels during construction. We have not received any significant fines or regulatory sanctions. We strive to be vigilant of our practices to ensure zero incidence of non- compliance. Moving forward, the business unit heads will continue to closely monitor our business operations and activities to ensure compliance with laws and regulations.

SUSTAINABILITY REPORT

OUR PEOPLE

Our employees are our biggest asset and are crucial for the long-term success of The Group. Boosting a nurturing all-inclusive and safe working environment with opportunities for development all play a part in keeping our employees engaged. As the nature of the work at TEE's different business segments involve manual work in high risk areas, upholding a stringent health and safety working culture is priority.

Employment
GRI 401-1

Our Approach
People are central to the Group's business model. We hold high regard on the expertise, experiences and capabilities of our people, as they are crucial in our long-term growth. The Group continues to keep our employees engaged to boost employee morale and in turn reduces our turnover rate. The Group is committed to fair employment practices and only hire based on merit without unfair biasness. We are guided by our Code of Business conduct, which promotes equal opportunity.

Our Performance
The Human Resource ("HR") function at TEE manages the overall HR matters across the Group. At the end of FP2021, our total employee headcount was 521, comprising 98% permanent full-time employees and 2% term contract employees. During the reporting period, there was a turnover of 82.2% and a hiring rate of hiring rate of 39.3%. The relatively higher turnover rate was mainly due to the business continuity concern in engineering and construction segment since June 2021.

Every employee in the Group receives regular performance and career development reviews, which illustrates our resolve in managing and developing the skills of our human capital. After the review process, employees undergo training courses pertaining to their job requirements to ensure greater efficiency and effectiveness in their performance. As part of the Group's leadership renewal process, TEE identifies and appraise high-potential candidates by assessing each candidate's readiness for new leadership roles to take on.

New employee hire and turnover rate, by age group
GRI 401-1, GRI 405-1

For the period 1 June 2020 - 30 September 2021

		No. of individuals	No. of new hires	Rate of new hire	Employee turnover (no. of staff who left)	Rate of turnover
Age Group	Under 30 years old	91	29	5.6%	126	19.6%
	30-50 years old	234	80	15.4%	257	39.9%
	Over 50 years old	196	96	18.4%	147	22.8%

New employee hire and turnover rate, by gender
GRI 401-1

For the period 1 June 2020 - 30 September 2021

		No. of new hires	Rate of new hire	Employee turnover (no. of staff who left)	Rate of turnover
Gender	Male	146	28.0%	448	69.5%
	Female	59	11.3%	82	12.7%

SUSTAINABILITY REPORT

Information on employees and other workers
GRI 102-8

For the period 1 June 2020 - 30 September 2021

	Employee Contract Type		Employment Type	
	Permanent	**Term Contract**	**Full Time**	**Part Time**
Male	397	3	377	23
Female	114	7	108	13

Diversity & Equal Opportunity
GRI 405-1

Our Approach
The Group encourages an inclusive working environment that supports diversity in all aspects. We hire based on merit and do not tolerate any form of discrimination or biasness. We believe employees will flourish in a nurturing, open and diverse environment where their perspectives and ideas can be inter-exchanged. We ensure fair opportunities providing long-term career development, embracing diversity and valuing all cultures

Our Performance
Our 521 employees comprise 9 different nationalities. We recognise the need to
a) respect cultural diversity as part of our inclusive approach to promoting employee' involvement;
b) provide training opportunities in soft and technical skills, especially for female employees; and
c) ensuring health-related support in order to help employees increase their productivity, thus reducing absenteeism rates, as well as promoting women's empowerment.

Due to the nature of work in the TEE's Environmental and TEE's Engineering & Construction business segments, the proportion of males in the company is significantly larger than the females and is approximately in the ratio of 9:1 respectively.

Training & Education
GRI 404-1

Our Approach
In line with our people-centred approach, our training programmes are an essential element of our investment strategy. This will promote the alignment between business goals and people-related objectives by focusing on key areas such as people development, learning programmes and internal mobility.

Our Performance
Our employees have achieved a total of 2,702 training hours in FP2021, which is an average of 5.2 hours per person. Examples of training that our employees have attended in FP2021, include soft skills courses such as presentation and communication skills, leadership training, technical related skills, GST and Tax Updates, and legal and regulatory related training. As health and safety is important for all our employees, various types of health and safety training was also provided to different categories of employees.

Average hours of training per year per employee, by category

Employee Category	FP2021
Senior Management	18.1
Managerial	14.7
Executive	10.9
Non-Executive	0.6
Site Operation	46.7
Non-traditional/Skilled Workers	8.6

SUSTAINABILITY REPORT

Average hours of training per year per employee, by gender

Employee Gender	FP2021
Male	12.8
Female	1.7

Occupational Health & Safety
GRI 403-2

Our Approach
Occupational safety within the Group and along the value chain is a top priority at TEE. As our operations grow in different markets, the safety of our employees is also becoming increasingly important for us to manage. We remain focused on our long-term objective of "zero accidents." To achieve this, we are continuously working on improving our workplace safety by providing awareness, training and investing in enhancing technical safety.

TEE operates within a Quality, Environmental, Health and Safety Management framework. Under this framework, our subsidiaries, Trans and PBT have been awarded ISO 9001: 2015, ISO 14001: 2015 and SS506: Part 1 certification while TEE Environmental and TEE Recycling have been awarded ISO45001, for our compliance with the high standards of workplace safety and health. TEE also achieved the bizSAFE Star award as a recognition for our efforts in improving workplace safety and health through implementing workplace safety practices and conducting health programmes. We also adopt a comprehensive approach in the education and inculcation of the right mindset in safety culture, starting from the top management and extending it down to all levels of our workforce. This way, we seek to motivate more employee involvement and commitment in ensuring a safe and healthy working environment for all.

Our Performance
Across the Group, there were 5 reportable cases in FP2021. We will continuously work towards our goal of zero accidents through careful root cause analysis of the accidents and implementing the appropriate corrective actions.

OUR COMMUNITY

The Group is committed to manage our impact on the community responsibly and better mitigate the environmental and social impacts of our businesses, key community investments and programmes are designed in consultation with local communities.

We care deeply about serving and giving back to the community and seeks to be a model corporate citizen. Corporate Social Responsibility (CSR) is an integral part of the Company's core values. It strongly advocates employee volunteerism and supports employees in their charitable endeavour. As part of its social outreach programme, the CSR Committee plans and organises events and activities as part of the community services for charity bodies. We did not, however, schedule any social and community outreach initiatives in FP2021 due to the ongoing COVID-19 pandemic and the need to ensure the health and safety of our employees as well as those we reach out to.

What We Have Done During COVID-19

Since the announcement on 3 April 2020 by the Multi-Ministry Taskforce on the closure of workplaces due to COVID-19, remote working arrangements have become the "new norm" and we have arrangements in place to allow employees and directors to connect virtually. All employees have been informed to work from home unless required for specific purposes where working from home is not feasible. Where employees are required to be in the office, face masks and sanitisers are provided and the required safe entry and distancing measures are practiced. Employees are only to be in office for the duration needed to complete the tasks and not the full office day. Safe Management Measures have also been implemented in accordance with local regulations and advisories to ensure the health and safety of our employees and any other contractors that need to be on site.

SUSTAINABILITY REPORT

We had distributed Antigen Rapid Test (ART) Kits to office staff during Stabilisation Phase (September) to strongly encourage staff to do weekly self-test for precaution and promote a safe working environment for staff required to return back to office.

To encourage staff to keep a healthy lifestyle with the limited activities that can be carried out at workplace due to restriction, Company has participated in the National Steps Challenge (Corporate Challenge) under HealthHub (Government Health Programme) for staff to register and participate actively.

For customers who are unable to perform their contractual obligations, we have adopted a flexible, fair and consultative approach as we take the view of a long-term relationship. We will also comply with all government mandated relief programmes for our customers.

On the operational front, we have experienced shipment delays or stoppages due to global border controls. However, this was mitigated by working closely with our clients and suppliers to reschedule shipment of equipment and/or materials. Besides shipment delays, we are also in discussions with clients on the extension of time for the completion of projects in light of the Covid-19 impact. We continued to face challenges in resuming full business activities due to additional health clearances, swab tests, and heightened workplace safety measures to be in place.

CORPORATE GOVERNANCE REPORT

TEE International Limited (the "**Company**") and its subsidiaries ("**the Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency, to protect shareholders' interests and enhance shareholders' value as advocated by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company adopts practices based on the Code of Corporate Governance 2018 issued on 6 August 2018 by the Monetary Authority of Singapore (the "**Code**"). This report describes the Group's corporate governance practices that were in place throughout the 16-month financial period ended 30 September 2021 ("**FP2021**"), with specific reference made to the principles and provisions as set out in the Code and Mainboard Listing Manual of SGX-ST (the "**Listing Manual**"), where applicable.

The Company has provided the rationale for each area where it has not complied with the Code, and in such cases the Company would re-assess its deviation from the relevant guidelines and implement the recommended procedures as and when it deems it appropriate to do so.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision	Corporate Governance Practices of the Company
1.1	*Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*

The Company is headed by an effective Board, comprising individuals with experienced and diversified background and collectively leads and works with Management to achieve long-term success of the Company and Management remains accountable to the Board.

The Board assumes responsibility for setting strategic direction, establishing pertinent policies, improving the existing corporate governance practises and overseeing proper management of the Group. Apart from its statutory responsibilities, the Board also extends the following roles:

- Providing entrepreneurial leadership;
- Approving the Group's policies, strategies and financial plans;
- Reviewing the Group's financial and management performance;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Overseeing the business of the Group and monitoring the performance of the Company's management;
- Approving annual budget, acquisitions and disposal of assets, investments and divestment proposals;
- Approving nominations for the Board by the Nominating Committee and endorsing the appointments of the key executives and senior management ("**key management**");
- Reviewing recommendations made by the Audit Committee on the appointment, re-appointment or removal of external auditors;
- Reviewing recommendations made by the Remuneration Committee and approving the remuneration packages for the Board and key management;
- Considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- Identifying key stakeholder groups and recognise that their perceptions affect the Company's reputation.

The Directors are fiduciaries who collectively and individually exercise due diligence and independent judgment, as well as act in good faith in the best interests of the Group at all times. As provided for in the Company's Constitution, where a Director has a conflict of interest in a particular matter, he is required to declare his interest to the Board, recuse himself/herself from the discussions and abstain from voting on the matter.

CORPORATE GOVERNANCE REPORT

The Board is committed to high ethical standards and integrity of action and has adopted a code of conduct and ethics which requires compliance from every Director and sets the appropriate tone from the top in respect of the desired organisational culture, and ensures proper accountability within the Company.

1.2 *Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.*

Upon appointment, each director receives a formal letter of appointment and will be provided with relevant information on his/her duties and responsibilities as a director, the Company's annual reports, corporate governance processes as well as relevant statutory and regulatory compliance issues. Newly appointed directors will receive comprehensive induction to ensure they are familiar with the Group's structure, businesses and operations, strategic direction and policies. The Group Chief Executive ("**GCE**") and senior management executives will brief newly appointed directors. Through this, the new director gets acquainted with key management which facilitates their board interaction and allow them to have independent access to key management. Directors who have no prior experience as a director of an SGX-ST listed company will also undergo training to understand the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Manual of the SGX-ST.

During the period in review, a directors' briefing session and Meet-the-Management session were conducted upon the appointments of Mr. Hoon Chee Wai and Mr. Yeo Kian Wee Andy as the Company's Independent Directors.

The Board is also updated regularly on risk management and corporate governance practises, insider trading and key changes in the relevant regulatory requirements and financial reporting standards, enabling them to properly discharge their duties as Board or Board Committee members.

As part of the Company's continuing education for all directors, the Company Secretary circulates to the Board announcements, articles, reports and press releases, such as those issued by the SGX-ST, Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and Monetary Authority of Singapore which are relevant to the Group's businesses and compliance to the applicable laws, rules and regulations and accounting standards which are currently in force. The Group's investor relations department ("**IR**") also circulates to the Board articles, reports and statistics such as those issued in the local newspapers contributed by Singapore Institute of Directors ("**SID**") and research centre of the local universities and professional bodies related to the Group's core businesses, board matters and compliance information to keep all directors updated on the current industry trends.

Directors are informed by the Company Secretary or Management on any relevant conferences, courses and seminars conducted by, inter alia, Singapore Exchange Limited ("**SGX**"), ACRA, SID, local professional firms and consultants. All training courses attended by the Directors are funded by the Company.

1.3 *The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.*

The Group has adopted a set of internal guidelines setting forth matters that require the approval of the Board. Under these guidelines, matters that require Board's approval includes:

- appointment and/or resignation of directors and key management
- adoption of group policies matters as specified under the Chapter 9 (Interested Person Transactions) of SGX-ST
- investments
- material acquisitions and disposals of assets
- corporate/financial restructurings
- commitments to term loans and lines of credit from banks and financial institutions
- unbudgeted capital expenditures
- announcement of the Group's quarterly, half year and full year results and the release of the Annual Report
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution

CORPORATE GOVERNANCE REPORT

Matters that require the Board's approval are approved unanimously or by majority vote.

The Company has established guidelines and a Delegation of Authority matrix setting clear directions on matters including thresholds for certain operational matters relating to the Group's subsidiaries that require Board approval.

The Board has adopted and documented a set of internal controls which sets out financial approval limits for capital expenditure, investments, bankers' guarantees and bank signatories' arrangements.

Apart from matters that require Board approval, the Board delegates authority for transactions below certain prescribed threshold limits to the Board Committees and specific members of the key management to optimise operational efficiency.

1.4 *Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.*

To ensure that specific issues are reviewed in-depth and in a timely manner, the Board has delegated certain functions to various Board Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). The Board Committees are each constituted with clear written terms of reference setting out their compositions, authorities and duties that have been approved by the Board. While the Board Committees review and approve certain matters, the Board Committees report to the Board with their decisions or their recommendations to the Board with the Board retaining overall oversight. Minutes of the Board Committee meetings are made available to all Board members, if requested and in the absence of any conflict.

1.5 *Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.*

The dates of meetings of the Board and the Board Committees as well as the annual general meeting ("**AGM**") are scheduled one year in advance in consultation with the Directors. The Board meets on a quarterly basis during each financial year and at other times as appropriate, to approve the release of the Group's financial results as well as to consider and resolve major financial and business matters of the Group. Besides the scheduled Board and Board Committee meetings, ad-hoc meetings are convened when required to deliberate and address any significant issues that may arise in between any scheduled meetings.

The Board and Board Committees may also make decisions by way of circular resolutions in writing. To facilitate effective management, the day-to-day management of The Group's businesses and affairs are entrusted to the executive directors and key management.

The Company's Constitution provides for the Board to convene meetings via telephone or, video conferencing.

Please also refer to Provision 4.5 below for further information regarding directors with multiple board representations.

CORPORATE GOVERNANCE REPORT

The Directors' attendance at the Board's, the Board Committees' and general meetings of the Company held in FP2021 is as below:

Name of Director	Board of Directors' Meeting		Board Committee Meetings					
			AC Meeting		NC Meeting		RC Meeting	
	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended
Mr. Gn Hiang Meng[1]	27	8	11	5	6	5	4	2
Mr. Aric Loh Siang Khee[2]	27	8	11	5	6	5	4	2
Prof. Siow Yuen Khong Alex	27	27	11	11	6	6	4	4
Mr. Phua Boon Kin[3]	27	26	11	10	6	3	4	4
Mr. Gary Ng Jit Meng[4]	27	5	11	2	6	2	4	1
Ms. Saw Chin Choo[5]	27	25	11	10	6	1	4	3
Mr. Teo Yi-Dar[6]	27	24	11	7	6	4	4	3
Mr. Hoon Chee Wai[7]	27	21	11	7	6	1	4	2
Mr. Yeo Kian Wee Andy[8]	27	20	11	6	6	1	4	2
Mr. Phua Cher Chuan[9]	27	17	11	6	6	0	4	1

Name of Director	AGM		EGM	
	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended
Mr. Gn Hiang Meng[1]	1	1	1	1
Mr. Aric Loh Siang Khee[2]	1	1	1	1
Prof. Siow Yuen Khong Alex	1	1	1	1
Mr. Phua Boon Kin[3]	1	1	1	1
Mr. Gary Ng Jit Meng[4]	1	1	1	1
Ms. Saw Chin Choo[5]	1	1	1	1
Mr. Teo Yi-Dar[6]	1	1	1	0
Mr. Hoon Chee Wai[7]	1	0	1	0
Mr. Yeo Kian Wee Andy[8]	1	0	1	0
Mr. Phua Cher Chuan[9]	1	0	1	0

Notes:

* Number of meetings held during FP2021.

\# By Invitation

1 Mr. Gn Hiang Meng resigned as Independent Director ("ID") on 21 January 2021.

2 Mr. Aric Loh Siang Khee resigned as ID on 21 January 2021.

3 Mr. Phua Boon Kin resigned as executive director on 20 December 2021.

4 Mr. Gary Ng Jit Meng resigned as non-executive non-independent director on 5 March 2021.

5 Ms. Saw Chin Choo resigned as executive director on 14 October 2021.

6 Mr. Teo Yi-Dar was appointed as non-executive non-independent director on 7 September 2020.

7 Mr. Hoon Chee Wai was appointed as ID on 29 December 2020.

8 Mr. Yeo Kian Wee Andy was appointed as ID on 29 December 2020.

9 Mr. Phua Cher Chuan was appointed as interim GCE and Managing Director ("GCE and MD") on 24 June 2021 and redesignated to GCE and MD on 1 September 2021.

CORPORATE GOVERNANCE REPORT

During FP2021, there have been frequent Board and Board Committee meetings in light of matters in relation to appointment of external auditors, application of extension of time to hold its AGM for the financial year ended 31 May 2020 and to announce its fourth quarter results for the financial period ended 31 May 2021, the placement of shares application and queries received from ACRA and SGX and Group restructuring exercise launched.

1.6 *Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.*

Members of the Board are provided with management financial statements and any other information on material events and transactions with adequate explanations provided prior to each meeting and in a timely manner. The Executive Directors also update the Board at each meeting on the Group's business and strategic developments. This enables Directors to have a comprehensive understanding of the issues to make informed decisions. Matters of a sensitive nature or urgent issues that call for meetings may be convened and, in such instances, the meeting materials may be tabled during the meeting. Requests for information by the Board are promptly responded by Management. In view of the Group's disclaimer of opinion on its financial year ended 31 May 2020 ("**FY2020**") audited financial statements, the Company is required to release its results on a quarterly basis. In between Board meetings, other important matters concerning the Group are also submitted to the Board for approval by way of circulating resolutions in writing and electronic communications.

Where relevant, the business unit head or key management (or anyone who has submitted proposal for discussion at a Board meeting for approval) will be invited to attend and brief the Board on issues pertaining to the proposal.

Minutes of Board Committee meetings are also be tabled at the Board meetings to keep all directors informed of matters discussed at each Board Committee meeting.

1.7 *Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.*

The Board has separate and independent access to Management and the Company Secretary vis-à-vis electronic mail, telephone and face-to-face meetings and may request for any additional information needed at any time to enable them to make informed decisions. Key management, the Company's auditors and external consultants are invited to attend Board and Board Committees meetings to update and provide independent professional advice on specific issues, if required.

If required, Directors can seek independent professional advice, at the Company's expense, concerning all aspects of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

The Company Secretaries or their representative attend all Board meetings and Board Committee meetings when requested to do so and is responsible in ensuring that board procedures are observed and that the relevant rules and regulations have been duly complied with.

The appointment and removal of the Company Secretaries is a matter that has to be decided by the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision	**Corporate Governance Practices of the Company**
2.1	*An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.*

CORPORATE GOVERNANCE REPORT

As at the date of this report, the Board comprises five Directors, one of whom is an Executive Director ("**ED**"). Of the four non-executive directors, one is a Non-Independent, Non-Executive Director ("**NED**"), and three are Independent (Non-Executive) Directors ("**IDs**").

The composition of the Board is as follows:

Independent Non-Executive Chairman
Mr. Yeo Kian Wee Andy[1]

Executive Director
Mr. Phua Cher Chuan[2] (GCE and MD)

Non-Independent, Non-Executive Director
Mr. Teo Yi-Dar

Independent Non-Executive Directors
Prof. Siow Yuen Khong Alex
Mr. Hoon Chee Wai[3]

[1] Mr. Yeo Kian Wee Andy was appointed to the Board on 29 December 2020

[2] Mr. Phua Cher Chuan was appointed to the Board on 24 June 2021

[3] Mr. Hoon Chee Wai was appointed to the Board on 29 December 2020

During FP2021, the Board also comprised two other EDs, Ms. Saw Chin Choo and Mr. Phua Boon Kin, who resigned as directors of the Company on 14 October 2021 and 20 December 2021, respectively.

The NC reviews the independence of each ID annually by taking into consideration the existence of relationships or circumstances, including those provided in the Code. Each ID is required to complete a Confirmation of Independence form drawn up based on the Principle 2 of the Code for the NC's review and recommendation to the Board.

For FP2021, the NC has determined Prof. Siow Yuen Khong Alex, Mr. Hoon Chee Wai and Mr. Yeo Kian Wee Andy to be independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect the directors' judgement. Each of these directors have also confirmed their independence. Mr. Teo Yi-Dar is not independent by virtue of them representing the interests of the controlling shareholder of the Company. The Board concurred with the views of the NC. Each of the Directors abstained from the deliberation of his own independence.

None of the IDs have served on the Board beyond nine years from the date of their first appointment.

2.2 *Independent directors make up a majority of the Board where the Chairman is not independent.*
2.3 *Non-executive directors make up a majority of the Board.*

The Board currently comprises five members of which three are IDs, one is a non-executive director and one is an executive director. As such, the Company has complied with Provision 2.2 and Provision 2.3 of the Code.

2.4 *The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*

The Board is of the opinion that its present size and composition represents a well-balanced mix of expertise and experience and is appropriate for effective decision making, taking into account the nature and the scope of operations of the Group.

The Board recognises the importance and value of board diversity and is made up of a team of high calibre leaders whose extensive experience, knowledge and expertise combine will contribute to the effective decision-making and direction for the Group. During FP2021, the Board also had one female director. Collectively, there is an appropriate balance and diversity of skills, experience, gender and knowledge of the Board. The Board possesses the core competencies in areas such as vast experience in The Group's core businesses and industry, finance, audit, tax, legal knowledge, management and strategic capability.

CORPORATE GOVERNANCE REPORT

The Board is intending to put in place a Board Diversity Policy which will take into consideration criteria such as qualification, age, gender, skill, experience and knowledge in various fields and relevant industries to achieve an optimal composition for the Board for the benefits and needs of the Company.

The profiles of the directors are set out in the"**Board of Directors**"section on pages 11 to 12 in this Annual Report.

Directors are free to hold open discussions on important matters such as the Group's financial performance and the Group's strategy and make decisions collectively during the Board meetings.

2.5 *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*

The IDs meet for discussions regularly, where warranted, without the presence of Management or the executive directors to review any matters that must be raised privately and provide feedback to the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision **Corporate Governance Practices of the Company**

3.1 *The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*

The Chairman and the GCE and MD are not related to each other. There is a clear division of responsibilities of the Chairman and the GCE and MD to ensure an appropriate balance of power and authority to increase accountability and greater capacity of the Board for independent decision-making.

Mr. Yeo Kian Wee Andy, the Chairman, is responsible for, amongst others, ensuring that the Board engages in open discussions on strategic, business and planning issues and approving the agenda for the Board. He is also responsible for exercising control over the quantity, quality and timeliness of the flow of information between the Company's management and the Board and ensuring compliance with the Group's guidelines on corporate governance. The Chairman also provides close oversight, advice and guidance to the GCE and MD and the key management. The Chairman also sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, promoting a culture of openness and debate at the Board and facilitates the effective contributions of non-executive directors in particular. At shareholders' meetings, the Chairman also ensures constructive dialogue between the shareholders, directors and management.

Mr. Phua Cher Chuan is the GCE and MD with effect from 1 September 2021 and he has oversight of the overall management of the Group and is responsible for the development of the Group which includes (i) the formulation of the overall business and corporate policies and strategies of the Group; (ii) oversight of the day-to-day management of the business and operations of the Group; and (iii) leading the Group's business development strategies and efforts.

The roles and responsibilities of the elected Chairman of the meetings and the GCE and MD are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has autonomous powers of decision-making.

3.2 *The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.*

The separation of the roles and responsibilities of an elected Chairman of the meetings and the GCE and MD, is set out in writing, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management to facilitate robust and constructive discussions on the Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

CORPORATE GOVERNANCE REPORT

3.3 *The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.*

As the roles of the elected Chairman of the meetings and the GCE and MD are held by separate individuals who are not related to each other, and the Chairman elected at the board meetings is an Independent Director, there is no need for the appointment of a lead independent Director.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision **Corporate Governance Practices of the Company**

4.1 *The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:*

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any)

4.2 *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*

The NC comprises the following members, all of whom are Independent Directors:

Mr. Yeo Kian Wee Andy (Chairman)
Mr. Hoon Chee Wai
Prof. Siow Yuen Khong Alex

For the period under review, the NC held 6 meetings and the NC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NC performs the following functions as provided in its Terms of References ("**TOR**"):

- To develop and maintain a formal and transparent process and make recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board generally;
- To review and make recommendations to the Board on the Board structure, size and composition having regard to the scope and nature of the operations (the requirements of the business) and the core competencies of the directors as a group;
- To review, assess and recommend nominee(s) or candidate(s) for appointment or re-election to the Board, having regard to their qualifications, competency, and independence;
- Annual evaluation of the effectiveness of the Board as a whole, taking into account the scope and nature of the operations of the Group, to assess and determine the appropriate size and structure for the Board;
- Annual evaluation of the effectiveness of the Board Committees;
- Recommend to the Board nomination of directors to fill up any vacancies in the Board or the various Board Committees;

CORPORATE GOVERNANCE REPORT

- Review and recommend to the Board the directors who are retiring by rotation to be put forward for re-election at the AGM, having regard to the director's contribution and performance including, if applicable, as an independent director;
- Review annually, through formal assessment, whether a director is independent;
- Ensure that, where the director has multiple directorships, he is able to devote sufficient time and attention to the affairs of the Group so as to carry out his duties;
- Review board succession plans for directors and key management; and
- Review training and professional development program for the Board.

4.3 *The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.*

The Board has a formal and transparent process for the appointment and re-appointment of Directors. The NC reviews and makes recommendations to the Board on all Board and Board Committee appointments. All appointments are made based on merit and subject to approval by the Board.

In selecting new directors to be appointed, the NC reviews the needs of the Board by taking into account the scope and nature of the operations of the Group:

- Based on the results of the Board performance evaluation ("**performance evaluation**") which are completed by the Board annually, the NC is able to evaluate whether the composition (includes the directors' skills, expertise, gender and experiences) and size of the Board are adequate. It also assesses whether additional competencies are required in the area where the appointment of new directors is concerned;
- In sourcing new directors, recommendations from directors, business associates and professional bodies are considered;
- After assessing their suitability, potential candidates are then short-listed by the NC and thereafter, interviews are set up with the short-listed candidates to further assess before a decision is made; and
- The most suitable candidate is subsequently appointed to the Board

Having assessed the qualification, work experience, and suitability of and conducted interviews (where required) with the NC had recommended and the Board had approved the following appointments during FP2021:

– The appointment of Mr. Teo Yi-Dar as a Non-Executive, Non-Independent Director on 7 September 2020.

– The appointment of Mr. Hoon Chee Wai as ID on 29 December 2020.

– The appointment of Mr. Yeo Kian Wee Andy as ID on 29 December 2020.

– The appointment of Mr. Phua Cher Chuan as Managing Director on 24 June 2021.

Retirement and Re-election of Directors

All Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST. Pursuant to Article 89 of the Company's Constitution, one-third of the Board of Directors are subject to retirement from office by rotation and eligible for re-election at the Company's AGM. In addition, Article 88 of the Company's Constitution provides that newly-appointed Directors are required to retire and may submit themselves for re-election at the next AGM of the Company.

Each member of the Board and NC shall abstain from any discussion and decision in respect of his/her own re-nomination as director.

Prof. Siow Yuen Khong Alex ("**Prof. Siow**") and Mr. Teo Yi-Dar ("**Mr. Teo**") will retire by rotation under Article 89 of the Company's Constitution at the Company's forthcoming AGM scheduled to be held on 31 January 2022 ("**2022 AGM**") and, being eligible, have offered themselves for re-election at the 2022 AGM. Prof. Siow and Mr. Teo will, upon re-election as directors of the Company, remain as members of the Board.

CORPORATE GOVERNANCE REPORT

Additionally, Mr. Hoon Chee Wai ("**Mr. Hoon**"), Mr. Yeo Kian Wee Andy ("**Mr. Yeo**") and Mr. Phua Cher Chuan will be retiring under Article 88 of the Company's Constitution, and being eligible, have offered themselves for re-election at the 2022 AGM. Mr. Hoon, Mr. Yeo and Mr. Phua Cher Chuan will, upon re-election as directors of the Company, remain as members of the Board.

Prof. Siow, Mr. Teo, Mr. Hoon, Mr. Yeo and Mr. Phua Cher Chuan have each abstained from any discussion and decision in respect of their own re-nomination as directors. After assessing their respective contributions and performance, the NC is recommending each of Prof. Siow, Mr. Teo, Mr. Hoon, Mr. Yeo and Mr. Phua Cher Chuan for re-election at the 2022 AGM.

Detailed information on directors nominated for re-election required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found on page 50.

The dates of initial appointment and last re-election of each director are set out below:

Name of Director	Age	Position	Date of Initial Appointment	Date of last Re-appointment / Re-election
Prof. Siow Yuen Khong Alex	66	Independent Director	18 February 2020	30 October 2020
Mr. Teo Yi Dar	50	Non-Executive Director	7 September 2020	30 October 2020
Mr. Hoon Chee Wai	53	Independent Director	29 December 2020	–
Mr. Yeo Kian Wee Andy	50	Independent Director	29 December 2020	–
Mr. Phua Cher Chuan	52	GCE and MD	24 June 2021	–

4.4 *The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.*

The NC determines annually, and as and when circumstances require, based on a Director's Independence Checklist ("**Checklist**") completed, if a director is independent, having regard to the circumstances or independence criteria set forth in provision 2.1 of the Code and each Independent Director has completed a Confirmation of Independence form ("**Confirmation**") to confirm his independence based on the guidelines as set out in the Code. The NC has reviewed the Confirmations and has determined that each Independent Director remains independent. The Board is in accord with the NC's determination.

4.5 *The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.*

The Board is cognisant of the fact that each Director needs to be able to devote sufficient time and attention to adequately perform and discharge his or her duties and responsibilities.

All Directors are required to declare their board representations and any changes thereof to the Company. The NC annually reviews such listed company board representations and principal commitments and considers whether it would allow the Director to carry out his/her duty to the Company.

The NC is of the view that multiple listed company board representations will not affect the director's ability to carry out their duties as directors of the Company and therefore, it would not be necessary to prescribe a maximum number of listed company board presentations a director may hold. Looking at the attendance of the directors at the Board and Board Committee meetings for FP2021, the NC is satisfied that each director has contributed and devoted sufficient time and attention to the Company's affairs to adequately and competently carry out his or her duties as a director of the Company. The Board concurs with the view of the NC.

Information on the directorships or chairmanships held over the preceding three years in other listed companies as well as other principal commitments of each respective Director is set out in pages 54 to 55 of this Annual Report.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision	Corporate Governance Practices of the Company
5.1	*The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.*
5.2	*The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.*

The NC has adopted a formal system of evaluating the Board and Board Committees, annually. A Board performance evaluation was carried out and the assessment parameters include evaluation of the Board's composition, size and diversity, Board processes and procedures, Board accountability, evaluation and succession planning.

The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole.

For the period under review, the NC also conducted Board Committee Performance Evaluation exercises for each of the AC, NC and RC to assess the efficiency and effectiveness of the Board Committees in assisting the Board based on the assessment criteria which include amongst others, the Board Committees' composition and size, sufficient expertise and useful recommendations in assisting the Board for better decision-making, the interaction among committee members, reporting to the Board and record of minutes.

For the period under review, there was also an Individual Director Assessment to evaluate each director's performance and contribution to the proper guidance, diligent oversight and able leadership, and the support that he/she lends to Management in steering the Group. Factors which were taken into account include adequacy of preparation for Board meetings, participation in Board discussion and ability to make informed business decisions, amongst others. Additionally, the process to the re-nomination of Directors for the current year takes into account their attendances, commitment of time and contributions made at meetings of Board and Board Committees as well as general meetings.

In the process of assessing the effectiveness of the Board, the contribution, experience and expertise of each Director is vital.

All assessments were done via questionnaires with the results collated and the findings analysed and discussed by the NC and reported to the Board.

Following the review for FP2021, the Board is satisfied that the Board and Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board.

The NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process, if the need arises. No external facilitator was engaged to conduct the annual evaluation exercise for FP2021.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision	Corporate Governance Practices of the Company

6.1 *The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:*

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The primary responsibilities of the RC are as follows:

- Recommend to the Board a framework for remunerating the Board, both executive and non-executive directors and key management;
- Review all matters relating to remuneration of the Board and key management; employees related to directors, CEO or controlling shareholders of the Company; and
- Administers the TEE International Employee Share Option Scheme 2016 ("**TEE ESOS 2016**") and the TEE International Performance Share Plan 2016 ("**TEE PSP 2016**").

6.2 *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

The RC comprises the following members, all of whom are Independent Directors:

Prof. Siow Yuen Khong Alex (Chairman)
Mr. Yeo Kian Wee Andy
Mr. Hoon Chee Wai

For the period under review, the RC held 4 meetings and the RC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities

No Director will be involved in deciding his/her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

6.3 *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

The RC reviews the Group's obligations arising in the event of termination of the executive directors' and key management's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Company does not use any contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. However, the service contracts of all the executive directors of the Company have the provisions, which allow the Company to defer part of the performance incentive bonus of the executive directors for the relevant financial year and payable, subject to there being no losses incurred in the next two consecutive financial years.

The RC's recommendations are submitted for endorsement by the entire Board.

6.4 *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

CORPORATE GOVERNANCE REPORT

In deliberating on remuneration matters, the RC takes into consideration industry practices and norms in compensation in addition to The Group's relative performance to the industries it operates in as well as the employment conditions within those industries and the performance of the individuals.

The Company's Constitution governs the terms of the directors' appointment here are safeguards in place to ensure that no one individual director represents a considerable concentration of power. The RC has full authority to engage any external professional adviser on matters relating to remuneration, if the need arises.

The RC did not require the services of an external remuneration consultant during FP2021.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision	Corporate Governance Practices of the Company
7.1	*A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.*
7.3	*Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.*

The remuneration policy adopted by the Group comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component pay-outs depend on both the staff's individual performance and each company's performance within the Group.

The variable component pay-outs of the executive directors and key management were assessed based on meeting the predetermined key performance indicators or service conditions and involvement of the personnel in the assignment or project as well as their roles and responsibilities over the performance period. In setting remuneration packages, the Group also takes into account the remuneration and employment conditions within the same industry and in comparable companies.

The long-term incentives comprising the TEE ESOS 2016 and TEE PSP 2016 (collectively, the "**Schemes**"), which were adopted at the extraordinary general meeting of the Company held on 27 September 2016.

The Group believes that with the implementation of the Schemes, the Group will be able to structure a more competitive remuneration package to attract, retain and incentivise employees and directors whose contributions are essential to the long term growth, well-being and prosperity of the Group, and at the same time, give such employees and directors an opportunity to have a direct interest in the Company and to foster an ownership culture within the Company and the Group which promotes greater commitment and aligns the interests of employees and directors with the interests of the shareholders.

While the TEE ESOS 2016 grants options to employees of the Group in general, TEE PSP 2016 is designed to reward key employees who are in the best position to drive the growth of the Company through superior performance, with fully- paid shares, at the sole discretion of the Company based on specific or medium-term performance targets or time-based service conditions, or a combination of both. Awards granted under the TEE PSP 2016 will vest only after the satisfaction of the prescribed service conditions as may be decided by the RC (together with the GCE and MD) for the time being, or such other committee comprising directors duly authorised and appointed by the Board to administer the TEE PSP 2016 (Plan Committee) at the relevant point in time and/or according to the extent to which the key employees achieve their performance target(s) over set performance periods, as determined by the Plan Committee.

CORPORATE GOVERNANCE REPORT

The aggregate number of shares to be issued under the Schemes and any other share-based schemes of the Company is capped at 15% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of grant or award.

The aggregate number of shares over which options and awards may be granted and awarded under the TEE ESOS 2016 and TEE PSP 2016 to associates of controlling shareholders shall not exceed 25% of the total number of shares available under TEE ESOS 2016 and TEE PSP 2016, respectively. The options and awards may be granted under TEE ESOS 2016 and TEE PSP 2016 to each associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the TEE ESOS 2016 and TEE PSP 2016.

No option has been granted under the TEE ESOS 2016 and no shares have been awarded under the TEE PSP 2016 since the commencement of the Schemes till the end of FP2021.

7.2 *The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.*

The RC takes into account industry norms and standards, contribution in terms of effort, time spent and responsibilities of each director when determining the remuneration of the Non-Executive Directors. Directors'fees are subject to shareholders' approval at the AGM. The Non-Executive Directors do not have any service contracts with the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision **Corporate Governance Practices of the Company**

8.1 *The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The remuneration of each director, the GCE and the top five key management personnel has been disclosed in the respective bands. The Company discloses the remuneration paid to each Director and the GCE using a band of S$250,000. The RC believes that the remuneration framework enables the Company to motivate employees and, to attract and retain talents to achieve its business targets and execute its strategic objectives. In making available the remuneration of the key management personnel in bands of S$250,000, and disclosing precisely the aggregate remuneration of the key management personnel, the Company provides a macro perspective of the total remuneration without compromising the Group's business interests, and at the same time, minimises competitive pressures which would arise from more detailed disclosures.

CORPORATE GOVERNANCE REPORT

The breakdown of the level and mix of remuneration paid and/or payable to each director of the Company (in percentage terms) for FP2021 is set out below:

Remuneration bands & Name of Director of the Company	Directors' Fees %[a]	Attendance Fees %[a]	Salaries %[b]	Bonuses %[b]	Payment & Other Benefits %
S$250,000 to below S$500,000					
Mr. Phua Boon Kin[1]	3.5	0.1	96.4	–	–
Ms. Saw Chin Choo[2]	3.8	–	96.2	–	–
Mr. Phua Cher Chuan[3]	–	–	100.0	–	–
Below S$100,000					
Mr. Gn Hiang Meng[4]	96.4	3.6	–	–	–
Mr. Aric Loh Siang Khee[5]	95.9	4.1	–	–	–
Prof. Siow Yuen Khong Alex	100	–	–	–	–
Mr. Gary Ng Jit Meng[6]	–	–	–	–	–
Mr. Teo Yi-Dar[7]	–	–	–	–	–
Mr. Hoon Chee Wai[8]	100	–	–	–	–
Mr. Yeo Kian Wee Andy[9]	100	–	–	–	–

Notes:

[a] Mr. Gn Hiang Meng, Mr. Aric Loh Siang Khee, Prof. Siow Yuen Khong Alex, Mr. Phua Boon Kin, Mr. Gary Ng Jit Meng, Ms. Saw Chin Choo, Mr. Teo Yi-Dar, Mr. Hoon Chee Wai, Mr. Yeo Kian Wee Andy, Mr. Phua Cher Chuan was paid and/or payable S$48,111.97, S$41,345.23, S$83,987.98, S$14,494.57, S$0, S$13,980.98, S$0, S$46,565.22, S$43,460.87 and S$0 for FP2021 respectively.

[b] The salaries and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

[c] Mr. Phua Cher Chuan, the GCE and MD, is the nephew of Mr. Phua Boon Kin, former GCE and MD.

[1] Mr. Phua Boon Kin resigned as executive director GCE and MD on 20 December 2021.

[2] Ms. Saw Chin Choo resigned as executive director on 14 October 2021.

[3] Mr. Phua Cher Chuan was appointed as interim GCE and MD on 24 June 2021 and redesignated to GCE and MD on 1 September 2021.

[4] Mr. Gn Hiang Meng resigned as ID on 21 January 2021.

[5] Mr. Aric Loh Siang Khee resigned as ID on 21 January 2021.

[6] Mr. Gary Ng Jit Meng resigned as non-executive non-independent director on 5 March 2021.

[7] Mr. Teo Yi-Dar was appointed as non-executive non-independent director on 7 September 2020.

[8] Mr. Hoon Chee Wai was appointed as ID on 29 December 2020.

[9] Mr. Yeo Kian Wee Andy was appointed as ID on 29 December 2020.

The aggregate remuneration of the top 5 key management personnel in FP2021 is S S$1,563,038.72. The percentage breakdown of the fixed and variable components for each individual is set out below.

Remuneration Band	Salaries %[a]	Bonuses %[a]	Payment & Other Benefits %
S$250,000 to below S$500,000			
4 Key Management	92.6	7.4	–
S$100,000 to below S$250,000			
1 Key Management	100.0	–	–
Total Remuneration	S$1,563,038.72		

[a] The salaries and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

CORPORATE GOVERNANCE REPORT

8.2 *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*

There was no employee who is a substantial shareholder of the Company. With the exception of Mr. Phua Cher Chuan, there were no employees of the Group who are family members of a director or the GCE and MD or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during FP2021. Mr. Phua Cher Chuan is the nephew of Mr. Phua Boon Kin, former GCE and MD.

The remuneration of Mr. Phua Cher Chuan is as follows:

Remuneration Band	Directors' Fees %[a]	Salaries %[a]	Bonuses %[a]	Payment & Other Benefits %
S$250,000 to below S$500,000				
Mr. Phua Cher Chuan	–	100	–	–

[a] The salaries and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

8.3 *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

All forms of remuneration and other payments and benefits to directors and key management personnel of the Group are disclosed in Provisions 8.1 and 8.2. The Company has share incentive schemes known as the TEE ESOS 2016 and TEE PSP 2016. Further details of the schemes, including the key terms of the schemes, are set out in Provisions 7.1 and 7.3.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision **Corporate Governance Practices of the Company**

9.1 *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

The Board has the overall responsibility for the governance of risks and the overall internal control framework and ensures that the Group has the capabilities to manage and control the risks in both new and existing businesses. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being. Currently, the AC and the Board assume responsibility for the risk management function.

The Board engaged Protiviti Pte. Ltd. as the Company's internal auditors ("**Internal Auditors**"). During the FP2021, the Internal Auditors conducted an audit and issued an internal audit report on the "Procurement to Payment" cycle on 12 August 2020. Separately, the Internal Auditors had also audited and then presented to the AC and the Board about "Project Management Internal Audit & Follow up on previous audit points" on 12 January 2021. The Board did not engage the Internal Auditors since April 2021 due to limited financial resources. As first announced on 19 June 2021, the Company had appointed RSM Corporate Advisory Pte. Ltd. as a financial consultant to *inter alia* undertake a review of the Company's existing businesses and the plans to improve the financial position and/or performance of the Group. After the Company entered into restructuring following the filing of moratoria pursuant to section 64 of the Insolvency, Restructuring and Dissolution Act 2018 as announced on 7 August 2021, the Board did not engage any internal auditor to conduct a further review in other areas of the Company.

CORPORATE GOVERNANCE REPORT

The Board had also requested that the Company engage the services of the Company's auditors, Foo Kon Tan LLP ("**FKT**") to produce an agreed-upon procedures report of factual findings in connection with revenue, cost of sales, trade receivables, contract assets and trade payables of four projects undertaken by one of the Company's subsidiaries.

In addition, the Company's external auditors carry out, in the course of their statutory audit, a review of the effectiveness of the internal financial controls to the extent of their scope as laid out in the audit plan. The external auditors, during the conduct of their normal audit procedures, may also report on any matters relating to the internal controls. Any non-compliance or recommendation for improvement will be reported to the AC. The Management will follow up on the auditors' recommendations as part of its role in the review of the Company's internal controls systems.

9.2 *The Board requires and discloses in the company's annual report that it has received assurance from:*

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The AC has reviewed reports submitted by external auditors relating to the effectiveness of the Group's internal controls including the adequacy and effectiveness of the Group's financial, human resources, operational, compliance and relevant communications as part of their audit for FP2021. The Management has received the recommendations of FKT as set out in FKT's management letter points arising from the FP2021 audit conducted by FKT. The AC has also noted and considered FKT's management letter points and has discussed the same with the Management to address them satisfactorily by 30 May 2022.

As part of the Board's commitment to ensure strong internal controls and high standards of corporate governance, the Board has reviewed the established policies and procedures of the Company and enhanced its existing policies and procedures.

The Board, AC and the Management have accepted in full the recommendations of the Company's Internal Auditors in the previous financial year ended 31 May 2020, including the recommendations for improvements in respect of Interested Person Transactions ("**IPTs**"), conflict of interest and whistleblowing policy, and the enhancements to the Company's policies relating to cheque signatories. The Management has since implemented these improvements and enhancements recommended by the previous internal auditors.

The Board has received assurance from the GCE and MD, the Group Chief Financial Officer ("**CFO**"), and Financial Controllers ("**Controllers**") that (i) the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems are in adequate and effective.

In view of the above steps and actions taken and based on the framework of risk management and internal controls established and maintained, the work performed by the previous internal and external auditors and the reviews performed by the Company's management and the above assurance from the GCE and MD, CFO, and Controllers, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing key financial, operational, compliance, information technology and risk management objectives, and which the Group considers relevant and material to its operations were adequate and effective to meet the needs of the Group in its business environment during FP2021. The Company has complied with Rule 1207(10) of the Listing Manual of SGX-ST.

The Board acknowledges that it is responsible for the overall internal control and risk management framework, but recognises that all internal control and risk management systems contain inherent limitations and that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board notes that all internal control systems can provide only reasonable and not absolute assurance against the occurrence of material misstatement or loss, poor judgment in decision making, human error, fraud or other irregularities.

Notwithstanding this, the Board remains committed to improve the Group's internal controls and will not hesitate to take whatever actions necessary to ensure the adequacy and effectiveness of the Group's internal controls and risk management systems.

CORPORATE GOVERNANCE REPORT

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision	**Corporate Governance Practices of the Company**

10.1 *The duties of the AC include:*

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has explicit authority to investigate any matter within its terms of reference and execution of its corporate governance responsibilities within the established Board references. It has full access to, and the co-operation of Company's management and full discretion to invite any director or key management to attend its meetings. Each member of the AC shall abstain from voting any resolution in respect of matters which he is interested in.

The AC performs the following functions as provided in its TOR:

- Reviews and oversees the external audit function, including the external audit plan, the nature and scope of the audit and fees prior to audit commencement.
- Considers the appointment and re-appointment of the external auditor and approve the remuneration and terms of engagement of the external auditor.
- Reviews the audit representation report or letter (particularly in relation to non-standard issues) and the external auditor's management letter to assess whether it is based on a good understanding of the Company's business, and monitor the Management's response to the recommendations made.
- Convene meetings with the external auditors to discuss matters that the AC or external auditors believe should be discussed privately.
- Ensures that both external auditors and internal auditors have direct and unrestricted access to the Chairman of the AC and the Chairman of the Board.
- Reviews the quarterly and annual financial statements of the Group to ensure the integrity of the said financial statements before submission to the Board for approval, focusing, in particular, on the accuracy, completeness and consistency of financial information, significant adjustments resulting from the audit or significant financial reporting issues and judgements, reviewing the relevance and consistency of the accounting standards used by the Company and the Group, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements.
- Reviews any formal announcements relating to the Company's financial performance.
- Review and discuss with external auditors any suspected fraud, irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position and the management's response.

CORPORATE GOVERNANCE REPORT

- Reviews the role and effectiveness of the Company's internal audit function, including the internal audit plan and results of the internal audit procedures and conducts internal quality assurance review of the internal audit function at least annually.

- Ensures co-ordination between the internal and external auditors and Management.

- Approves the hiring, removal, evaluation and compensation of the Head of the internal audit function, or accounting/ auditing firm or corporation if the internal audit function is outsourced

- Reviews the adequacy of the Group's internal controls, including financial, operational compliance and information technology controls and risk management policies and systems.

- Reviews the Company's overall risk management and internal controls and reviews the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances.

- Reviews IPTs to ensure that the current procedures for monitoring of IPTs have been complied with and that the IPTs are on normal commercial terms and not prejudicial to the interests of the Company's minority shareholders.

The AC also undertakes:

- Such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- Such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time.

M/s Foo Kon Tan LLP ("**FKT**") was appointed as the Group's auditors since 13 July 2020.

In performing its functions, the AC also confirms that:

1. the Company has complied with Listing Rule 712 in that FKT is registered with the Accounting and Corporate Regulatory Authority and is satisfied that the resources and experience of FKT, the audit engagement partner and the team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

2. the Company has complied with Listing Rule 715 in relation to the appointment of the same auditing firm based in Singapore to audit the financial statements of the Company, all of its Singapore-incorporated subsidiaries and joint venture; and

3. the Company has complied with Listing Rule 716 in relation to the appointment of the different auditing firms to audit the financial statements of some of the Group's local and overseas subsidiaries and associates the AC, with the concurrence of the Board, is satisfied that the appointment of different auditing firms will not compromise the standard and effectiveness of the audit of the Company. The names of the auditing firms are disclosed in Notes 15 to 16 of the Notes to Financial Statements in the Annual Report.

The AC also conducts regular reviews of the nature, extent and costs of all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors. This is to strike a balance of the maintenance of their objectivity and their ability to provide value-for-money services.

Having reviewed the amount of non-audit related work which comprised tax services rendered to the Group by the external auditor, FKT, the amount of audit and non-audit fees payable to FKT, as disclosed in Note 40 of the Notes to Financial Statements in the Annual Report, the AC was satisfied that the nature and extent of such services provided will not prejudice the independence and objectivity of the external auditor. The AC has accordingly recommended their re-appointment to the Board for shareholders' approval at the 2022 AGM.

The Company has a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters. The details of the whistle-blowing policy are made available to all employees at the Company's corporate website at http://www.teeintl.com.

CORPORATE GOVERNANCE REPORT

All whistle-blower complaints are to be reported to the AC, the Chairman of the Company (if any) and the GCE and MD either in person, via phone calls, fax, or in writing (letter or email). All whistle-blower complaints would be reviewed by the AC at its quarterly meetings to ensure thorough investigation and adequate follow-up. On an on-going basis to bring awareness of this policy, the whistle-blowing policy is covered during staff's training or periodic communication to all staff. In addition, new staff who joined the Company will also be informed of the availability of such policy which can be downloaded from staff electronic-portal. The AC ensures that all whistle-blower complaints are reviewed thoroughly and satisfactorily dealt with.

10.2 *The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.*

The AC currently comprises three independent directors as follows:

Mr. Hoon Chee Wai (Chairman)
Mr. Yeo Kian Wee Andy
Prof. Siow Yuen Khong Alex

All the AC members are independent from business and management relationships. The IDs, including Mr. Hoon Chee Wai, the Chairman of the AC, are independent.

At least 2 members including the Chairman of the AC have sufficient accounting and related financial management expertise. All the members of the AC are suitably qualified to discharge the AC's responsibilities.

The AC also takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with briefings provided by professionals or external consultants as necessary.

10.3 *The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.*

None of the Audit Committee members is a former partner or director of the Group's existing audit firm.

10.4 *The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.*

The Company has established and maintains on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. In addition, the Company's external auditors carry out, in the course of their statutory audit, a review of the effectiveness of the internal financial controls to the extent of their scope as laid out in the audit plan. The external auditors, during the conduct of their normal audit procedures, may also report on any matters relating to the internal controls. Any non-compliance or recommendation for improvement will be reported to the AC. The management will follow up on the auditors' recommendations as part of its role in the review of the Company's internal controls systems.

The AC also decides on the appointment, termination and remuneration of the internal auditors. During the periods when the Company had internal auditors, the internal auditors plan their internal audit schedules in consultation with the Management, but remain independent of the Management in its operations. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC and have appropriate standing within the Company. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit.

The AC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of improvements required with regard to internal control weaknesses that have been identified and where necessary, meets with the internal auditors (without management) to discuss the activities. The AC also reviews and approves the audit plan from the internal auditors. The AC is satisfied that the internal audit function is effective, adequately resourced and independent for FP2021 given the Company's present financial circumstances.

CORPORATE GOVERNANCE REPORT

10.5 *The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.*

The AC has adequate resources, including independent access to the external consultants and external auditor. During the period, the AC has held separate meetings with the external auditor without the presence of the Company's management to discuss and review the internal auditor's reports and recommendations and the external auditor's reports on reasonableness of the financial reporting process, review of key audit matters, review the adequacy of audit arrangements with particular emphasis on the observation and recommendations of the external auditor, the scope and quality of their audits and the independence and objectivity of the external auditor. Any changes to accounting standards and issues which have a direct impact on the financial statements would be raised by the external auditor and keep the AC members abreast of such changes.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision **Corporate Governance Practices of the Company**

11.1 *The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.*

The Board considers it to be crucial that the notices of general meetings are distributed on time to the shareholders prior to such general meetings as the notices set out the agendas that will be discussed, some of which may be of interest to the shareholders. Such notices are contained in annual reports or circulars sent to all shareholders and posted onto the SGXNet and the Company's website.

Shareholders are encouraged to attend the general meetings and are provided the opportunity to actively participate and vote at the meetings.

The Company ensures that the venue for the meetings is in a central location easily accessed by public transportation.

The Company supports active shareholders' participation at AGMs and other general meetings and views such general meetings as important engagement sessions with shareholders. Shareholders who are unable to attend may appoint proxies to attend the general meetings on their behalf if they wish.

Shareholders are informed of the rules, including voting procedures that govern the general meetings of shareholders. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote on behalf of the shareholders. Relevant intermediaries, as defined in Section 181 of the Companies Act 1967 (the "Companies Act"), such as banks, capital market services license holders which provide custodial services for securities and the Central Provident Fund Board are allowed to appoint more than two (2) proxies to attend, speak and vote at the shareholders' meeting.

Under the alternative arrangements for conducting general meetings during the Safe Management Period in the Covid-19 situation ("**Alternative Meeting Arrangements**"), only the Chairman of the meeting can be appointed as the sole proxy by shareholders to attend, speak and vote on their behalf at the forthcoming AGM.

11.2 *The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.*

The Company does not practice "bundling" of resolutions at general meetings. Each substantial issue is proposed as a separate resolution and full information is provided for each of this item in the agenda for the meetings.

11.3 *All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.*

CORPORATE GOVERNANCE REPORT

The Chairman of the meeting presides over the general meetings and is accompanied by fellow Board members, the Chairman of the AC, NC and RC respectively, the company secretary or her representative as well as other key management. The Company's external auditor, FKT, also attends to address any relevant queries from the shareholders at the general meetings. The attendance of the Directors attending the general meetings in FP2021 is set out in page 28.

11.4 *The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.*

Pursuant to the Company's Constitution, a poll may be demanded by the Chairman of the general meeting or by at least two (2) members or any member present in person or by proxy representing not less than one-tenth of the total voting rights of all members having the rights to vote at the meeting. For greater transparency in the voting process and better reflect shareholders' interests, the Company conducts electronic poll voting for all the resolutions proposed at the Company's general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. The detailed voting results, including the total number of votes cast for or against each resolution tabled and the respective percentages, will be announced to SGX-ST via SGXNET on the same day after the conclusion of the meetings.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

11.5 *The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.*

The minutes of the general meetings are prepared by the Company Secretary, and include substantial comments or queries from shareholders and responses from the Board members and the Company's management. Minutes of these meetings are published on the Company's corporate website as soon as practicable. Under the Alternative Meeting Arrangements, Minutes of a general meeting will be published via the Company's website and SGXNET within one month from the date of the general meeting.

11.6 *The company has a dividend policy and communicates it to shareholders*

The Group does not have a formal dividend policy. The form, frequency, and amount of any proposed dividend will take into consideration The Group's operating results, financial position, committed capital expenditure, working capital requirements and any other relevant considerations the Board deem appropriate.

As the Group incurred losses in FP2021, no dividend has been proposed by the Board for this financial period.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision **Corporate Governance Practices of the Company**

12.1 *The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.*

The Company acknowledges the importance of open and fair communication with stakeholders and has taken efforts to maintain a high standard of transparency and is committed to issue announcements of pertinent and price and trade sensitive transactions through SGXNET on a timely basis. The Group also continues to keep shareholders and stakeholders informed of the Group's corporate activities including any changes in the Group or its business that is likely to materially affect the price or value of its shares.

Disclosure of the information by the Company is made on a timely basis through communication channels such as corporate announcements through the SGXNET, the publication of the Annual Report and the holding of the general meetings. All material information is also updated on the Company's corporate website at http://www.teeintl.com, which serves as a one-stop source for shareholders and stakeholders alike. The retail and institutional investors may subscribe to the Company's email alert service, which will allow the subscribers to automatically receive all the announcements or press releases that have been released by the Company via SGXNET. The release of timely information is in line with the Company's corporate governance practices, as it enables potential investors and shareholders alike to make informed investment decisions.

CORPORATE GOVERNANCE REPORT

12.2 *The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.*

12.3 *The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.*

The Company has taken steps to solicit and understand the views of the shareholders by proactively engaging shareholders and investors through face-to-face meetings, email communication, webpage and conference calls.

The Company does not practice selective disclosure of material information. All materials on the quarterly and full-year financial statements, corporate announcements and shareholder reports are issued promptly and within the prescribed periods. Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders. The notice of general meetings is also published in a major local newspaper and announced via SGXNET to the shareholders. The Annual Report is also available to all shareholders on the Company's corporate website or upon request. The Group has an investor relations ("**IR**") department that manages communications with all stakeholders, as well as to attend to and ensure their queries and concerns are promptly addressed by the relevant key management. The Company is committed to delivering timely, transparent, and consistent disclosures to its shareholders, the financial community and the public. The Company's IR function falls under the Company's corporate office, and is led by the IR and Communications department.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision	Corporate Governance Practices of the Company

13.1 *The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has adopted a Code of Conduct, which establishes processes and actions to be take in the event of any reportable conduct and establishes the business conduct expected of all employees as well as the Company's stance to avoid conflict of interests with stakeholders.

13.2 *The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.*

13.3 *The company maintains a current corporate website to communicate and engage with stakeholders.*

In order to create sustainable value for stakeholders and to address sustainability challenges and opportunities which the Company may face, the Company regularly engages with various stakeholders, including employees, suppliers, customers and the regulators and shareholders to gather feedback on the concerns and expectations most important to them. The information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FP2021 will also be set out in the Company's Annual Report and Sustainability Report. The Company also maintains its corporate website which may be accessed by stakeholders at: https://www.teeintl.com/.

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

In line with Rule 1207(19) of the Listing Manual of SGX-ST, the Company has adopted its own internal securities trading policy (compliance code), with regards to dealing in the Company's securities. Directors, Company's management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited from dealing in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's results for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full-year results and ending on the day of the announcement, or when they are in possession of unpublished price-sensitive information on the Group.

They are also advised to observe insider-trading laws at all times even when dealing in securities within the permitted trading period. In addition, they are discouraged from dealing in the Company's securities on short-term considerations.

When the Company is involved in any major corporate exercise such as investment or divestment that could be price-sensitive in relation to the Company's securities, directors, Company's management and officers of the Group involved are advised not to deal in the Company's securities.

The Company has adhered to its policy for securities transactions for FP2021.

MATERIAL CONTRACTS

Other than as disclosed under Interested Person Transactions, pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, no material contract involving the interests of the GCE and MD, any director or controlling shareholder has been entered into by the Company or its subsidiaries since the end of the previous financial year and no such contract subsisted at the end of the financial period under review.

INTERESTED PERSON TRANSACTIONS

The Group has in consultation with the IA and AC, enhanced and strengthened its Related Party Transactions ("**RPT**") and IPT policy in respect of any transactions with related parties and interested persons. The enhanced RPT and IPT policy serves as a guide to ensure that (i) all RPTs / IPTs are conducted in a manner that will protect the Group from any conflict of interest which may arise between the Group and its Related Party / Interested Person as defined in the SGX Listing Manual and the Companies Act; and (ii) there is proper oversight, approvals and disclosure of transactions between the Company and any of its Related Parties as defined in the Listing Manual of the SGX-St and Singapore Financial Reporting Standards ("**FRS**"). The requirements and disclosures of RPT and IPT, which are governed by Chapter 9 of the Listing Manual of the SGX-ST, FRS 24 and Sections 162 and 163 of the Companies Act are clearly set out in the RPT and IPT policy.

The Group's RPT and IPT policy requires all such transactions related parties and interested persons to be at arm's length, that the transactions are not prejudicial to the interests of the shareholders and reviewed by the AC during the quarterly and full year meetings. The Board of Directors provides oversight for the RPT and IPT policy and it is subjected to review by the AC, as appropriate, to ensure the effectiveness of the policy. The AC will discuss any revision that may be required, and recommend any such revision to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

The following disclosures have been made in compliance with Rule 907 of the Listing Manual of SGX-ST. The aggregate values of all interested person transactions during the financial year (excluding transactions less than S$100,000) in FP2021 are as follows:

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 53.39% of the issued share capital of the Company. As at 30 September 2021, 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 30 November 2021, 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.

The AC confirms that the said transactions were within the threshold limits set out under Chapter 9 of the Listing Manual of SGXST and no announcement or shareholders' approval was, therefore, required. The transactions have been conducted on an arm's length basis.

USE OF PROCEEDS ARISING FROM EXERCISE BONUS WARRANTS

Shares

Pursuant to a renounceable non-underwritten rights issue announced on 29 November 2018 (the "**Rights Issue**"), the Company issued a total of 144,929,837 new ordinary shares which rank pari passu in all respects with all other existing shares in issue ("**Rights Shares**"). The Company raised net proceeds of approximately S$14.3 million (after deducting estimated expenses of approximately S$0.2 million) from the Rights Issue ("**Net Proceeds**"). Following the allotment and issuance of the Rights Shares, the number of issued Shares in the Company increased from 503,223,039 ordinary shares to 646,882,476 ordinary shares.

As announced by the Company on 12 January 2021, the Net Proceeds have been fully utilised.

Warrants

Pursuant to the terms and conditions of the deed poll dated 16 April 2018 (the "**Deed Poll**"), the proposed Rights Issue constitutes an event giving rise to an adjustment to the exercise price and the number of the existing warrants ("**Adjustments**"). The Adjustments were effective from 15 February 2019, being the market day next following the closing date of the Rights Issue.

The number of outstanding bonus warrants were 57,193,798 and can be exercised at the adjusted exercise price of S$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30 April 2018 and expired at 5.00 p.m. on 30 October 2020. No warrant holder exercised the warrants.

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr. Yeo Kian Wee Andy**	**Mr. Hoon Chee Wai**	**Prof. Siow Yuen Khong Alex**	**Mr. Teo Yi-Dar**	**Mr. Phua Cher Chuan**
Date of Appointment	29 December 2020	29 December 2020	18 February 2020	7 September 2020	24 June 2021
Date of last re-appointment (if applicable)	NA	NA	30 October 2020	30 October 2020	NA
Age	50	53	67	50	52
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Yeo Kian Wee Andy as the Independent Non-Executive Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Yeo Kian Wee Andy's qualifications, expertise, past experiences.	The re-election of Hoon Chee Wai as the Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Hoon Chee Wai's qualifications, expertise, past experiences.	The re-election of Prof. Siow Yuen Khong Alex as the Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Prof. Siow Yuen Khong Alex's qualifications, expertise, past experiences.	The re-election of Mr. Teo Yi-Dar as the Non-Executive, Non- Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Teo Yi-Dar's qualifications, expertise, past experiences.	The re-election of Phua Cher Chuan as the Group Chief Executive and Managing Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Phua Cher Chuan's qualifications, expertise, past experiences.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman Chairman of Nominating Committee Member of Audit Committee Member of Remuneration Committee	Independent Director Chairman of Audit Committee Member of Nominating Committee Member of Remuneration Committee	Independent Director Member of Audit Committee Member of Remuneration Committee Member of Nominating Committee	Non-Executive, Non-Independent Director	Group Chief Executive and Managing Director

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr. Yeo Kian Wee Andy**	**Mr. Hoon Chee Wai**	**Prof. Siow Yuen Khong Alex**	**Mr. Teo Yi-Dar**	**Mr. Phua Cher Chuan**
Professional qualifications	Advocate and Solicitor, Supreme Court of Singapore (2000) Non-practising Solicitor, Law Society of England & Wales (2010) Accredited International Mediator, International Panel (2015) Thailand Arbitration Centre	Member of the Singapore Institute of Directors	B.Eng(Civil), Stuttgart Institute of Technology (Germany) M.Sc (Eng), University of Birmingham (UK) Fellow, Singapore Computer Society Member of Project Management Institute	Chartered Financial Analyst, CFA Institute, USA Master of Science (Applied Finance), National University of Singapore, Singapore Master of Science (Industrial & Systems Engineering), National University of Singapore, Singapore Bachelor of Engineering (Electrical), National University of Singapore, Singapore	Bachelor of Engineering degree from Nanyang Technological University Master of Science (Electrical Engineering) degree from National University of Singapore
Working experience and occupation(s) during the past 10 years	June 2019 to Present - Partner of Eldan Law LLP January 2006 to June 2019 - Partner of Allen & Gledhill LLP	2017 to 2020 - Senior Vice President at Landing International Development Limited 2016 to 2012 - Senior Vice President of Corporate Development at Genting Singapore Limited 2002 to 2012 - Director of Corporate Finance and Corporate Clients Solutions at CIMB Bank Bhd, Singapore	January 2015 to Present - Professor and Director of the Advanced Computing for Executives Centre in National University of Singapore July 2013 to December 2014 - Managing Director of Health and Public Service, Accenture Pte Ltd	2017 to Present - Director at Altair Capital Advisors Pte Ltd 2016 to 2017 - Director at Kenyon Group Limited 1999 to 2016 - Investment Manager at SEAVI Advent Management Pte Ltd	2011 to present - Executive Director of TEE International Limited 2014 to 2017 - Executive Director and CEO of CMC Infocomm Limited

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
			March 2011 to June 2013 - Head of Enterprise Risk Management and Business Excellence, Starhub February 2008 to February 2011 - Head of Business Excellence and Systems Technology StarHub		
Shareholding interest in the listed issuer and its subsidiaries			NIL	Deemed Interest of 345,378,471 shares	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None	None
Conflict of interest (including any competing business)	None	None	None	None	None

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr. Yeo Kian Wee Andy**	**Mr. Hoon Chee Wai**	**Prof. Siow Yuen Khong Alex**	**Mr. Teo Yi-Dar**	**Mr. Phua Cher Chuan**
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes/ No)	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)					

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
Past (for the last 5 years)	1. ALLEN & GLEDHILL LLP 2. LAW SOCIETY OF SINGAPORE INQUIRY PANEL	1. LANDING INTERNATIONAL DEVELOPMENT LIMITED 2. LANDING JEJU DEVELOPMENT CO., LTD. (KOREA) 3. LANDING RESORTS PHILIPPINES DEVELOPMENT CORPORATION (PHILIPPINES) 4. AUTUMNGLOW PTE. LTD 5. HAPPY BAY PTE. LTD. 6. FYNTHESIZE PTE. LTD.	1. YINDA INFOCOMM LIMITED 2. FINTEX PTE LTD 3. NEXTY PTE LTD 4. HASHEDLN SDN BHD	1. BAYSTON INVESTMENTS LIMITED 2. GUOTAIQIXING BIOMEDICAL INTERNATIONAL SINGAPORE PTE. LTD. 3. TPSC ASIA GROUP HOLDING LIMITED 4. VALUE PLUS INVESTMENT LIMITED 5. W CAPITAL MARKETS PTE LTD 6. MOTTO AUCTION PTE LTD	1. YINDA INFOCOMM LIMITED 2. YINDA TECHNOLOGY SINGAPORE PTE. LTD. 3. CMTE TECHNOLOGY SDN BHD (MALAYSIA) 4. NEXFRONTIER SOLUTIONS PTE LTD 5. TEE MANAGEMENT PTE LTD 6. TEE GA PTE. LTD. 7. TEE TECHNOLOGY PTE. LTD. 8. TEEGREEN AGRICULTURE PTE. LTD.

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
Present	1. THE NECESSARY STAGE LTD 2. LY CORPORATION LIMITED (SGX CATALIST) 3. NEXTY IO (ICO COMPANY) 4. GOSSAMA IO (ICO COMPANY) 5. ELDAN LAW LLP 6. FINTEX PTE. LTD. 7. JADEFX PTE. LTD. 8. TEE INTERNATIONAL LIMITED	1. YONGMAO HOLDINGS LTD 2. MJF CAPITAL PTE. LTD. 3. TAURUS POINT CAPITAL PTE. LTD. 4. THE PROPERTY MARKET PTE. LTD. 5. TEE INTERNATIONAL LIMITED 6. INTRACO LIMITED 7. KINERGY CORPORATION LTD (LISTED IN THE STOCK EXCHANGE OF HONG KONG	1. TOFFS TECHNOLOGIES PTE LTD 2. ANG MO KIO THYE HUA KWAN HOSPITAL 3. TEE INTERNATIONAL LIMITED 4. WESAN FUTURE DESIGN PTE LTD 5. DART CONSULTING AND TRAINING PTE LTD 6. ALEX SIOW & ASSOCIATES 7. RED ALPHA CYBERSECURITY PTE LTD	1. ALDERSGATE HOLDINGS LIMITED 2. ALTAIR CAPITAL (I) LTD (BVI) 3. ALTAIR CAPITAL ADVISORS PTE LTD 4. ALTAIR CAPITAL GENERAL PARTNER LTD (CAYMAN ISLAND) 5. ALTAIR FUND (I) PTE LTD 6. ASEAN CHINA WATER HOLDINGS LIMITED 7. ASIA VETS HOLDINGS LTD 8. AVH ANIMAL ARK PTE LTD 9. BEIJING DENOX ENVIRONMENT & TECHNOLOGY CO., LTD. 10. CIENA ENTERPRISES LIMITED 11. CLEAR VISION VENTURES LIMITED 12. CHINA YUANBANG PROPERTY HOLDINGS LIMITED 13. DENOX ENVIRONMENTAL & TECHNOLOGY HOLDINGS LIMITED	1. TEE INFRASTRUCTURE PRIVATE LIMITED 2. TEE WATER PTE. LTD. 3. TEE SOLAR PTE. LTD. 4. G3 ENVIRONMENTAL PRIVATE LIMITED 5. ARROW WASTE MANAGEMENT PTE. LTD. 6. TEE ENVIRONMENTAL PTE. LTD. 7. ENVOTEK ENGINEERING PTE. LTD. 8. TEE RECYCLING PTE. LTD. 9. POWERSOURCE PHILIPPINES DISTRIBUTION POWER HOLDINGS INC (PHILIPPINES) 10. TEE INDUSTRIAL PTE. LTD. 11. TEE INTERNATIONAL LTD 12. PBT ENGINEERING PTE LTD

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
				14. FORTUNE KNIGHT INTERNATIONAL LIMITED 15. GOLD FUTURE INVESTMENT LIMITED 16. HONGYIN RESOURCES (HK) CO LIMITED 17. KENYON GROUP LIMITED 18. KENYON GROUP (ASIA) PTE LTD 19. MYGHTY (YANGON) LIMITED 20. MYGHTY HOLDINGS PTE LTD 21. JIANGSU PENYAO ENVIRONMENTAL ENGINEERING CONTRACT CO., LTD. 22. SEAVI ADVENT ASIA INVESTMENTS (III) LTD 23. SMARTFLEX HOLDINGS LTD 24. SIRIUS VEGA PTE LTD 25. SPRINGHAVEN HOLDINGS LIMITED 26. SIN HENG HEAVY MACHINERY LIMITED 27. TOP RICH INVESTMENT LIMITED 28. TPSC ASIA PTE LTD 29. TPSC HOLDINGS PTE LTD 30. TRAMORE GLOBAL LIMITED 31. TEE INTERNATIONAL LIMITED 32. UNITED HOPE PTE LTD 33. YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD	

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
				34. HG METAL MANUFACTURING LTD 35. HG CONSTRUCTION STEEL PTE LTD 36. HG METAL INVESTMENTS PTE LTD 37. HG METAL PTE LTD 38. HG METAL DISTRIBUTION SDN BHD 39. HG METAL MANUFACTURING SDN BHD 40. ORIENTAL METALS PTE LTD 41. NIHO (SINGAPORE) PTE LTD 42. PT HG METAL DISTRIBUTION INDONESIA 43. JIN HENG LI HARDWARE SDN BHD	

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	As announced on 16 December 2021, the Company had commenced the winding up process of the Company's wholly-owned subsidiary, Trans Equatorial Engineering Pte. Ltd. ("Trans Equatorial") by way of creditors' voluntary liquidation ("CVL"). Mr. Phua was appointed a director of Trans Equatorial just prior to the commencement of the CVL proceedings in order to facilitate and assist the appointed liquidators with the CVL process

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr. Yeo Kian Wee Andy**	**Mr. Hoon Chee Wai**	**Prof. Siow Yuen Khong Alex**	**Mr. Teo Yi-Dar**	**Mr. Phua Cher Chuan**
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No As announced on 4 March 2020, the Company received an order from the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Penal Code 1871 pursuant to the provisions of the Criminal Procedure Code 2010. The CAD investigation is still ongoing. Additionally, as announced on 3 December 2021, the SGX-ST Listings Disciplinary Committee reprimanded the Company, its former executive director and group CEO, Mr. Phua Chian Kin and its former group CFO, Ms. Yeo Ai Mei. The aforementioned CAD investigation and reprimand relates to the unauthorised remittances, details of which have been announced by the Company and which arose prior to the appointment of Mr. Yeo Kian Wee Andy as a director of the Company	No As announced on 4 March 2020, the Company received an order from the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Penal Code 1871 pursuant to the provisions of the Criminal Procedure Code 2010. The CAD investigation is still ongoing. Additionally, as announced on 3 December 2021, the SGX-ST Listings Disciplinary Committee reprimanded the Company, its former executive director and group CEO, Mr. Phua Chian Kin and its former group CFO, Ms. Yeo Ai Mei. The aforementioned CAD investigation and reprimand relates to the unauthorised remittances, details of which have been announced by the Company and which arose prior to the appointment of Mr. Hoon Chee Wai as a director of the Company	No As announced on 4 March 2020, the Company received an order from the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Penal Code 1871 pursuant to the provisions of the Criminal Procedure Code 2010. The CAD investigation is still ongoing. Additionally, as announced on 3 December 2021, the SGX-ST Listings Disciplinary Committee reprimanded the Company, its former executive director and group CEO, Mr. Phua Chian Kin and its former group CFO, Ms. Yeo Ai Mei. The aforementioned CAD investigation and reprimand relates to the unauthorised remittances, details of which have been announced by the Company and which arose prior to the appointment of Prof. Siow Yuen Khong Alex as a director of the Company	No As announced on 4 March 2020, the Company received an order from the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Penal Code 1871 pursuant to the provisions of the Criminal Procedure Code 2010. The CAD investigation is still ongoing. Additionally, as announced on 3 December 2021, the SGX-ST Listings Disciplinary Committee reprimanded the Company, its former executive director and group CEO, Mr. Phua Chian Kin and its former group CFO, Ms. Yeo Ai Mei. The aforementioned CAD investigation and reprimand relates to the unauthorised remittances, details of which have been announced by the Company and which arose prior to the appointment of Mr. Teo Yi-Dar as a director of the Company	No As announced on 4 March 2020, the Company received an order from the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Penal Code 1871 pursuant to the provisions of the Criminal Procedure Code 2010. The CAD investigation is still ongoing. Additionally, as announced on 3 December 2021, the SGX-ST Listings Disciplinary Committee reprimanded the Company, its former executive director and group CEO, Mr. Phua Chian Kin and its former group CFO, Ms. Yeo Ai Mei. The aforementioned CAD investigation and reprimand relates to the unauthorised remittances, details of which have been announced by the Company and which arose prior to the appointment of Mr. Phua Cher Chuan as a director of the Company

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr. Yeo Kian Wee Andy	Mr. Hoon Chee Wai	Prof. Siow Yuen Khong Alex	Mr. Teo Yi-Dar	Mr. Phua Cher Chuan
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes	Yes	Yes

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group for the financial period from 1 June 2020 to 30 September 2021 and statement of financial position of the Company as at 30 September 2021.

The Company announced that it intends to propose a scheme of arrangement between the Company and its creditors on 7 August 2021.

The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations as and when they fall due is dependent on the matters set out in Note 1(c) to the financial statements.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial position as at 30 September 2021, together with the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 June 2020 to 30 September 2021, to be very different from what is currently presented in the financial statements. The directors also consider that there are no practical means available to resolve such difficulties, due to the effect of the differing outcomes, in the preparation of these financial statements. Accordingly, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of shareholders and other stakeholders who may use these financial statements. Further details on the basis of preparation of these financial statements are set out in Note 2 to the financial statements.

In the opinion of the directors:

(a) having regard to and taking into consideration the matters disclosed in the financial statements, in particular Note 1(c) to the financial statements, the consolidated financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and the financial performance, changes in equity and cash flows of the Group for the financial period from 1 June 2020 to 30 September 2021 in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, subject to the matters referred to in Note 1(c) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr. Yeo Kian Wee Andy	(Appointed on 29 December 2020)
Mr. Phua Cher Chuan	(Appointed on 24 June 2021)
Prof. Siow Yuen Khong Alex	
Mr. Hoon Chee Wai	(Appointed on 29 December 2020)
Mr. Teo Yi Dar	(Appointed on 7 September 2020)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial period had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in names of directors			Shareholdings in which directors are deemed to have interests		
Names of directors and company in which interests are held	**At 1.6.2020**	**At 30.9.2021**	**At 21.10.2021**	**At 1.6.2020**	**At 30.9.2021**	**At 21.10.2021**
The Company			**Ordinary shares**			
Mr. Phua Cher Chuan (Appointed on 24.6.2021)	3,864	3,864	3,864	–	–	–
Mr. Phua Boon Kin (Resigned on 20.12.2021)	145,132	145,132	145,132	–	–	–
Ms. Saw Chin Choo (Resigned on 14.10.2021)	1,925,100	–	–	3,312	3,312	3,312
Mr. Teo Yi Dar (Appointed on 7.9.2020)	–	–	–	–	345,378,471	345,378,471
The Company	**Warrants (W201030) to subscribe for ordinary shares at the exercise price of $0.189 each**					
Mr. Phua Cher Chuan (Appointed on 24.6.2021)	439	–	–	–	–	–
Mr. Phua Boon Kin (Resigned on 20.12.2021)	11,983	–	–	–	–	–
Ms. Saw Chin Choo (Resigned on 14.10.2021)	158,953	–	–	377	–	–

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial period, no option was granted to take up unissued shares of the Company or any corporation in the Group. The warrants to subscribe for ordinary shares of the Company at the exercise price of $0.189 each had expired on 30 October 2020.

Date of issue	**At beginning of the period**	**Exercised during the period**	**Expired during the period**	**At end of the period**
Warrants (W201030) over ordinary shares				
30 April 2018	57,193,798	–	(57,193,798)	–

(b) *Options exercised*

During the financial period, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial period, there were no unissued shares of the Company or any corporation in the Group under options.

DIRECTORS' STATEMENT

5 AUDIT COMMITTEE

The Audit Committee comprised three members. The members of the committee at the date of this report are:

Mr. Hoon Chee Wai	(Chairman and independent director)
Mr. Yeo Kian Wee Andy	(Independent director)
Prof. Siow Yuen Khong Alex	(Independent director)

The Audit Committee reviews the Group's internal controls on behalf of the Board of Directors and performs the functions specified in Section 201B of the Singapore Companies Act.

The number of Audit Committee Meetings held is disclosed in Corporate Governance Report and the Audit Committee performed, inter alia, the following functions:

(a) reviewed the overall scope of work of both the external and internal auditors and the assistance and co-operation accorded to them by management;

(b) reviewed the results of the external auditors' examination of the consolidated financial statements of the Group and the statement of financial position of the Company and evaluation of the Group's system of internal accounting controls;

(c) reviewed the announcements of results as well as related press releases of the Group;

(d) reviewed with the internal auditors the effectiveness and adequacy of the internal control policies and procedures in addressing the financial, operational and compliance risks of the Group including their recommendations on improving the internal controls of the Company and the Group;

(e) considered and recommended the appointment or re-appointment of the internal and external auditors;

(f) reviewed the independence and objectivity of the external auditors where non-audit services are provided by them;

(g) met with the external and internal auditors without the presence of management;

(h) reviewed interested person transactions; and

(i) reviewed any potential conflict of interest.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

DIRECTORS' STATEMENT

6 INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Mr. Phua Cher Chuan

.....
Mr. Teo Yi Dar

Dated: 13 January 2022

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of TEE International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 1 June 2020 to 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

A. Opening balances

We expressed a disclaimer of opinion in our independent auditors' report dated 12 October 2020 in respect of the financial statements for the financial year ended 31 May 2020 ("FY2020"). Consequently, our opinion on the current period financial statements for the period from 1 June 2020 to 30 September 2021 ("FP2021") is modified because of the possible effect of the comparability of the current period's figures and the corresponding figures, as well as the impact on the FP2021 financial statements.

We reproduce the matters arising from the audit qualification in FY2020 and provide an update on these matters as follows:

(i) Unauthorised remittances

FY2020 report

Unauthorised Remittances totalling $6.55 million were made in the previous financial year. These Unauthorised Remittances have been repaid to the Group, of which $3.55 million was repaid in the previous financial year and $3 million in the current financial year.

The internal auditors and external investigators appointed to investigate the facts and circumstances surrounding the Unauthorised Remittances and assess the impact on the financial statements of the Group have concluded their work. However, the Commercial Affairs Department of the Singapore Police Force ("CAD") has started an investigation and has requested further information from the Company. As at the date of this report, there has been no further update on the CAD investigation. The outcome of the CAD investigation could provide other information or findings that may have an impact on the financial statements. Accordingly, we are unable to determine any adjustments arising thereon that may be required, and whether there will then be an impact on the accompanying financial statements. As a result, we are unable to obtain sufficient appropriate audit evidence or satisfy ourselves through alternative means to conclude if there is any further impact to the financial statements.

Update for FP2021

There are no further updates on the CAD investigation that could provide new information or findings to conclude on this.

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

A. Opening balances (Cont'd)

(ii) Opening balances

FY2020 report

We were appointed as auditor of the Company for the current financial year. The auditor for the previous financial year ended 31 May 2019 disclaimed their opinion on 8 November 2019. The basis of disclaimer was the Unauthorised Remittances stated above. In addition, during the year, the Company disposed of its subsidiary, TEE Land Limited. We are not auditors of TEE Land Limited. Consequently, we have not been able to obtain sufficient appropriate audit evidence on the statements of financial position as at 1 June 2019, as well as the components making up TEE Land Limited's contribution of $30.8 million to loss for the year. As the opening balances as at 1 June 2019 form the basis for determining the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 May 2020, we are unable to determine whether adjustments are required to the financial statements for the financial year ended 31 May 2020.

Update for FP2021

The opening balances as at 1 June 2019 formed the basis for determining the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 May 2020. We are still unable to obtain sufficient appropriate audit evidence on the above items.

The consolidated statement of financial position as at 31 May 2020 excludes the financial information of TEE Land Limited which was disposed of on 3 February 2020. However, because of the above, we are unable to determine if the comparative figures in current period's financial statements in respect of FY2020 consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow are appropriately stated, and whether adjustments are required to FY2020 financial statements in respect of these components.

In addition, the Company will be revising its FY2020 financial statements in respect of the below non-compliance with accounting standards under Section 201(5) of the Companies Act as identified by the Accounting and Corporate Regulatory Authority contained in its financial statements for the financial year ended 31 May 2019 ("FY2019"):

- Classification of portion of the sale proceeds from the disposal of shares in Chewathai Public Company Limited and advances made to other parties as operating instead of investing activities;
- Recognition of revenue from sale of shop lot units at a point in time instead of over time; and
- Not accounting for TEE Land Limited as "Held-for-sale" and making the necessary provisions in FY2019.

(iii) Contingent liabilities

FY2020 report

Various claims have been made against the Company and the Group in the Engineering and Construction segment for liquidated damages, defects, and/or under guarantees for the performance of contracts.

The outcome of the claims, and counterclaims, cannot be determined with reasonable certainty. We are unable to obtain sufficient appropriate audit evidence on the amount of any liability arising, or to quantify if the provision for defects liability, contract assets and cost of sales are appropriately stated in the accompanying financial statements, and consequently, whether the going concern basis of preparation of financial statements is appropriate.

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

A. Opening balances (Cont'd)

(iii) Contingent liabilities (cont'd)

Update for FP2021

This remains valid for FP2021 as further claims have been made against the Company and the Group in the Engineering and Construction segment for liquidated damages, defects, and/or under guarantees for the performance of contracts.

The outcome of the claims and counterclaims cannot be determined with reasonable certainty. We are unable to obtain sufficient appropriate audit evidence on the completeness of the liabilities and contingent liabilities arising from these claims, or to quantify if the various provisions including provisions for defects liability, contract assets and cost of sales are appropriately stated in the accompanying financial statements.

B. Appropriateness of going concern assumption

The factors below indicate the existence of material uncertainties which may cast significant doubt about the Company and the Group's ability to continue as going concerns.

- The Group incurred a net loss of $199,057,000 from continuing operations for FP2021.
- The Group's and the Company's total liabilities exceeded their total assets by $181,277,000 and $109,164,000, respectively, as at 30 September 2021. The Group's and the Company's current liabilities exceeded their current assets by $200,352,000 and $120,654,000, respectively, as at 30 September 2021.
- The Company had on 6 August 2021 filed an application for a moratorium under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) [the "IRDA"]. Certain subsidiaries, namely, PBT Engineering Pte Ltd ("PBT Engineering"), Trans Equatorial Engineering Pte Ltd ("Trans Equatorial"), TEE Infrastructure Private Limited ("TEE Infra") and TEE E&C (Malaysia) Sdn Bhd ("TEE E&C (M)") have filed applications under Section 65 of the IRDA in support of the Company's proposed restructuring.

  On 26 November 2021, save for Trans Equatorial, the Court has granted an extension of moratoria relief for the Company, PBT Engineering, TEE Infra and TEE E&C (M) up to 31 March 2022.
- Trans Equatorial has subsequently been placed in liquidation.
- The Company will be working with its appointed Monitoring Accountants as approved by the Court, on its restructuring plan which includes disposal of non-core assets, restructuring of debts under PBT Engineering and the Company, and Trans Equatorial's liquidation.
- The Company had defaulted on loan repayment to a bank which was due on 19 February 2021. On 9 September 2021, the bank gave notice, via their solicitors, to the Company that they will be exercising their rights to take possession of the mortgaged property situated at 33 Changi North Crescent, Singapore 499640 (the "33CNC Property").

  Notwithstanding the moratorium granted to the Company, the Court granted leave to the said bank to take all necessary steps to enforce its security over the 33CNC Property. As at 30 September 2021, the bank borrowings of the Company amounted to $12,797,000.

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

B. Appropriateness of going concern assumption (Cont'd)

- The bank facility agreements of two subsidiaries include financial covenants which require the subsidiaries to meet certain key financial ratios. During the financial period, these subsidiaries did not fulfil the minimum threshold required for the consolidated net worth and the debt to equity ratio. Due to the breaches, the banks are contractually entitled to request for immediate repayments the outstanding loans amounted to $10,000,000 as at 30 September 2021.

- Numerous claims have been made against the Group and the Company, the outcome of which cannot be determined with reasonable certainty. Refer to "Contingent liabilities" above.

The Group's and the Company's ability to continue as going concerns is dependent mainly on the successful implementation of the restructuring plan, the ability to secure financing as and when required, the profitability of future operations, and the continuing support of banks, suppliers, and other parties, and/or an injection of capital by a white knight.

Given the multiple uncertainties above, we are not able to determine if the going concern basis of preparation of these financial statements is appropriate. We are also unable to determine the adjustments that may be necessary because of these uncertainties as highlighted above.

C. Insufficient information to complete the audit of the consolidated financial statements of the Group

The financial statements for FP2021 of a significant subsidiary, Trans Equatorial Engineering Pte Ltd, are not audited as the said subsidiary is insolvent and has been placed in liquidation. Accordingly, we are unable to perform and complete our procedures to obtain sufficient and appropriate audit evidence over the financial statements of the Group and the accompanying disclosures for FP2021. As such, we are not able to determine whether any adjustments might be necessary to the amounts and disclosures shown in FP2021 financial statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kon Yin Tong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 13 January 2022

STATEMENTS OF FINANCIAL POSITION

30 September 2021

		Group		Company	
	Note	**30 September 2021 $'000**	31 May 2020 Re-presented $'000	**30 September 2021 $'000**	31 May 2020 $'000
ASSETS					
Current assets					
Cash and bank balances	6	**7,756**	50,764	**236**	8,997
Fixed deposits	7	**4,440**	3,615	**–**	–
Trade receivables	8	**15,435**	30,010	**–**	3,659
Other receivables	9	**3,365**	5,084	**14,340**	14,165
Financial assets at fair value through profit or loss	10	**–**	82	**–**	82
Inventories	11	**87**	77	**–**	–
Contract assets	12	**19,558**	146,244	**–**	–
		50,641	235,876	**14,576**	26,903
Non-current assets held for sale	13(i)	**20,205**	–	**20,205**	–
Total current assets		**70,846**	235,876	**34,781**	26,903
Non-current assets					
Other receivables	9	**240**	1,312	**–**	777
Financial asset at fair value through other comprehensive income	14	**400**	–	**–**	–
Investment in associates	15	**5,001**	9,646	**–**	–
Investment in joint venture	15	**–**	130	**–**	–
Investment in subsidiaries	16	**–**	–	**11,455**	43,926
Intangible asset	17	**–**	310	**–**	–
Property, plant and equipment	18	**25,728**	25,339	**26**	41
Investment properties	19	**9,396**	34,926	**–**	23,909
Deferred tax assets	20	**60**	618	**9**	–
Total non-current assets		**40,825**	72,281	**11,490**	68,653
Total assets		**111,671**	308,157	**46,271**	95,556

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

30 September 2021

		Group		Company	
	Note	**30 September 2021 $'000**	31 May 2020 Re-presented $'000	**30 September 2021 $'000**	31 May 2020 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	21	**17,129**	57,496	**–**	–
Trade payables	22	**141,205**	147,628	**59**	3,613
Other payables	23	**26,901**	24,881	**63,569**	59,555
Contract liabilities	24	**1,102**	661	**–**	–
Provisions	25	**53,886**	235	**–**	–
Current portion of lease liabilities	26	**1,377**	19,651	**–**	128
Current portion of long-term borrowings	27	**23,452**	2,809	**12,797**	2,510
Financial guarantee liabilities	28	**–**	75	**75,868**	75
Income tax payable		**3,574**	4,339	**570**	842
		268,626	257,775	**152,863**	66,723
Liabilities associated with non-current assets held for sale	13(ii)	**2,572**	–	**2,572**	–
		271,198	257,775	**155,435**	66,723
Non-current liabilities					
Lease liabilities	26	**10,857**	14,454	**–**	2,309
Long-term borrowings	27	**10,732**	16,755	**–**	11,404
Long-term deposit	29	**–**	306	**–**	306
Other payables	23	**41**	40	**–**	–
Deferred tax liabilities	20	**120**	178	**–**	–
Total non-current liabilities		**21,750**	31,733	**–**	14,019
Capital, reserves and non-controlling interests					
Share capital	30	**73,194**	73,194	**73,194**	73,194
Treasury shares	31	**(269)**	(269)	**(269)**	(269)
Currency translation reserve	32	**395**	605	**–**	–
Capital reserve	33	**–**	–	**(274)**	(274)
Accumulated losses		**(253,079)**	(51,363)	**(181,815)**	(57,837)
Equity attributable to owners of the Company		**(179,759)**	22,167	**(109,164)**	14,814
Non-controlling interests		**(1,518)**	(3,518)	**–**	–
Net equity		**(181,277)**	18,649	**(109,164)**	14,814
Total liabilities and equity		**111,671**	308,157	**46,271**	95,556

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period from 1 June 2020 to 30 September 2021 ['FP 2021']

	Note	Group FP 2021 $'000	Year ended 31.5.2020 Re-presented $'000
Continuing operations			
Revenue	34	**121,491**	327,642
Cost of sales		**(234,849)**	(328,862)
Gross loss		**(113,358)**	(1,220)
Other operating income	35	**8,477**	3,835
Administrative expenses		**(15,181)**	(18,875)
Other operating expenses	36	**(68,925)**	(5,740)
Share of results of associates and joint venture	15	**949**	750
Finance costs	37	**(3,486)**	(7,751)
Impairment loss on financial assets and contract assets		**(7,084)**	(1,179)
Impairment loss on financial assets written back		**51**	–
Loss before tax		**(198,557)**	(30,180)
Income tax expense	38	**(500)**	(3,416)
Loss for the period/year from continuing operations		**(199,057)**	(33,596)
Loss for the period/year from discontinued operations, net of tax	39	**(682)**	(30,969)
Loss for the period/year	40	**(199,739)**	(64,565)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences, representing other comprehensive (loss)/income for the period/year, at nil tax		**(187)**	3
Total comprehensive loss for the period/year		**(199,926)**	(64,562)
Loss attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax		**(201,034)**	(32,090)
Loss from discontinued operations, net of tax		**(682)**	(27,464)
		(201,716)	(59,554)
Non-controlling interests			
Income/(loss) from continuing operations, net of tax		**1,977**	(1,506)
Loss from discontinued operations, net of tax		**–**	(3,505)
		1,977	(5,011)
Loss for the period/year		**(199,739)**	(64,565)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(201,926)**	(59,093)
Non-controlling interests		**2,000**	(5,469)
		(199,926)	(64,562)
Loss per share			
From continuing and discontinued operations			
- Basic (cents)	41	**(31.18)**	(9.21)
- Diluted (cents)	41	**(31.18)**	(9.21)
From continuing operations			
- Basic (cents)	41	**(31.08)**	(4.96)
- Diluted (cents)	41	**(31.08)**	(4.96)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Period from 1 June 2020 to 30 September 2021

	Attributable to equity owners of the Company							
	Share capital $'000	**Treasury shares $'000**	**Currency translation reserve $'000**	**Capital reserve $'000**	**Accumulated losses $'000**	**Equity attributable to Owners of the Company $'000**	**Non-controlling interests $'000**	**Total $'000**
Balance at 1 June 2019	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338
Total comprehensive income/(loss) for the year:								
Loss for the year	–	–	–	–	(59,554)	(59,554)	(5,011)	(64,565)
Other comprehensive income/(loss) for the year	–	–	461	–	–	461	(458)	3
Total comprehensive income/(loss) for the year	–	–	461	–	(59,554)	(59,093)	(5,469)	(64,562)
Transaction with Owners, recognised directly in equity:								
Disposal of a subsidiary	–	–	389	(18,561)	18,561	389	(48,536)	(48,147)
Contribution from non-controlling interest	–	–	–	–	–	–	20	20
Balance at 31 May 2020	73,194	(269)	605	–	(51,363)	22,167	(3,518)	18,649

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Period from 1 June 2020 to 30 September 2021

	Attributable to equity owners of the Company							
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Capital reserve $'000	Accumulated losses $'000	Equity attributable to Owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 June 2020	73,194	(269)	605	–	(51,363)	22,167	(3,518)	18,649
Total comprehensive (loss)/income for the period:								
(Loss)/Income for the period	–	–	–	–	(201,716)	(201,716)	1,977	(199,739)
Foreign currency exchange difference	–	–	(609)	–	–	(609)	23	(586)
Exchange difference realised on disposal of subsidiary recycled to profit or loss	–	–	101	–	–	101	–	101
Exchange difference realised on disposal of associate recycled to profit or loss	–	–	298	–	–	298	–	298
Other comprehensive (loss)/income for the period	–	–	(210)	–	–	(210)	23	(187)
Total comprehensive (loss)/income for the period	–	–	(210)	–	(201,716)	(201,926)	2,000	(199,926)
Balance at 30 September 2021	73,194	(269)	395	–	(253,079)	(179,759)	(1,518)	(181,277)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 June 2020 to 30 September 2021

		Group	
		FP 2021	Year ended 31.5.2020 Re-presented
	Note	**$'000**	$'000
Operating activities			
Loss before tax from continuing operations		**(198,557)**	(30,180)
Loss before tax from discontinued operations	39	**(682)**	(30,978)
Adjustments for:			
Share of results of associates and joint venture	15	**(949)**	(144)
Depreciation of property, plant and equipment	40	**4,749**	6,074
Allowance for doubtful other receivables	40	**–**	169
Allowance for doubtful other receivables written back	40	**(51)**	–
Allowance for impairment loss on contract assets	40	**–**	957
Allowance for doubtful trade receivables	40	**7,084**	53
Amortisation of deferred commission expenses	40	**418**	1,733
Amortisation of deferred show flat costs	40	**–**	1,150
Amortisation of financial guarantee liabilities	35	**(75)**	(186)
Amortisation of intangible asset	36	**310**	744
Amortisation of issuance costs on notes payable	40	**39**	282
Changes in fair value of financial assets at FVTPL	36	**–**	82
Changes in fair value of investment properties	36	**4,332**	1,189
Club membership written off		**–**	5
Gain on pretermination of leases	35	**(862)**	–
(Gain)/loss on disposal of property, plant and equipment	35,36	**(147)**	6
Loss on disposal of subsidiary	36	**470**	–
Loss on disposal of associate	36	**1,324**	–
Gain on disposal of financial assets at FVTPL	35	**(545)**	–
Impairment loss on property, plant and equipment	36	**2,482**	2,484
Contract assets written off	36	**55,751**	–
Impairment recognised based on net estimated fair value of subsidiary disposed of	36	**–**	20,309
Other receivable written off	36	**2,103**	12
Property, plant and equipment written off	36	**1**	234
Provision for onerous contracts	25	**1,051**	–
Provision for maintenance costs	25	**556**	462
Provision of performance bonds	25	**23,242**	–
Provision for liquidated damages	25	**24,393**	–
Provision for potential back charges from customers	25	**4,422**	–
Trade receivables written off	36	**2,119**	978
Unrealised currency translation gain		**(30)**	(219)
Interest income	35	**(30)**	(229)
Interest expense	37	**3,486**	12,470
Operating cash flows before movements in working capital		**(63,596)**	(12,543)
Trade receivables		**8,956**	3,799
Other receivables		**2,424**	1,769
Inventories		**(10)**	81
Contract assets		**68,278**	(5,617)
Contract costs		**–**	(3,409)
Development properties		**–**	15,609
Completed properties and land for sale		**–**	9,954
Trade payables		**(6,184)**	936

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 June 2020 to 30 September 2021

	Note	Group FP 2021 $'000	Year ended 31.5.2020 Re-presented $'000
Operating activities (cont'd)			
Other payables		**(5,952)**	12,707
Contract liabilities		**441**	2,704
Deposit		**1**	–
Utilisation of provision for maintenance costs		**(13)**	(1,219)
Cash generated from operations		**4,345**	24,771
Interest paid		**–**	(3,539)
Income tax paid		**(655)**	(2,377)
Net cash generated from operating activities		**3,690**	18,855
Investing activities			
Proceeds on disposal of property, plant and equipment		**455**	443
Purchase of property, plant and equipment	A	**(399)**	(1,338)
Net cash (outflow)/inflow from the disposal of subsidiary	45	**(11)**	25,074
Proceeds from disposal of an associate		**3,519**	–
Proceeds from disposal of other investment		**627**	–
Return on capital from investment in joint venture		**129**	–
Loans receivables		**–**	(18)
Advances to directors of subsidiaries		**182**	–
Repayment of loan by associate		**12**	–
Repayment of finance lease receivables		**13**	10
Repayment of loans receivables		**–**	225
Interest received		**60**	114
Net cash generated from investing activities		**4,587**	24,510
Financing activities			
Drawdown of bank loans		**26,989**	159,194
Repayment of bank loans		**(67,865)**	(145,938)
Drawdown of long-term borrowings		**5,000**	10,195
Repayment of long-term borrowings		**(2,141)**	(37,281)
Repayment of notes payable		**–**	(18,439)
Repayment of amounts due to associate		**(31)**	–
Repayment to former immediate holding company of a subsidiary		**(8,454)**	–
Repayment of loan from former ultimate holding company of a subsidiary		**(256)**	–
Increase in bank balances pledged		**(825)**	(315)
Repayment of principal portion of lease liabilities		**(3,778)**	(2,262)
Repayment of loan to non-controlling interest		**(1,996)**	(3,004)
Capital injection by non-controlling interest		**–**	20
Loan from a controlling shareholder		**2,968**	–
Loan from third parties		**601**	–
Loans from former ultimate holding company of a subsidiary		**2,000**	–
Interest paid		**(4,019)**	(12,552)
Net cash used in financing activities		**(51,807)**	(50,382)
Net decrease in cash and cash equivalents		**(43,530)**	(7,017)
Cash and cash equivalents at beginning of year		**50,570**	57,554
Effect of foreign exchange rate changes		**13**	33
Cash and cash equivalents at end of period/year	6	**7,053**	50,570

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,163,000 (2020 - $2,370,000) of which $764,000 (2020 - $1,032,000) was acquired under lease arrangements and the balance of $399,000 (2020 - $1,338,000) was paid in cash.

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

1 GENERAL

(a) The Company (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 financial statements are expressed in Singapore dollars.

The Company's immediate and ultimate holding company is Tramore Global Limited, a company incorporated in British Virgin Islands.

(b) The principal activities of the Company are investment holding and property investment and development. The principal activities of its associates, joint venture and subsidiaries are disclosed in Notes 15 and 16 respectively.

(c) As at 30 September 2021, the Group's and the Company's current liabilities exceeded their current assets by $200,352,000 (31 May 2020 [re-presented] - $21,899,000) and $120,654,000 (31 May 2020 - $39,820,000), respectively. At the Company level, the net current liabilities are due mainly to inter-company payables to certain subsidiaries and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain subsidiaries.

Proposed Restructuring Exercise

On 15 July 2021, the Company announced the appointment of RSM Corporate Advisory Pte. Ltd. ("RSM") as financial consultant in June 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.

To strengthen its financial position, the Group is in discussions with unrelated interested parties to raise equity funds and divest off certain of its non-core assets as well as continue to manage its operating costs. Trans Equatorial Engineering Pte. Ltd. and PBT Engineering Pte. Ltd. have also divested selected on-going projects in the last few months. The Group continues to be in discussions with the relevant creditors on alternative repayment schedules and terms.

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"). In addition, the Company's wholly-owned subsidiaries PBT Engineering Pte Ltd ("PBT Engineering"), 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. Announcements on material developments in this regard were made subsequently and the Company will continue to make further announcements on future material developments.

The Applicants have filed and served the latest affidavit setting out, among other things, further details of the proposed restructuring plan and the estimated recovery for the creditors of the Company on 1 November 2021.

On 26 November 2021, the Court has granted moratoriums for all the Applicants save for Trans Equatorial until 31 March 2022. The Court also ordered that RSM to be appointed as Monitoring Accountants to perform the following functions:

(i) To exercise oversight over the entire restructuring process;
(ii) To exercise oversight over the utilisation of the assets and cash; and
(iii) To provide a report to the Court and the creditors every 2 months to update on the restructuring process.

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") and appointed Ms. Oon Su Sun and Mr. Lin Yueh Hung of RSM Corporate Advisory Pte. Ltd. as provisional liquidators.

The Company will continue to work with RSM and its legal advisors on the restructuring plan which includes disposal of non-core assets, restructuring of the debts under PBT Engineering and the Company, and Trans Equatorial's voluntary liquidation.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

1 GENERAL (CONT'D)

Proposed Restructuring Exercise (cont'd)

The financial statements of the Group and the Company have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operation at least for a period of twelve months from the reporting date. This means that the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue in operation in the foreseeable future. Should the going concern assumption be inappropriate, adjustments would 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 recorded in the balance sheet. In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

The amount of assets and liabilities currently recorded in the accounting records of the Company and its subsidiaries, including amounts recoverable from or payable to group companies, are based on claims and payables which have arisen in the ordinary course of business. It is currently difficult to assess and estimate, with any degree of certainty, the amounts at which the assets will ultimately be realised or recovered, and the amounts at which liabilities should be recorded, owing to the uncertainties caused by the current difficult operating conditions and the ongoing restructuring of the Group.

The directors have considered that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 30 September 2021 to be very different from what is currently presented in these financial statements. The directors also consider that there are no practical means available to resolve such difficulties in the preparation of these financial statements for the financial year under review. In this respect, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of all stakeholders who may read these financial statements.

(d) The consolidated financial statements of the Group for the financial period from 1 June 2020 to 30 September 2021 ("FP 2021") and statement of financial position of the Company as at 30 September 2021 were authorised for issue by the Board of Directors on the date of the directors' statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the Company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

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 year are included in the 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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.

In the Company's financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held-for-sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of the acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "other operating income" (Note 35).

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "other operating expenses" line item. Fair value is determined in the manner described in Note 4.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends from equity instruments are recognised in profit or loss in accordance with SFRS(I) 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend income is included in the "other operating income" line item in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see Note 14).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost or measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income" or "other operating expenses" line item.

For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the currency translation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, loan receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets and contract assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For a lease receivable, the cash flows used for determining the credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 Leases.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (Cont'd)

Measurement and recognition of expected credit losses (cont'd)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (cont'd)

Financial liabilities at FVTPL (cont'd)

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other operating income" or "other operating expenses" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss. Fair value is determined in the manner described in Note 4.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income" or "other operating expense" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (cont'd)

Foreign exchange gains and losses (cont'd)

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate ("IBR") specific to the lessee. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES (CONT'D)

(a) The Group as lessee (cont'd)

Lease liabilities (cont'd)

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related ROU asset or to profit or loss if the carrying amount of the ROU asset has already been reduced to zero whenever:

(i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

(ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

(iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use ("ROU") asset

The ROU asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

Depreciation on ROU assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset as set out in the accounting policies for "Property, plant and equipment".

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets (except for those which meets the definition of an investment property) are presented within Property, plant and equipment in the statement of financial position.

A ROU asset which meets the definition of an investment property is presented within "Investment properties" in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES (CONT'D)

(b) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other operating income" in profit or loss.

(c) Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

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 a 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:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase cost and other incidental cost in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

Deferred commission expenses are payable to estate agents only when buyers are secured. These direct and incremental costs recoverable as a result of securing a specifically identifiable contract with a buyer are deferred and recognised as "contract costs" in the statements of financial position. Such assets are expensed as and when the related revenue is recognised.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets (excluding freehold land) over their estimated useful lives, using the straight-line method, on the following bases:

Buildings on freehold land	–	2.5% to 4%
Leasehold land and building	–	2.7%
Leasehold improvements	–	20%
Leased premises	–	over remaining period of lease
Computers	–	25% to 100%
Renovation	–	20%
Motor vehicles	–	10% to 100%
Machinery and tools	–	15% to 100%
Office furniture and equipment	–	15% to 20%

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

ASSOCIATES AND JOINT VENTURE - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held-for-sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ASSOCIATES AND JOINT VENTURE (CONT'D)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held-for-sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

RELATED PARTIES - A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Group and Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities are joint ventures of the same third party.

  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

  (vi) The entity is controlled or jointly controlled by a person identified in (a).

  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

  (viii) The entity, or any member of a group of which it is part, provides key management personnel services to the Company or the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Construction engineering contracts
- Sale of goods
- Revenue from services rendered
- Interest income
- Dividend income
- Rental income from investment properties

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Construction engineering contracts

The Group undertakes large-scale and complex engineering projects as well as infrastructure-related projects. The Group provides engineering services including, electrical, air conditioning and mechanical ventilation, fire protection, sub structure, civil and architecture and interior decoration. These projects can range from short term of a few months to long term of a few years.

Such contracts are entered into before provision of the engineering services begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the services to another customer and has an enforceable right to payment for work done.

Revenue from construction engineering contracts is therefore 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. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

Short-term construction engineering services, as represented by the contract value of the services to be rendered, are recognised at a point in time when performance obligations have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION (CONT'D)

Construction engineering contracts (cont'd)

A contract asset is recognised for the cumulative revenue recognised but not yet invoiced whilst a contract liability is recognised for advance payments from customers which the Group needs to perform work to satisfy the performance obligations.

Sale of goods

Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

The Group provides waste and recycling management services. Such services are recognised as a performance obligation satisfied over time, when control of services are transferred to customers. This generally occurs when the waste is collected and processed.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental and related service income from investment properties

The Group leases out its investment properties under operating lease and recognised rental income proportionately over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method.

Rental related service income is recognised as a performance obligation satisfied over time, when the relevant services are provided over the lease period.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT OBLIGATIONS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interest in associates and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences as they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities for the investment properties that are measured using the fair value model, the carrying amount of such properties is presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) and of borrowings are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS - Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand, cash at banks, fixed deposits, cash held in escrow, less pledged fixed deposits and bank overdrafts that form an integral part of cash management, and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on information that is provided internally to the Interim Group Chief Executive, who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Interim Group Chief Executive to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Going concern assumption

The Group incurred loss from continuing operations of $199,057,000 (2020 - $33,596,000) for FP 2021, and as at 30 September 2021, the Group and the Company's current liabilities exceeded their current assets by $200,352,000 (31 May 2020 [re-presented] - $21,899,000) and $120,654,000 (31 May 2020 - $39,820,000), respectively. At the Company level, the net current liabilities are due mainly to inter-company payables to certain subsidiaries and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the Group's proposed fund raising and debt restructuring plans and other asset divestment plan as disclosed in Note 1(c) to the financial statements.

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 and 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 financial statements.

(ii) 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).

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgements in applying the entity's accounting policies (cont'd)

(iii) Deferred taxation on investment properties

For the purpose of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolio and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted.

(iv) Acquisition of real estate assets

The Group acquires properties either directly or indirectly through the purchase of entities which own these properties. At the acquisition date, the Group assesses whether the purchase of an entity constitutes a business combination or an asset acquisition. In cases where the acquired entity meets the definition of a business, the Group accounts for the purchase as a business combination. When the acquired entity does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. In making this distinction, the Group identifies and considers the assets purchased and the processes, inputs and workforce transferred, and then assesses the capability of these elements to significantly contribute together to the ability to generate outputs.

During the financial period the Group acquired TEE Industrial Pte. Ltd.. The management assessed that the acquired subsidiary does not represent a business, as such, it is accounted for as an acquisition of a group of assets and liabilities.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below:

(i) Revenue recognition

As described in Note 2, the Group recognises revenue either at a point in time or over time, depending on the contractual terms. Revenue from construction engineering contracts are 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.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(ii) 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.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 8 and Note 9 to the financial statements.

(iii) Contract assets arising from construction engineering contracts

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.

The carrying amount of the Group's contract assets are disclosed in Note 12.

(iv) Impairment of investment in associates, joint venture and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates and joint venture of the Group and Company and subsidiaries of the Company.

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments 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.

The carrying amounts of the Group's and Company's investment in associates and joint venture and the Company's investment in subsidiaries are disclosed in Notes 15 and 16, respectively.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(v) Valuation of investment properties

Investment properties are stated at fair value based on independent professional external appraisers. In determining the fair value, the appraisers have used valuation techniques which involve certain estimates and significant unobservable inputs which are disclosed in Note 19. The key assumptions used to determine the fair value include market-corroborated capitalisation yield, discount rate and comparable prices.

The appraisers have considered valuation techniques (including income capitalisation method, discounted cash flow method and direct comparison method) in arriving at the open market value as at the end of the reporting period. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. Income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows.

In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The carrying amounts of investment properties at the end of the reporting period are disclosed in Note 19.

(vi) 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.

The carrying amount of the Group's and the Company's lease liabilities and ROU assets are disclosed in Note 26 and Note 42, respectively. If the incremental borrowing rate had been 50 basis point higher/lower with all other variables held constant, the Group's and the Company's ROU assets and lease liabilities would have been approximately lower/higher by $339,000 (2020 - $354,000) and $339,000 (2020 - $340,000), respectively.

(vii) Estimation of provisions made on various claims

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

The carrying amount and details of the Group's and the Company's various provisions are disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	30 September 2021 $'000	31 May 2020 Re-presented $'000	**30 September 2021 $'000**	31 May 2020 $'000
Financial assets				
Amortised cost	**29,385**	88,750	**14,543**	26,625
Financial assets at fair value through profit or loss	**–**	82	**–**	82
Financial assets at fair value through other comprehensive income	**400**	–	**–**	–
Financial liabilities				
Amortised cost	**230,571**	283,185	**76,673**	79,825
Financial guarantee liabilities	**–**	75	**75,868**	75

Financial assets at amortised cost consist of cash and bank balances, 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 bank loans and overdrafts, trade payables excluding GST payables, other payables, lease liabilities, long-term borrowings, long-term deposit and financial guarantee liabilities.

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

There are no financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements at 30 September 2021 and 31 May 2020.

(c) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, cash flow interest rate risk and fair value risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Foreign exchange risk management

The Group transacts business in various foreign currencies including Thai Baht and United States Dollar, and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
Group				
Thai Baht	**366**	816	**–**	6
United States Dollar	**–**	–	**2**	331
Company				
United States Dollar	**–**	–	**2**	9,320

The Group has a number of investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. The Group did not designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where they gave rise to an impact on the Group's profit or loss.

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, loss for the period/year will (increase)/decrease by:

	Thai Baht impact		United States Dollar impact	
	FP 2021 $'000	2020 $'000	**FP 2021 $'000**	2020 $'000
Profit or loss	**37**	81	**–**	(33)

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, the effect on profit or loss will be vice-versa.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Interest rate risk management

The Group has exposure to interest rate risk through the impact of floating interest rate on cash and bank balances and borrowings. The Group obtained financing through bank loans and overdrafts, finance leases and long-term borrowings. Details of the Group's interest rate exposure is disclosed in the respective notes to the financial statements.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the FP 2021 would increase/decrease by $207,000 (2020 - $382,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's loss for the FP 2021 would increase/decrease by $64,000 (2020 - $70,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 September 2021, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed below. The related loss allowance is disclosed in the respective notes to the financial statements.

In order to minimise credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Credit risk management (cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Credit risk management (cont'd)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
30 September 2021						
Trade receivables	8	**(i)**	**Lifetime ECL (simplified approach)**	**21,741**	**(7,275)**	**14,466**
Other receivables	9	**Performing**	**12-month ECL**	**2,723**	**–**	**2,723**
Other receivables	9	**In default**	**Lifetime ECL**	**109**	**(109)**	**–**
Contract assets	12	**(i)**	**Lifetime ECL (simplified approach)**	**19,558**	**–**	**19,558**
31 May 2020						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	30,136	(192)	29,944
Other receivables	9	Performing	12-month ECL	4,361	–	4,361
Other receivables	9	In default	Lifetime ECL	1,233	(1,233)	–
Contract assets	12	(i)	Lifetime ECL (simplified approach)	147,201	(957)	146,244
Company						
30 September 2021						
Other receivables	9	**Performing**	**12-month ECL**	**50,456**	**(36,149)**	**14,307**
31 May 2020						
Trade receivables	8	Performing	Lifetime ECL (simplified approach)	3,613	–	3,613
Other receivables	9	Performing	12-month ECL	43,338	(29,369)	13,969

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Further details on the loss allowance for these assets are disclosed in respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Credit risk management (cont'd)

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above and investments in these instruments, where the counterparties have minimum BBB- credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The review of customer credit limit is conducted annually.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and contract assets. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset as shown on the statement of financial position.

In addition, the Group and the Company are exposed to credit risk in relation to financial guarantees given to banks and third parties. The Group's and the Company's maximum exposure in this respect is the maximum amount the Group and the Company could have to pay if the guarantee is called on.

The maximum amount that the Group and the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee are $NIL and $127,828,000 (2020 - $4,989,000 and $156,523,000), respectively. Based on the expectations at the end of the reporting period, the Group and the Company consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffered credit losses.

Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS
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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
30 September 2021						
Non-interest bearing	**–**	**164,873**	**41**	**–**	**–**	**164,914**
Lease liabilities (fixed rate)	**4.90**	**1,883**	**6,990**	**6,001**	**(2,640)**	**12,234**
Variable interest rate instruments	**3.17**	**31,942**	**4,283**	**10,103**	**(5,015)**	**41,313**
Fixed interest rate instruments	**3.14**	**12,554**	**–**	**–**	**(444)**	**12,110**
Total		**211,252**	**11,314**	**16,104**	**(8,099)**	**230,571**
31 May 2020 (Re-presented)						
Non-interest bearing	–	171,674	40	306	–	172,020
Lease liabilities (fixed rate)	3.19	3,947	14,009	25,573	(9,424)	34,105
Variable interest rate instruments	3.49	62,780	12,270	8,004	(6,119)	76,935
Fixed interest rate instruments	3.25	129	–	–	(4)	125
Financial guarantee liabilities	–	4,989	–	–	(4,914)	75
Total		243,519	26,319	33,883	(20,461)	283,260

NOTES TO THE FINANCIAL STATEMENTS
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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Company						
30 September 2021						
Non-interest bearing	**–**	**63,876**	**–**	**–**	**–**	**63,876**
Variable interest rate instruments	**2.50**	**13,163**	**–**	**–**	**(366)**	**12,797**
Financial guarantee liabilities	**–**	**127,828**	**–**	**–**	**(51,960)**	**75,868**
Total		**204,867**	**–**	**–**	**(52,326)**	**152,541**
31 May 2020						
Lease liabilities (fixed rate)	2.52	190	760	2,032	(545)	2,437
Non-interest bearing	–	63,168	–	306	–	63,474
Variable interest rate instruments	2.52	2,983	6,239	8,004	(3,312)	13,914
Financial guarantee liabilities	–	156,523	–	–	(156,448)	75
Total		222,864	6,999	10,342	(160,305)	79,900

The earliest period that the guarantee could be called is within 1 year (2020 - 1 year) from the end of the reporting period. The Group and the Company consider that it is more likely than not that no amount will be payable under the arrangement, unless stated otherwise in other notes.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
30 September 2021						
Non-interest bearing	**–**	**25,620**	**640**	**–**	**–**	**26,260**
Fixed interest rate instruments	**0.41**	**3,534**	**–**	**–**	**(9)**	**3,525**
		29,154	**640**	**–**	**(9)**	**29,785**
31 May 2020 (Re-presented)						
Non-interest bearing	–	84,885	535	–	–	85,420
Fixed interest rate instruments	1.05	3,419	–	–	(7)	3,412
		88,304	535	–	(7)	88,832
Company						
30 September 2021						
Non-interest bearing	**–**	**14,543**	**–**	**–**	**–**	**14,543**
31 May 2020						
Non-interest bearing	–	20,344	–	–	–	20,344
Fixed interest rate instruments	4.00	6,363	–	–	–	6,363
		26,707	–	–	–	26,707

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of the other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings and lease liabilities as disclosed in respective notes to the financial statements and equity attributable to owners of the Company, comprising of share capital, reserves and accumulated losses. The Group is required to maintain the required gearing in order to comply with covenants in loan agreements with banks and financial institutions.

Management also ensures that the Group maintains certain security ratios of outstanding term loans over the value of the properties in order to comply with the loan covenants imposed by banks and financial institutions.

The Group monitors capital using debt ratio as follows:

Group	**30 September 2021 $'000**	31 May 2020 Re-presented $'000
Total debts	**65,812**	111,165
Total assets	**111,671**	308,157
Total equity	**(181,277)**	18,649
Debt-to-total assets ratio (times)	**0.59**	0.36
Debt-to-total equity ratio (times)	**NM***	5.96

* Not meaningful

As at 30 September 2021, the Group's net equity is a deficit of S$181,277,000. The management reviewed the Group's overall strategy with regards to capital management and appointed RSM as financial consultant to 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 during the financial period. The Company also announced that it intends to propose a scheme of arrangement with its creditors. Please refer to Note 1(c) of financial statements for proposed restructuring exercise.

See Note 27 for bank covenants.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than disclosed elsewhere in these financial statements, significant related party transactions from continuing operations are as follows:

Group	**FP 2021**	2020
	$'000	$'000
(a) Associates and joint venture		
Interest income	**–**	36
Financial guarantee income	**75**	186
Management fee income	**–**	248
Consultancy and service income	**–**	81
(b) Company in which a director has significant financial interest		
Rental expenses	**28**	67

(c) Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	FP 2021	2020
	$'000	$'000
Continuing operations		
Short-term benefits	**2,886**	3,845
Post-employment benefits	**130**	153
	3,016	3,998
Comprise amounts paid to:		
Directors of the Company	**1,158**	895
Directors of subsidiaries	**1,298**	1,489
Other key management personnel	**560**	1,614
	3,016	3,998

The remuneration of directors and other members of key management are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

(d) Guarantees given to associates

No guarantees have been given except that the financial guarantee liabilities (Note 28) pertaining to the effects of fair value of corporate guarantee on initial recognition provided by the Group on behalf of associates to obtain banking facilities.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

5 RELATED PARTY TRANSACTIONS (CONT'D)

(e) Professional fees paid to an independent non-executive director

An independent non-executive director of the Company is a partner of a firm which provided professional services amounting to $NIL (2020 - $1,690).

The independent non-executive director had resigned on 27 August 2019.

(f) Professional fees paid to an independent non-executive director of a subsidiary

An independent non-executive director of a subsidiary is a partner of a firm which provided professional services amounting to $NIL (2020 - $23,650).

6 CASH AND BANK BALANCES

	Group		Company	
	30 September 2021	31 May 2020 Re-presented	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
Cash at banks	**7,719**	42,220	**236**	496
Cash on hand	**37**	44	**–**	1
Cash held in escrow	**–**	8,500	**–**	8,500
	7,756	50,764	**236**	8,997
Less:				
Bank overdrafts (Note 21)	**(703)**	(194)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**7,053**	50,570	**236**	8,997

7 FIXED DEPOSITS

Group	**30 September 2021**	31 May 2020
	$'000	$'000
Fixed deposits	**4,440**	3,615
Less:		
Amounts receivable within 12 months (shown under current assets)	**(4,440)**	(3,615)
Amounts receivable after 12 months	**–**	–

The fixed deposits of $4,440,000 (2020 - $3,615,000) were pledged as security for certain bank facilities and bear average effective interest rate of 0.25% (2020 - 0.75%) per annum and for a tenure of approximately 365 days (2020 - 366 days).

NOTES TO THE FINANCIAL STATEMENTS
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8 TRADE RECEIVABLES

	Group		Company	
	30 September 2021	31 May 2020 Re-presented	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
Contract trade receivables	**13,500**	24,492	**–**	3,613
Third parties	**8,241**	5,644	**–**	–
GST receivable	**969**	66	**–**	46
	22,710	30,202	**–**	3,659
Less: Allowance for impairment				
- At beginning of year	**(192)**	(268)	**–**	–
- Allowance for the year (Note 40)	**(7,084)**	(53)	**–**	–
- Foreign currency exchange adjustment	**1**	8	**–**	–
- Written off	**–**	121	**–**	–
- At end of year	**(7,275)**	(192)	**–**	–
Trade receivables - net	**15,435**	30,010	**–**	3,659

The credit period granted to customers is generally 14 to 45 days (2020 - 14 to 45 days). No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

In determining the recoverability of a trade receivable, the Group and Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The Group has ten (2020 - ten) customers making up $7,673,000 (2020 - $13,984,000) which accounted for 49.7% (2020 - 46.6%) of the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
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9 OTHER RECEIVABLES

	Group		Company	
	30 September 2021	31 May 2020 Re-presented	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
Associate (a)	**–**	12	**–**	12
Subsidiaries (b)	**–**	–	**47,807**	40,649
Interest receivable	**–**	30	**2,581**	2,518
Deferred commission expenses (c)	**35**	418	**–**	418
Lease receivables (d)	**177**	190	**–**	–
Prepayments	**669**	1,095	**33**	31
Deposits (e)	**2,091**	3,311	**63**	159
Advances to directors of subsidiaries (f)	**206**	388	**–**	–
Accrued rental income	**71**	522	**–**	524
Grant receivable	**107**	–	**–**	–
Outside parties (g)	**358**	1,663	**5**	–
	3,714	7,629	**50,489**	44,311
Less: Allowance for impairment				
- At beginning of period/year	**(1,233)**	(4,772)	**(29,369)**	(18,675)
- Effects on disposal of TEE Land	**–**	3,735	**–**	–
- Foreign currency exchange adjustment	**–**	(27)	**–**	–
- Allowance for the period/year (Note 40)	**–**	(169)	**(8,942)**	(10,694)
- Amount utilised	**1,073**	–	**2,134**	–
- Written back (Note 40)	**51**	–	**28**	–
- At end of period/year	**(109)**	(1,233)	**(36,149)**	(29,369)
Other receivables – net	**3,605**	6,396	**14,340**	14,942
Amounts receivable within 12 months (shown under current assets)	**(3,365)**	(5,084)	**(14,340)**	(14,165)
Amounts receivable after 12 months	**240**	1,312	**–**	777

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

(a) Amount due from an associate as at prior year end was written off during the financial period.

(b) Amounts of $41,856,000 (2020 - $34,286,000) are interest-free whilst amount of $5,951,000 (2020 - $6,363,000) bore interest at 4% (2020 – 4%) till 19 December 2020. Pursuant to a supplemental letter to loan agreement dated 7 December 2020, the interest-bearing loan which is denominated in United States Dollars is converted to an interest-free loan denominated in Singapore dollars with effect from 20 December 2020.

Amounts due from subsidiaries are unsecured and repayable on demand. Allowance has been made for estimated irrecoverable amounts by the Company of $36,149,000 (2020 - $29,357,000).

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

9 OTHER RECEIVABLES (CONT'D)

(c) Deferred commission expenses are recognised in profit or loss as and when revenue is recognised.

(d) This relates to a finance leasing arrangement in respect of a subsidiary's electric power generation system. The term of the finance lease entered into with third party is 20 years with an option granted to the lessee to purchase the asset at end of lease period at a nominal amount.

(e) Included in deposits of the Group are amount of $1,160,000 (2020 - $2,199,000) being security deposits placed for on-going business projects.

Included in deposits of the Company is rental deposit of $31,000 (2020 - $NIL) paid to a subsidiary.

(f) Advances to directors of subsidiaries are provided under an approved employees loan scheme and are unsecured, interest-free and repayable by monthly instalment over a period of 3 years to 5 years.

(g) The amount due from outside parties relating to disposal of property, plant and equipment in prior year was written off during the year. An allowance has been made for estimated irrecoverable amounts by the Group of $NIL (2020 - $988,000).

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group and Company	**30 September 2021 $'000**	31 May 2020 $'000
Listed equity securities, at fair value	**–**	82

The balance represented investment in a listed equity security in Singapore and was measured at fair value by reference to quoted prices as at prior year end. The investment was disposed of during the financial period.

The fair value measurement of the listed equity securities was classified within Level 1 of the fair value hierarchy. Changes in the fair value of financial asset at fair value through profit or loss, amounting to $82,000 in prior year was included in profit or loss as part of "other operating expenses".

11 INVENTORIES

Group	**30 September 2021 $'000**	31 May 2020 $'000
At cost:		
Consumables	**87**	77

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

12 CONTRACT ASSETS

Group	**30 September 2021 $'000**	31 May 2020 $'000
Accrued revenue	**299**	304
Amounts related to construction engineering contracts	**19,259**	146,897
	19,558	147,201
Less: Allowance for impairment		
- At beginning of year	**(957)**	(86)
- Allowance for the year (Note 40)	**–**	(957)
- Allowance written off	**957**	86
- At end of year	**–**	(957)
Contract assets - net	**19,558**	146,244

Contract assets relating to accrued revenue are amounts for which the Group has performed work as at end of reporting period, but have not billed the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract assets relating to construction engineering contracts are balances due from customers under contract income that arise when the Group becomes entitled to invoice customers in line with achieving a series of performance–related milestones. The Group would recognise a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry.

None of the contract assets at the end of the reporting period is past due.

The decrease in contract assets is mainly due to slowdown of construction activities, termination and novation of projects in view of the proposed restructuring exercise. The Group has written off contract assets of $55,751,000 (2020 - $NIL) during the financial period (Note 40).

NOTES TO THE FINANCIAL STATEMENTS
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13(i) NON-CURRENT ASSETS HELD FOR SALE

Group and Company	30 September 2021 $'000	31 May 2020 $'000
Reclassified from investment properties (Note 19)		
- properties on leasehold land	**18,000**	–
- ROU asset classified as investment properties	**2,205**	–
	20,205	–

On 8 March 2021, the Company entered into a Memorandum of Understanding with a third party (the "Purchaser") to formalise an exclusive negotiation period of 6 months by which both parties shall negotiate and finalise the necessary definitive agreements to effect and undertake a sale and purchase of the investment properties located at 33 Changi North Crescent, Singapore (the "33CNC Property").

Nevertheless, on 26 November 2021, the Court granted leave to the bank to take all the necessary steps to enforce its security over the 33CNC Property, notwithstanding the moratorium granted in relation to the Company as disclosed in Note 1(c) to the financial statements.

The 33CNC Property is classified as "Non-current Assets held for sale" and the related lease liabilities of the ROU asset are classified as "Liabilities associated with non-current assets held for sale" [Note 13(ii)] and presented separately in the consolidated statement of financial position as management has assessed that the sale is highly probable.

13(ii) LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE

Group and Company	30 September 2021 $'000	31 May 2020 $'000
Reclassified from lease liabilities (Note 26)	**2,265**	–
Reclassified from long term deposit (Note 29)	**307**	–
	2,572	–

14 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

Group	30 September 2021 $'000	31 May 2020 $'000
Unquoted equity investment	**400**	–

Financial asset at FVTOCI comprises the 5% equity interest in Global Environmental Technology Company Limited ("GETCO"), previously an associate (Note 15).

The Group has designated this unquoted equity investment at FVTOCI as the Group intends to hold it for long term appreciation.

The unquoted equity investment is pledged for a loan from third party amounting to $366,000 (2020 - $NIL) (Note 23).

The fair value of unquoted equity instrument was derived using asset-based business valuation method which use level 3 inputs.

NOTES TO THE FINANCIAL STATEMENTS
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15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
Associates				
Unquoted equity shares, at cost	**4,332**	11,280	**–**	300
Deemed cost of investment	**–**	4,793	**–**	–
Share of post-acquisition reserves, net of dividend received	**669**	2,543	**–**	–
Effects on disposal of TEE Land (Note 45)	**–**	(8,725)	**–**	–
	5,001	9,891	**–**	300
Less: Impairment:				
- At beginning of period/year	**(245)**	(4,091)	**(300)**	(300)
- Currency alignment	**–**	(25)	**–**	–
- Written off	**245**	–	**300**	–
- Effects on disposal of TEE Land (Note 45)	**–**	3,871	**–**	–
- At end of period/year	**–**	(245)	**–**	(300)
Associates – Net	**5,001**	9,646	**–**	–
Joint venture				
Unquoted equity shares, at cost	**–**	9	**–**	–
Share of post-acquisition reserves, net of dividend received	**–**	121	**–**	–
Total	**–**	130	**–**	–

Deemed cost of investment pertained to TEE Land's associates which were disposed of in prior year.

Group

On 5 February 2021, TEE Water Pte. Ltd., a wholly-owned subsidiary of the Company disposed of its 44% equity interest in an associate, Global Environmental Technology Company Limited ("GETCO") to the majority shareholder of GETCO, for a consideration of THB79,925,120 (S$3,520,000 equivalent). A loss on disposal of $1,324,000 (Note 36) has been included in other operating expenses.

Pursuant to the above disposal, the Group's shareholding in GETCO is reduced from 49% to 5% and GETCO ceased to be an associate of the Group. Management has designated the 5% residual holdings in GETCO as investment at fair value through other comprehensive income, which is an irrevocable option (Note 14).

Company

The Company's associate, CMTE Technology Sdn Bhd, was struck off during the financial period.

NOTES TO THE FINANCIAL STATEMENTS
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15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONT'D)

Details of the Group's significant associates and joint venture are as follows:

Name of associate/joint venture Place of incorporation and operation	Principal activity	Proportion of effective ownership interest and voting power held **30 September 2021** **%**	 31 May 2020 %
Associates			
PowerSource Philippines Distributed Power Holdings, Inc. ("PWS") Philippines[1]	Construction, operation and maintenance of power plants	**21.05**	21.05
Global Environmental Technology Co., Ltd. ("GETCO") Thailand [2]	Wastewater treatment	**–***	49.00
Joint venture			
TEE-HC Engineering Company Limited Macao [3]	Provision of mechanical and electrical engineering	**–#**	55.00

* 45% effective ownership was disposed of on 5 February 2021. Remaining 5% equity interest is designated as FVTOCI.

\# Struck off during the financial period.

(1) Audited by another firm of auditors, KPMG, Philippines for equity accounting purposes for Group consolidation.

(2) Audited by another firm of auditors, Ernst & Young Office Limited, Thailand for equity accounting purposes for Group consolidation.

(3) Audited by another firm of auditors, KPMG, Macao for equity accounting purposes for Group consolidation.

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15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONT'D)

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's associates, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

Summarised financial information in respect of the Group's associates and joint venture is set out below:

Group	**30 September 2021 $'000**	31 May 2020 $'000
Total assets	**84,486**	220,080
Total liabilities	**(59,455)**	(173,951)
Net assets	**25,031**	46,129
Group's share of associates' and joint venture's net assets	**5,001**	9,776
	FP2021 $'000	2020 $'000
Revenue	**20,940**	26,143
Profit/(loss) for the period/year	**3,456**	(1,211)
Group's share of associates' and joint venture's results for the period/year		
- continuing operations (Note 38)	**949**	750
- discontinued operations (Note 39)	**–**	(606)
	949	144

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15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONT'D)

The summarised financial information below represents amounts shown in the associates' and joint venture's financial statements prepared in accordance with SFRS(I) and includes adjustments by the Group to align with the Group's accounting policy for equity accounting purposes. Summarised and reconciliation of the financial information in respect of each of the Group's material associates and joint venture is set out below.

Summarised statement of financial position

	Associates			Joint Venture	
30 September 2021	**PWS** **$'000**	**GETCO** **$'000**	**Individually immaterial associates** **$'000**	**TEE-HC Engineering** **$'000**	**Total** **$'000**
Proportion of the Group's ownership interest	21.05%	–	–	–	
Current assets	17,884	–	–	–	17,884
Non-current assets	66,602	–	–	–	66,602
Current liabilities	(8,234)	–	–	–	(8,234)
Non-current liabilities	(51,221)	–	–	–	(51,221)
Net assets	25,031	–	–	–	25,031
Attributable to NCI	(1,273)				(1,273)
Attributable to investee's shareholders	23,758	–	–	–	23,758
Group's share of net assets	5,001	–	–	–	5,001
Carrying amount of the Group's interest in associate and joint venture	5,001	–	–	–	5,001

Summarised statement of profit or loss and comprehensive income

	Associates			Joint Venture	
FP 2021	**PWS** **$'000**	**GETCO** **$'000**	**Individually immaterial associates** **$'000**	**TEE-HC Engineering** **$'000**	**Total** **$'000**
Revenue	14,008	6,932	–	–	20,940
Profit for the period	2,816	634	–	6	3,456
Dividends received from associates and joint venture during the period	–	–	–	–	–

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONT'D)

Summarised statement of financial position

	Associates										Joint Venture	
31 May 2020	Unique Development Pte. Ltd. *	Unique Realty Pte. Ltd. *	Residenza Pte. Ltd. *	Unique Consortium Pte. Ltd. *	Development 26 Pte. Ltd. *	Unique Commercial Pte. Ltd. *	Wealth Development Pte. Ltd. *	PWS	GETCO	Individually immaterial associates	TEE-HC Engineering	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Proportion of the Group's ownership interest	12.66%	12.66%	20.02%	12.66%	28.48%	22.15%	18.98%	21.05%	49.00%	22.15% to 50.00%	55.00%	
Current assets	2,373	2,342	1,997	23,003	425	50,352	30,065	17,603	5,056	4,446	241	137,903
Non-current assets	943	–	–	701	–	151	–	59,893	7,913	12,576	–	82,177
Current liabilities	(699)	(35)	(841)	(4,287)	(101)	(17,254)	(9,358)	(8,850)	(1,932)	(849)	(6)	(44,212)
Non-current liabilities	–	(97)	–	(17,143)	(420)	(37,227)	(22,000)	(46,047)	(1,007)	(5,798)	–	(129,739)
Net assets	2,617	2,210	1,156	2,274	(96)	(3,978)	(1,293)	22,599	10,030	10,375	235	46,129
Group's share of net assets	523	442	370	455	–	(446)	(388)	4,757	4,914	3,196	130	13,953
Deemed cost of investment	1,054	610	201	706	300	446	464	–	–	1,012	–	4,793
Impairment loss	(1,054)	(610)	(201)	(695)	(300)	–	–	–	–	(1,231)	–	(4,091)
Currency alignment	–	–	–	–	–	–	–	–	–	(25)	–	(25)
Effects on disposal of TEE Land (Note 45)	(523)	(442)	(370)	(466)	–	–	(76)	–	–	(2,977)	–	(4,854)
Carrying amount of the Group's interest in associate and joint venture	–	–	–	–	–	–	–	4,757	4,914	(25)	130	9,776

* These are associates of TEE Land Limited which were disposed of in prior year.

15 INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONT'D)

Summarised statement of profit or loss and comprehensive income

	Associates										Joint Venture	
2020	**Unique Development Pte. Ltd. ***	**Unique Realty Pte. Ltd. ***	**Residenza Pte. Ltd. ***	**Unique Consortium Pte. Ltd. ***	**Development 26 Pte. Ltd. ***	**Unique Commercial Pte. Ltd. ***	**Wealth Development Pte. Ltd. ***	**PWS**	**GETCO**	**Individually immaterial associates**	**TEE-HC Engineering**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	–	–	–	–	3,259	–	(76)	15,445	7,515	–	–	26,143
(Loss)/Profit for the year	(714)	246	(143)	(771)	157	(1,667)	(400)	2,372	551	(835)	(7)	(1,211)
Dividends received from associates and joint venture during the year	–	–	–	–	–	–	–	–	–	–	–	–

* These are associates of TEE Land Limited which were disposed of in prior year.

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16 INVESTMENT IN SUBSIDIARIES

Company	30 September 2021 $'000	31 May 2020 $'000
Unquoted equity shares, at cost	**49,108**	49,713
Allowance for impairment loss		
At beginning of period/year	**(5,787)**	(5,787)
Allowance for the period/year	**(33,266)**	–
Allowance utilised	**1,400**	–
At end of period/year	**(37,653)**	(5,787)
Net	**11,455**	43,926

The Company assesses the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised an impairment loss of $33,266,000 (2020 - $Nil) which was to write down the carrying values of certain subsidiaries to their recoverable amounts as these investments are no longer represented by net assets of the investees. The recoverable amounts of these investments had been determined based on respective subsidiaries' revalued net assets as at end of reporting period which is classified under level 3 of the fair value hierarchy.

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 2021 %	Proportion of ownership interest and voting power held: 31 May 2020 %
Trans Equatorial Engineering Pte. Ltd. Singapore	Provision of mechanical and electrical engineering services	**100.00**	100.00
PBT Engineering Pte. Ltd. Singapore [1]	Provision of addition, alteration and upgrading of existing buildings, mechanical and electrical engineering services	**100.00**	100.00
TEE Industrial Pte. Ltd. Singapore [2]	Operating an Industrial building for rental	**100.00**	–
TEE E&C (Malaysia) Sdn. Bhd. Malaysia [3]	Provision of mechanical and electrical engineering services	**100.00**	100.00
Oscar Estate Management Co., Ltd [4] Thailand	Residential real estate management	**73.99**	73.99
G3 Environmental Private Limited Singapore [1]	Commercial and industrial real estate management	**50.10**	50.10

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16 INVESTMENT IN SUBSIDIARIES (CONT'D)

(1) Audited by Foo Kon Tan LLP

(2) Audited by another firm of auditors, Baker Tilly TFW LLP, Singapore

(3) Audited by another firm of auditors, HLB Ler Lum Chew PLT

(4) Audited by another firm of auditors, Expert Audit Office Limited.

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's subsidiaries, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

Information about the composition of wholly-owned and non-wholly-owned subsidiaries of the Group is as follows:

Principal activity	**Place of incorporation and operation**	**Number of wholly-owned subsidiaries**		**Number of non wholly-owned subsidiaries**	
		30 September 2021	31 May 2020	**30 September 2021**	31 May 2020
Mechanical and electrical engineering services, and asset enhancement initiatives	Singapore, Malaysia, Brunei	**6**	12	**–**	–
Infrastructure and wastewater treatment	Singapore, Thailand, Philippines	**5**	5	**8**	8

16 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of non wholly-owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiary	Place of incorporation and operation	Effective equity interest and voting power held by non-controlling interest		Total comprehensive income/(loss) allocated to non-controlling interest		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		30 September 2021	31 May 2020	**FP 2021**	2020	**FP 2021**	2020	**30 September 2021**	31 May 2020
		%	%	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
TEE Land Limited and its subsidiaries	Singapore	**–**	–*	**–**	(3,952)	**–**	(3,504)	**–**	–
G3 Environmental Private Limited and its subsidiaries	Singapore	**49.90**	49.90	**1,670**	(1,635)	**1,670**	(1,635)	**(781)**	(2,451)
Individually immaterial subsidiaries with non-controlling interest				**330**	118	**307**	128	**(737)**	(1,067)
				2,000	(5,469)	**1,977**	(5,011)	**(1,518)**	(3,518)

* Disposed in 2020. Information about the Group's disposal of TEE Land is disclosed in Note 45.

NOTES TO THE FINANCIAL STATEMENTS
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16 INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information of G3 Environmental Private Limited and its subsidiaries on a 100% basis is set out below:

Group	**30 September 2021 $'000**	31 May 2020 $'000
Current assets	**15,430**	10,492
Non-current assets	**3,952**	7,976
Current liabilities	**20,386**	21,547
Non-current liabilities	**562**	1,832
Equity attributable to owners of the company	**(1,566)**	(4,911)

Group	**FP 2021 $'000**	2020 $'000
Revenue and other income for the period/year	**42,166**	32,590
Expenses	**(38,820)**	(35,665)
Profit/(loss) for the period/year	**3,346**	(3,075)
Net cash from operating activities	**5,353**	7,474
Net cash from investing activities	**160**	161
Net cash used in financing activities	**(2,718)**	(4,956)
Net cash inflow	**2,795**	2,679

17 INTANGIBLE ASSET

Group	**30 September 2021 $'000**	31 May 2020 $'000
Customer contracts		
Cost:		
At the beginning and end of the period/year	**2,233**	2,233
Accumulated amortisation:		
At the beginning of the year	**(1,923)**	(1,179)
Amortisation for the year (Note 36)	**(310)**	(744)
At the end of the period/year	**(2,233)**	(1,923)
Carrying amount	**–**	310

The intangible asset above has a finite useful life, over which the asset is amortised, which is 3 years.

The amortisation expense has been included in the line item "other operating expenses" in profit or loss.

18 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land $'000	Buildings on freehold land $'000	Leasehold land and building Re-presented $'000	Leasehold improvements $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total Re-presented $'000
Cost:											
At 1 June 2019	4,277	33,824	40,663	274	3,261	2,036	1,741	6,831	5,279	9,772	107,958
Foreign currency exchange adjustment	(177)	(1,397)	–	5	–	2	19	5	4	(335)	(1,874)
Additions	–	–	782	–	–	154	4	45	292	61	1,338
Additions - ROU	–	–	–	–	951	–	–	81	–	–	1,032
Disposals	–	–	–	–	–	–	–	(715)	(481)	(7)	(1,203)
Write-offs	–	–	–	–	–	(415)	(103)	(118)	(525)	(84)	(1,245)
Reclassification	–	–	–	–	–	–	–	(371)	371	–	–
Reclassification to other receivable	–	–	–	–	–	–	–	–	–	(203)	(203)
Effects on disposal of TEE Land (Note 45)	(4,100)	(32,427)	(22,361)	(40)	(2,049)	(120)	(1,147)	(111)	(22)	(8,269)	(70,646)
At 31 May 2020	–	–	19,084	239	2,163	1,657	514	5,647	4,918	935	35,157
Foreign currency exchange adjustment	**–**	**–**	**–**	**(23)**	**(4)**	**(8)**	**(12)**	**(17)**	**(5)**	**(11)**	**(80)**
Additions	**–**	**–**	**–**	**1**	**–**	**107**	**4**	**74**	**142**	**71**	**399**
Additions - ROU	**–**	**–**	**–**	**–**	**589**	**–**	**–**	**15**	**–**	**160**	**764**
Acquisition of subsidiary (Note 44)	**–**	**–**	**23,385**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23,385**
Disposals	**–**	**–**	**–**	**–**	**–**	**(14)**	**–**	**(911)**	**(1,483)**	**(11)**	**(2,419)**
Write-offs	**–**	**–**	**(18,934)**	**–**	**(1,573)**	**(104)**	**(382)**	**(97)**	**(223)**	**(116)**	**(21,429)**
Reclassification	**–**	**–**	**–**	**–**	**–**	**56**	**51**	**–**	**18**	**(125)**	**–**
Disposal of subsidiary	**–**	**–**	**–**	**–**	**–**	**(45)**	**(14)**	**–**	**–**	**(4)**	**(63)**
At 30 September 2021	**–**	**–**	**23,535**	**217**	**1,175**	**1,649**	**161**	**4,711**	**3,367**	**899**	**35,714**

18 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land $'000	Buildings on freehold land $'000	Leasehold land and building Re-presented $'000	Leasehold improvements $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total Re-presented $'000
Accumulated depreciation and impairment:											
At 1 June 2019	–	3,253	2,608	274	–	1,555	1,526	1,626	632	3,643	15,117
Foreign currency exchange adjustment	–	(152)	–	5	2	2	18	5	4	(125)	(241)
Depreciation	–	645	453	3	–	228	137	891	540	675	3,572
Depreciation - ROU	–	–	1,088	–	999	–	–	212	161	42	2,502
Disposals	–	–	–	–	–	–	–	(484)	(270)	(1)	(755)
Write-offs	–	–	–	–	–	(381)	(26)	(116)	(414)	(73)	(1,010)
Reclassification	–	–	–	(29)	–	33	–	(95)	91	–	–
Reclassification to other receivable	–	–	–	–	–	–	–	–	–	(3)	(3)
Impairment (Note 40)	–	–	896	–	–	95	14	–	1,423	56	2,484
Effects on disposal of TEE Land (Note 45)	–	(3,746)	(2,998)	(14)	–	(112)	(1,279)	(105)	(17)	(3,577)	(11,848)
At 31 May 2020	–	–	2,047	239	1,001	1,420	390	1,934	2,150	637	9,818
Foreign currency exchange adjustment	**–**	**–**	**–**	**(24)**	**(3)**	**(8)**	**(10)**	**(19)**	**(4)**	**(11)**	**(79)**
Depreciation	**–**	**–**	**379**	**1**	**–**	**180**	**53**	**1,219**	**928**	**97**	**2,857**
Depreciation - ROU	**–**	**–**	**856**	**–**	**834**	**–**	**–**	**111**	**55**	**36**	**1,892**
Disposals	**–**	**–**	**–**	**–**	**–**	**(11)**	**–**	**(820)**	**(1,270)**	**(10)**	**(2,111)**
Write-offs	**–**	**–**	**(2,810)**	**–**	**(1,268)**	**(102)**	**(339)**	**(79)**	**(142)**	**(71)**	**(4,811)**
Reclassification	**–**	**–**	**–**	**–**	**–**	**54**	**51**	**(2)**	**(83)**	**(20)**	**–**
Impairment (Note 40)	**–**	**–**	**1,748**	**–**	**–**	**–**	**–**	**–**	**734**	**–**	**2,482**
Disposal of subsidiary	**–**	**–**	**–**	**–**	**–**	**(44)**	**(14)**	**–**	**–**	**(4)**	**(62)**
At 30 September 2021	**–**	**–**	**2,220**	**216**	**564**	**1,489**	**131**	**2,344**	**2,368**	**654**	**9,986**
Carrying amount:											
At 30 September 2021	**–**	**–**	**21,315**	**1**	**611**	**160**	**30**	**2,367**	**999**	**245**	**25,728**
At 31 May 2020	–	–	17,037	–	1,162	237	124	3,713	2,768	298	25,339

Carrying amount of ROU assets classified within Property, plant and equipment as at 30 September 2021 amounted to $2,870,000 (2020 - $18,548,000) (Note 42).

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

18 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Right-of-use assets ("ROU") acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 42.

(b) Details of the Group's properties are as follow:

Address of properties	Tenure of properties	Term of lease	Remaining term of lease	Existing use
TEE Building[1] 25 Bukit Batok Street 22 Singapore 659591	Leasehold	From 1 May 1992 to 30 April 2052	30 years and 7 months	Industrial and office space for providing rental
4 plots of land[2] L8201407013, L8201407014, L8201702018 and L8201407012 Tuas South Street 11 &13, Singapore	Leasehold	–	–	Development of integrated hazardous waste management and treatment hub

[1] Disposed in 2020 and re-acquired during the year through the acquisition of TEE Industrial Pte. Ltd.

[2] The 4 plots of land were returned to JTC during the year.

(c) Depreciation expenses has been included in the line item "cost of sales" and "administrative expenses" in profit or loss.

(d) The Group's freehold land, buildings on freehold land, leasehold building and certain motor vehicles are pledged to bank to secure facilities granted to the Group (Note 27).

(e) The recoverable amount of the property, plant and equipment was based on fair value less cost to sell, which is a fair value hierarchy Level 3 measurement.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

18 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computers $'000	Renovation $'000	Office furniture and equipment $'000	Total $'000
Company				
Cost:				
At 1 June 2019	592	34	142	768
Additions	10	–	1	11
Write-offs	(26)	–	–	(26)
At 31 May 2020	576	34	143	753
Write-offs	(17)	(4)	(6)	(27)
At 30 September 2021	**559**	**30**	**137**	**726**
Accumulated depreciation:				
At 1 June 2019	560	4	111	675
Depreciation	32	3	28	63
Write-offs	(26)	–	–	(26)
At 31 May 2020	566	7	139	712
Depreciation	6	4	4	14
Write-offs	(16)	(4)	(6)	(26)
At 30 September 2021	**556**	**7**	**137**	**700**
Carrying amount:				
At 30 September 2021	**3**	**23**	**–**	**26**
At 31 May 2020	10	27	4	41

19 INVESTMENT PROPERTIES

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
At fair value:				
At beginning of the period/year	**34,926**	31,442	**23,909**	22,000
Effects on disposal of TEE Land (Note 45)	**–**	(9,318)	**–**	–
Adoption of *SFRS(I) 16*	**–**	2,562	**–**	2,562
Additions	**–**	11,552	**–**	–
Reclassified to non-current assets held for sale [Note 13(i)]	**(20,205)**	–	**(20,205)**	–
Changes in fair value included in profit or loss (Note 36)	**(4,332)**	(1,189)	**(3,704)**	(653)
Foreign currency exchange adjustments	**(993)**	(123)	**–**	–
At end of the period/year	**9,396**	34,926	**–**	23,909

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

19 INVESTMENT PROPERTIES (CONT'D)

As at 30 September 2021 and 31 May 2020, the Group's and Company's investment properties are stated at estimated fair value based on valuation carried out by independent professional appraisers, having an appropriate recognised professional qualification and recent experience in the location and category of the property being appraised.

The investment properties were pledged to a bank to secure long-term borrowings granted to the Group and the Company (Note 27).

The property rental income from the Group's and Company's investment properties, which are leased out under operating leases, amounted to $5,072,000 (2020 - $5,254,000) and $2,186,000 (2020 - $1,935,000), respectively. The direct operating expenses (including repairs and maintenance) arising from the Group and Company's rental-generating investment properties, amounted to $1,648,000 (2020 - $2,344,000) and $426,000 (2020 - $232,000) respectively.

In determining the market value of the investment properties, the appraisers have considered valuation techniques (including income capitalisation method, discounted cash flow method and direct comparison method) in arriving at the open market value as at the end of the reporting period. Income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 30 September 2021 and 31 May 2020, the fair value measurements of the Group's investment properties are classified within Level 3 of the fair value hierarchy.

The investment properties held by the Group are as follows:

Name of property	Location	Description	Tenure
33 Changi North Crescent[(1)]	Singapore	4-storey purpose-built factory building with ancillary offices	30 years from 2006
Lat Krabang Housing Phase 4 Part 1	Thailand	5-storey residential flats with 11 buildings for providing rental accommodation	9 years from 2020

(1) Reclassified to non-current assets held for sale (Note 13).

19 INVESTMENT PROPERTIES (CONT'D)

There were no transfers between different levels during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

	Fair value				**Range**	
Investment properties	**30 September 2021 $'000**	31 May 2020 $'000	**Valuation methodology**	**Significant unobservable inputs (Level 3)**	**30 September 2021**	31 May 2020
Singapore	**–**	23,909	Direct comparison method	Price per square meter of gross floor area[1]	**–**	$1,960 to $2,630
Thailand	**9,396**	11,017	Income capitalisation method	Occupancy turnover[1]	**85.0% to 90.0%**	79.0% to 83.0%
	9,396	34,926				

[1] Any significant isolated increase/(decrease) in these inputs would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS
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20 DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group, and movements thereon during the period:

Deferred tax assets

Group	Provisions/ Others $'000	Tax losses $'000	Total $'000
At 1 June 2019	183	3,814	3,997
(Charge)/Credit to profit or loss for the year (Note 38)	(45)	1,081	1,036
Effects on disposal of TEE Land (Note 45)	(31)	(4,395)	(4,426)
Foreign currency exchange adjustment	–	11	11
At 31 May 2020	107	511	618
Charge to profit or loss for the period (Note 38)	**(54)**	**(500)**	**(554)**
Foreign currency exchange adjustment	**(4)**	**–**	**(4)**
At 30 September 2021	**49**	**11**	**60**

Deferred tax liabilities

Group	Recognition of profits from properties under development $'000	Accelerated tax depreciation $'000	Total $'000
At 1 June 2019	414	361	775
Effects on disposal of TEE Land (Note 45)	(414)	(3)	(417)
Credit to profit or loss for the year (Note 38)	–	(180)	(180)
At 31 May 2020	–	178	178
Credit to profit or loss for the year (Note 38)	**–**	**(58)**	**(58)**
At 30 September 2021	**–**	**120**	**120**

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries which would be subject to withholding tax if transferred out of the country. The Group is in a position to control the timing of the transfer of these retained earnings and do not expect the retained earnings to be remitted such as to attract withholding tax in the foreseeable future. Temporary differences arising in connection with interests in associates is insignificant.

Deferred tax assets

Company	30 September 2021 $'000	31 May 2020 $'000
Balance at beginning of year	**–**	–
Credit to profit or loss for the period	**9**	–
Balance at end of period/year	**9**	–

Balance represents temporary difference on tax deduction relating to lease liabilities.

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21 BANK LOANS AND OVERDRAFTS

Group	30 September 2021 $'000	31 May 2020 $'000
Secured:		
- Bank loans	**4,500**	12,003
- Bills payable	**10,886**	42,672
	15,386	54,675
Unsecured:		
- Bills payable	**1,040**	2,627
- Bank overdrafts (Note 6)	**703**	194
	1,743	2,821
Total	**17,129**	57,496

The following outstanding balances are secured with the following:

Group	30 September 2021 $'000	31 May 2020 $'000
Secured with:		
Trade receivables	**15,386**	54,675

The outstanding balances are repayable within 12 months. The effective interest rate on the outstanding balances ranges from 1.91% to 5.25% (2020 - 2.02% to 3.98%) per annum.

See Note 27 for bank covenants.

22 TRADE PAYABLES

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	30 September 2021 $'000	31 May 2020 $'000
Contract trade payables	**86,726**	119,449	**–**	3,613
Retention payables	**43,670**	25,929	**–**	–
Third parties	**4,564**	1,015	**–**	–
GST payable	**1,382**	835	**59**	–
Accrual for back-charge from customer	**3,966**	–	**–**	–
Others	**897**	400	**–**	–
Total	**141,205**	147,628	**59**	3,613

The credit period granted by suppliers ranged from 30 to 90 days (2020 - 30 to 90 days). No interest is charged on the outstanding balance.

Retention payables are classified as current as they are expected to be settled within the Group's normal operating cycle.

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23 OTHER PAYABLES

	Group		Company	
	30 September 2021	31 May 2020 Re-presented	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
Amounts due to:				
- subsidiaries	**–**	–	**57,494**	55,215
- associates	**–**	31	**–**	–
- former immediate holding company of a subsidiary	**1,531**	–	**–**	–
Shareholder loans	**2,968**	–	**2,768**	–
Loan from non-controlling interest	**6,188**	8,184	**–**	–
Accrued expenses	**5,129**	6,779	**783**	760
Accrued interest expense	**579**	1,112	**11**	25
Rental and security deposits	**1,915**	2,559	**576**	576
Loans from third parties	**571**	–	**205**	–
Payable for acquisition of a subsidiary (Note 44)	**38**	–	**38**	–
Loan from former ultimate holding company of a subsidiary	**1,744**	–	**–**	–
Other payables	**6,279**	6,256	**1,694**	2,979
	26,942	24,921	**63,569**	59,555
Less:				
Amounts payable within 12 months (shown under current liabilities)	**(26,901)**	(24,881)	**(63,569)**	(59,555)
Amounts payable after 12 months	**41**	40	**–**	–

Unless otherwise stated, the amounts due to subsidiaries, associates, shareholder, non-controlling shareholders, former immediate holding company of a subsidiary and other loans are unsecured, interest-free and repayable on demand.

The loan from non-controlling interest of $6,188,000 (2020 - $8,184,000) is for working capital loans for respective subsidiaries and are unsecured, interest-free and repayable on demand.

Loan of $366,000 (2020 - $NIL) from a third party carries a fixed interest rate of 4.85% (2020 - NIL) per annum, is secured by unquoted equity investment at FVTOCI (Note 14) and repayable within twelve months.

Loan from former ultimate holding company of a subsidiary carries a fixed interest rate of 5% (2020 - NIL) per annum and repayable upon the withdrawal of fixed deposit placement matured within 12 months from reporting date.

The loan from former ultimate holding company of a subsidiary is secured by assignment of sales proceeds from the property of the subsidiary; investment property under the Company and certain shares of the subsidiaries under the Group.

The carrying amount of the loan from former ultimate holding company of a subsidiary determined from discounted cash flow analysis using the market lending rate that the director expect would be available to the Group at the end of the reporting period are reasonable approximation of fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period. The fair value measurement for disclosure purposes is categorised as Level 3 of the fair value hierarchy.

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24 CONTRACT LIABILITIES

Group	30 September 2021 $'000	31 May 2020 $'000
Advance receipts from customers	**1,102**	661

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer makes advance payments prior to delivery of goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer. The increase of advance receipts from customers was principally driven by advance payment received from a customer for the proposed fitting-out works for a project amounting to $480,000 (2020 - $Nil).

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in prior year.

25 PROVISIONS

Group	30 September 2021 $'000	31 May 2020 $'000
Provision for maintenance costs (i)	**778**	235
Provision for performance bonds (ii)	**23,242**	–
Provision for onerous contracts (iii)	**1,051**	–
Provision for liquidated damages (iv)	**24,393**	–
Provision for potential back charges from customers (v)	**4,422**	–
	53,886	235

(i) Provision for maintenance costs

	30 September 2021 $'000	31 May 2020 $'000
At beginning of the year	**235**	992
Charge to profit or loss for the period/year	**556**	462
Utilised	**(13)**	(1,219)
At end of the period/year	**778**	235

The provision for maintenance costs expense charged to profit or loss is included under cost of sales.

The provision for maintenance costs represents management's best estimate of the Group's liability for additional costs to be incurred for the completed projects within the warranty periods granted on such completed projects.

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25 PROVISIONS (CONT'D)

(ii) Provision for performance bonds

	30 September 2021 $'000	31 May 2020 $'000
At beginning of the year	**–**	–
Charge to profit or loss for the period/year	**23,242**	–
At end of period/year	**23,242**	–

Certain subsidiaries have obtained guarantees from financial institutions to provide performance bonds to customers amounting to $37,075,000 (2020 - $61,786,000).

Provision for performance bonds as at period end represents management's best estimate of a subsidiary's liabilities for performance bonds called or to be called by customers in respect of construction projects undertaken by the said subsidiary.

(iii) Provision for onerous contracts

	30 September 2021 $'000	31 May 2020 $'000
At beginning of the year	**–**	–
Charge to profit or loss for the period/year	**1,051**	–
At end of period/year	**1,051**	–

Provision for onerous contracts is in respect of remaining expected losses arising from non-cancellable construction contracts where the expected total construction costs will exceed the total construction contract revenue for certain projects.

(iv) Provision for liquidated damages

	30 September 2021 $'000	31 May 2020 $'000
At beginning of the year	**–**	–
Charge to profit or loss for the period/year	**24,393**	–
At end of period/year	**24,393**	–

Provision for liquidated damages is based on management's best estimate on the expected potential claims from customers for non-performance of construction projects undertaken by a subsidiary.

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25 PROVISIONS (CONT'D)

(v) Provision for potential back charges from customers

	30 September 2021	31 May 2020
	$'000	$'000
At beginning of the year	**–**	–
Charge to profit or loss for the period/year	**4,422**	–
At end of period/year	**4,422**	–

Provision for potential back charges is based on management's best estimate on the expected back charges from customers on construction projects undertaken by a subsidiary.

26 LEASE LIABILITIES

	Group		**Company**	
	30 September 2021	31 May 2020 Re-presented	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
Undiscounted lease payments due:				
- Year 1	**4,612**	3,947	**2,729**	190
- Year 2	**1,923**	3,511	**–**	190
- Year 3	**1,787**	3,600	**–**	190
- Year 4	**1,626**	3,617	**–**	190
- Year 5	**1,654**	3,281	**–**	190
- Year 6 and onwards	**6,001**	25,573	**–**	2,032
	17,603	43,529	**2,729**	2,982
Less: Unearned interest cost	**(3,104)**	(9,424)	**(464)**	(545)
Reclassified to liabilities associated with non-current assets held for sale [Note 13(ii)]	**(2,265)**	–	**(2,265)**	–
Lease liabilities	**12,234**	34,105	**–**	2,437
Amount shown under current liabilities	**1,377**	19,651	**–**	128
Amount shown under non-current liabilities	**10,857**	14,454	**–**	2,309
	12,234	34,105	**–**	2,437

The Group enters into leases for lease of building, leased premises, motor vehicles and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Group by entering into these contracts.

Interest expense on lease liabilities of $1,364,000 (2020 - $1,136,000) is recognised within "finance costs" in profit or loss (Note 37).

NOTES TO THE FINANCIAL STATEMENTS
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26 LEASE LIABILITIES (CONT'D)

Lease expenses not capitalised in lease liabilities but recognised within "cost of sales and administrative expenses" in profit or loss are set out below:

Group	**FP 2021**	2020
	$'000	$'000
Short-term lease	**1,012**	1,599
Leases of low-value asset	**14**	58
	1,026	1,657

The cash outflows for all leases in the year amount to $6,168,000 (2020 - $5,055,000).

As at 30 September 2021, the Group's and the Company's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's and the Company's short-term lease expense for the year.

The Group's and the Company's lease liabilities are secured by the lessors' title to the leased assets.

Information about the Group's leasing activities are disclosed in Note 42.

Further information about the financial risk management is disclosed in Note 4.

27 LONG-TERM BORROWINGS

	Group		**Company**	
	30 September	31 May	**30 September**	31 May
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Borrowings	**34,184**	19,564	**12,797**	13,914
Less: Current portion				
due within 12 months	**(23,452)**	(2,809)	**(12,797)**	(2,510)
Amounts due for settlement after 12 months	**10,732**	16,755	**–**	11,404
Secured	**24,184**	14,564	**12,797**	13,914
Unsecured	**10,000**	5,000	**–**	–
Total	**34,184**	19,564	**12,797**	13,914

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

27 LONG-TERM BORROWINGS (CONT'D)

The following outstanding balances are secured with the following:

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
Secured with:				
Non-current assets held for sale	**12,797**	–	**12,797**	–
Investment properties	**–**	13,914	**–**	13,914
Leasehold building	**11,387**	–	**–**	–
Motor vehicles	**–**	525	**–**	–
Joint and several former directors' guarantee	**–**	125	**–**	–
Total	**24,184**	14,564	**12,797**	13,914

The Group's and Company's long-term borrowings bear interest at rates ranging from 2.38% to 3.65% (2020 - 2.38% to 3.32%) per annum. The directors estimate the fair value of the Group's and Company's long-term borrowings to approximate the carrying amount and interest rates to approximate current market interest rates on or near the end of the reporting period.

The Group's and the Company's bank facility agreements include financial covenants. Some of these covenants require the Group and the Company to meet certain key financial ratios.

The Group did not fulfil the minimum threshold required for consolidated net worth and the debt-to-equity ratio for bank borrowings amounting to $10,000,000 (2020 - $57,496,000) drawn down by two subsidiaries. These borrowings are presented as current liabilities as at balance sheet date. Due to the breaches, the banks are contractually entitled to request for immediate repayments of the outstanding loans. No waivers were granted by the banks. Management is in the process of renegotiating the terms of the loans with the banks.

The Company had defaulted on loan repayment to a bank which was due on 19 February 2021. On 9 September 2021, the bank gave notice, via their solicitors, to the Company that they will be exercising their rights to take possession of the mortgaged 33CNC Property, now classified as non-current assets held for sale.

Notwithstanding the moratorium granted to the Company, the Court granted leave to the bank to take all necessary steps to enforce its security over the 33CNC Property.

On 1 October 2021, the Company accepted the offer from a third party to purchase the 33CNC Property at a consideration of $18,000,000. Part of the sale proceeds will be used to repay the loans from the bank.

27 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities

				Non-cash changes				
	1 June 2019	Adoption of SFRS(I) 16	Financing cash flow (i)	Disposal of TEE Land (Note 45)	Foreign exchange movement	New leases	Other changes (ii)	31 May 2020 Re-presented
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans (Note 21)	45,211	–	13,256	(1,165)	–	–	–	57,302
Loan from non-controlling interest (Note 23)	18,019	–	(3,004)	(6,831)	–	–	–	8,184
Finance leases	1,489	(1,489)	–	–	–	–	–	–
Lease liabilities (Note 26)	–	25,825	(3,398)	(2,042)	–	12,584	1,136	34,105
Long-term borrowings (Note 27)	237,696	–	(27,086)	(190,292)	(754)	–	–	19,564
Notes payable	21,000	–	(24,557)	–	(493)	–	4,050	–
Accrued interest expense (Note 23)	2,383	–	(8,837)	–	–	–	7,566	1,112

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include amortisation costs, interest accruals and interest on lease liabilities.

27 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities (Cont'd)

				Non-cash changes					
	1 June 2020 Re-presented	Reclassified to liabilities associated with non-current assets held for sale	Financing cash flow (i)	Acquisition of subsidiary	Pre-termination of lease	Foreign exchange movement	New leases	Finance Costs (Note 37)	30 September 2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans (Note 21)	57,302	–	(40,876)	–	–	–	–	–	16,426
Shareholder loans (Note 23)	–	–	2,968	–	–	–	–	–	2,968
Amounts due to associate (Note 23)	31	–	(31)	–	–	–	–	–	–
Amounts due to former immediate holding company of a subsidiary (Note 23)	–	–	(8,454)	9,985	–	–	–	–	1,531
Loan from former ultimate holding company of a subsidiary (Note 23)	–	–	1,744	–	–	–	–	–	1,744
Loan from non-controlling interest (Note 23)	8,184	–	(1,996)	–	–	–	–	–	6,188
Loan from third parties (Note 23)	–	–	601	–	–	(30)	–	–	571
Lease liabilities (Note 26)	34,105	(2,265)	(5,142)	1,885	(17,479)	(998)	764	1,364	12,234
Long-term borrowings (Note 27)	19,564	–	2,859	11,761	–	–	–	–	34,184
Accrued interest expense (Note 23)	1,112	–	(2,655)	–	–	–	–	2,122	579

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include amortisation costs, interest accruals, interest on lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS
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28 FINANCIAL GUARANTEE LIABILITIES

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
Financial guarantee liabilities	**–**	215	**75,868**	75
Effects on disposal of TEE Land (Note 45)	**–**	(140)	**–**	–
Amounts shown under current liabilities	**–**	75	**75,868**	75

Financial guarantee liabilities pertain to the effects of fair value of corporate guarantee on initial recognition provided by the Group and Company on behalf of associates and subsidiaries to obtain banking facilities, less amortisation, and corporate guarantee issued to counterparties for performance bonds and claims made against certain subsidiaries.

29 LONG-TERM DEPOSIT

Group and Company	**30 September 2021 $'000**	31 May 2020 $'000
Long-term deposit	**307**	306
Less: Amount reclassified to liabilities associated with non-current assets held for sale [Note 13(ii)]	**(307)**	–
Amount shown under non-current liabilities	**–**	306

Long-term deposit is for the lease of premises located at 33 Changi North Crescent, Singapore (the "33CNC Property") (Note 19) with tenure and renewal option till 2035. The deposit will be refunded upon the sale of the 33CNC Property which is expected to be completed within the next twelve months from balance sheet date.

30 SHARE CAPITAL

Group and Company	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020
	Number of ordinary shares		**$'000**	$'000
Issued and paid up:				
At beginning and end of the period/ year	**648,152,876**	648,152,876	**73,194**	73,194

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

NOTES TO THE FINANCIAL STATEMENTS
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31 TREASURY SHARES

Group and Company	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020
	Number of ordinary shares		**$'000**	$'000
Balance at beginning and at end of the period/year	**1,270,400**	1,270,400	**269**	269

In 2017, the Company acquired 1,270,400 of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $269,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

The Company intends to transfer the treasury shares for the purposes of an employees' share scheme or as consideration for the acquisition of shares in or assets of another company or assets of a person.

32 CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

33 CAPITAL RESERVE

	Group		**Company**	
	30 September 2021	31 May 2020	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000
At beginning of the period/year	**–**	18,561	**(274)**	(274)
Effects on disposal of TEE Land	**–**	(18,561)	**–**	–
At end of the period/year	**–**	–	**(274)**	(274)

The capital reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

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34 REVENUE

Group	Continuing operations		Discontinued operations		Total	
	FP 2021	2020 Re-presented	**FP 2021**	2020 Re-presented	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Corporate and others:						
Rental income	**2,329**	1,935	**–**	–	**2,329**	1,935
Sales of goods	**5**	–	**–**	–	**5**	–
Engineering and Construction:						
Construction engineering contracts	**75,402**	290,120	**162**	2,303	**75,564**	292,423
Infrastructure:						
Rental and related services income	**3,445**	3,004	**–**	–	**3,445**	3,004
Sale of goods	**3,001**	1,807	**–**	–	**3,001**	1,807
Waste and recycling management services	**37,309**	30,776	**–**	–	**37,309**	30,776
Real Estate:						
Hotel operations	**–**	–	**–**	4,656	**–**	4,656
Rental income	**–**	–	**–**	769	**–**	769
Sales of development properties	**–**	–	**–**	42,452	**–**	42,452
Total	**121,491**	327,642	**162**	50,180	**121,653**	377,822

Revenue from construction engineering contracts is derived after deducting provision for liquidated damages of $24,393,000 (2020 - $NIL) [Note 25(iv)].

Group	Continuing operations		Discontinued operations		Total	
	FP 2021	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Timing of revenue recognition from contract with customers, excluding rental income						
At a point in time:						
Sale of goods	**3,006**	1,807	**–**	–	**3,006**	1,807
Short-term construction engineering services	**3,833**	5,501	**–**	–	**3,833**	5,501
Sale of land	**–**	–	**–**	419	**–**	419
Hotel operations – foods and beverages	**–**	–	**–**	122	**–**	122
Over time:						
Construction engineering contracts	**71,569**	284,619	**162**	2,303	**71,731**	286,922
Waste and recycling management services	**37,309**	30,776	**–**	–	**37,309**	30,776
Sales of development properties under constructions	**–**	–	**–**	42,033	**–**	42,033
Hotel operations	**–**	–	**–**	4,534	**–**	4,534
Services income	**535**	454	**–**	–	**535**	454
Total	**116,252**	323,157	**162**	49,411	**116,414**	372,568

Revenue from construction engineering contracts recognised over time is based on the percentage of completion basis.

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35 OTHER OPERATING INCOME

	Continuing operations		Discontinued operations		Total	
Group	**FP 2021**	2020 Re-presented	**FP 2021**	2020 Re-presented	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Interest income arising from:						
Fixed deposits	**–**	1	**–**	132	**–**	133
Others	**30**	45	**–**	51	**30**	96
Ancillary fees collected from development properties	**–**	–	**–**	200	**–**	200
Amortisation of financial guarantee liabilities	**75**	75	**–**	111	**75**	186
Deposit forfeited for an aborted sale of completed property	**–**	–	**–**	522	**–**	522
Foreign currency exchange adjustment gain	**–**	221	**–**	256	**–**	477
Gain on disposal of financial assets at FVTPL	**545**	–	**–**	–	**545**	–
Gain on disposal of plant and equipment	**147**	–	**–**	–	**147**	–
Gain on pretermination of lease	**862**	–	**–**	–	**862**	–
Government grant	**6,194**	2,413	**44**	15	**6,238**	2,428
Management fees income	**116**	319	**–**	25	**116**	344
Service fees income	**90**	110	**–**	–	**90**	110
Rebate from purchaser	**100**	296	**–**	–	**100**	296
Others	**318**	355	**–**	–	**318**	355
Total	**8,477**	3,835	**44**	1,312	**8,521**	5,147

Included in government grant is Job Support Scheme ("JSS") grant of $2,946,000 (2020 - $1,720,000) from the Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of COVID-19. JSS grant income is allocated over the period of uncertainty to match the related staff costs for which the grant is intended to compensate.

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36 OTHER OPERATING EXPENSES

Group	Continuing operations		Discontinued operations		Total	
	FP 2021	2020 Re-presented	**FP 2021**	2020 Re-presented	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Additional buyer stamp duties	**–**	–	**–**	4,680	**–**	4,680
Amortisation of intangible asset (Note 17)	**310**	744	**–**	–	**310**	744
Change in fair value of investment properties (Note 19)	**4,332**	1,189	**–**	–	**4,332**	1,189
Change in fair value of financial asset at FVTPL (Note 10)	**–**	82	**–**	–	**–**	82
Impairment loss on property, plant and equipment (Note 18)	**2,482**	2,484	**–**	–	**2,482**	2,484
Loss on disposal of subsidiary	**–**	–	**470**	–	**470**	–
Loss on disposal of associate	**1,324**	–	**–**	–	**1,324**	–
Impairment recognised based on net estimated fair value of subsidiary disposed of	**–**	–	**–**	20,309	**–**	20,309
Loss on disposal of property, plant and equipment	**–**	6	**–**	–	**–**	6
Net foreign currency exchange adjustment gain	**211**	–	**140**	–	**351**	–
Property, plant and equipment written off	**1**	225	**–**	9	**1**	234
Trade receivables written off	**2,119**	978	**–**	–	**2,119**	978
Other receivables written off	**2,103**	12	**–**	–	**2,103**	12
Contract assets written off	**55,751**	–	**–**	–	**55,751**	–
Others	**292**	20	**–**	–	**292**	20
Total	**68,925**	5,740	**610**	24,998	**69,535**	30,738

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

37 FINANCE COSTS

Group	Continuing operations		Discontinued operations		Total	
	FP 2021	2020 Re-presented	**FP 2021**	2020 Re-presented	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Interest on borrowings and bank overdrafts	**2,122**	2,890	**–**	4,676	**2,122**	7,566
Interest on lease liabilities	**1,364**	1,093	**–**	43	**1,364**	1,136
Notes payable interests	**–**	3,768	**–**	–	**–**	3,768
Total	**3,486**	7,751	**–**	4,719	**3,486**	12,470

38 INCOME TAX EXPENSE

Group	Continuing operations		Discontinued operations		Total	
	FP 2021	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Current:						
- Profit for the period/year	**176**	245	**–**	511	**176**	756
- Adjustment in respect of prior years	**(199)**	3,863	**–**	(79)	**(199)**	3,784
- Withholding tax expenses	**27**	–	**–**	83	**27**	83
Deferred:						
- Charge/(Credit) for the period/year	**496**	(692)	**–**	(524)	**496**	(1,216)
	500	3,416	**–**	(9)	**500**	3,407

Domestic income tax is calculated at 17% (2020 - 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

38 INCOME TAX EXPENSE (CONT'D)

The total charge for the year can be reconciled to the accounting loss as follows:

Group	**FP 2021**	2020 Re-presented
	$'000	$'000
Loss before tax	**(198,557)**	(30,180)
Less:		
Share of results of associates and joint venture (Note 15)	**(949)**	(750)
	(199,506)	(30,930)
Tax at the domestic income tax rate of 17% (2020 - 17%)	**(33,916)**	(5,258)
Non-taxable income	**(667)**	(380)
Non-deductible expenses	**1,859**	2,591
Loss of subsidiary to be placed in liquidation	**31,717**	–
Deferred tax benefits not recognised	**2,057**	3,560
Deferred tax benefits previously not recognised now utilised	**(386)**	(91)
(Over)/under provision of income tax in prior years	**(199)**	3,863
Effect of different tax rates of overseas operations	**32**	(721)
Exempt income and tax rebate	**(17)**	(118)
Withholding tax	**27**	–
Others	**(7)**	(30)
	500	3,416

Subject to the agreement by the tax authorities, the Group has unutilised tax losses of $10.8 million (2020 - $13.6 million) and other temporary differences of $1.7 million (2020 - $3.3 million) available for offset against future profits. Deferred tax assets have been recognised in respect of $NIL million (2020 - $3.0 million) of these unutilised tax losses and $NIL million (2020 - $0.6 million) of these temporary differences. No deferred tax asset has been recognised in respect of the remaining $10.8 million (2020 - $10.6 million) of tax losses and $1.7 million (2020 - $2.7 million) of temporary differences due to the unpredictability of future profit streams. The tax losses and temporary differences may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

39 LOSS FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATIONS

On 1 June 2021, the Group disposed of its entire 100% stake in subsidiary, TEE HK Limited ("TEE HK").

On 3 February 2020, the Group disposed of its entire 63.28% stake in subsidiary, TEE Land Limited ("TEE Land") in its Real Estate segment in order to realise valuable cash proceeds which may be applied to expand the engineering and construction, and infrastructure businesses of the Group and reduce the indebtedness of the Group.

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

	TEE HK		**TEE Land**	**Total**
	FP 2021	2020	2020	2020
	$'000	$'000	$'000	$'000
Revenue	**162**	2,303	47,877	50,180
Cost of sales	**(154)**	(2,168)	(39,253)	(41,421)
Gross profit	**8**	135	8,624	8,759
Other operating income	**44**	84	1,228	1,312
Selling and distribution expenses	**–**	–	(3,777)	(3,777)
Administrative expenses	**(124)**	(340)	(6,609)	(6,949)
Other expenses	**(610)**	–	(24,998)	(24,998)
Share of results of associates	**–**	(4)	(602)	(606)
Finance costs	**–**	(4)	(4,715)	(4,719)
Loss before tax	**(682)**	(129)	(30,849)	(30,978)
Income tax expense	**–**	–	9	9
Loss for the period/year	**(682)**	(129)	(30,840)	(30,969)

Other operating expenses of TEE Land comprised mainly of additional buyer's stamp duty for a development project of $4,680,000 and impairment of $20,309,000 recognised based on net estimated fair value in accordance with SFRS(I)5 – *Non-Current Assets Held-for-sale and Discontinued Operation*. TEE Land's discontinued operations financial results are for eight months ended 31 January 2020, being effective date of disposal for accounting purpose.
The cashflows attributable to TEE HK (2020 – TEE HK and TEE Land) are set out below:

	FP 2021	2020
	$'000	$'000
Net cash from operating activities	**(105)**	33,044
Net cash from investing activities	**129**	242
Net cash used in financing activities	**(13)**	(35,175)
Net cash outflows	**11**	(1,889)

The fair value of identifiable assets and liabilities of TEE HK (2020 - TEE Land) at date of disposal are disclosed in Note 45.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

40 LOSS FOR THE PERIOD/YEAR

Loss for the period/year has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
Group	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Directors' remuneration:						
Directors of the Company	**1,158**	895	**–**	396	**1,158**	1,291
Directors of the subsidiaries	**1,298**	1,489	**–**	–	**1,298**	1,489
Employee benefits expense (including directors' remuneration)	**31,465**	30,367	**30**	1,790	**31,495**	32,157
Costs of defined contribution plans included in employee benefits expense	**674**	951	**1**	80	**675**	1,031
Audit fees:						
Auditors of the Company:						
- current year	**243**	334	**–**	–	**243**	334
Other auditors:						
- current year	**34**	27	**9**	151	**43**	178
- adjustment in respect of prior year	**–**	(1)	**–**	4	**–**	3
Non-audit fees:						
Auditors of the Company:						
- current year	**30**	–	**–**	–	**30**	–
- adjustment in respect of prior year	**120**	–	**–**	–	**120**	–
Other auditors:						
- current year	**3**	52	**–**	30	**3**	82
- adjustment in respect of prior year	**–**	59	**–**	–	**–**	59
Amortisation of deferred commission expenses *	**418**	73	**–**	1,660	**418**	1,733
Amortisation of deferred show flat costs **	**–**	–	**–**	1,150	**–**	1,150
Amortisation of issuance costs on notes payable ***	**39**	282	**–**	–	**39**	282
Amortisation of intangible assets	**310**	744	**–**	–	**310**	744
Depreciation of property, plant and equipment, including ROU assets	**4,735**	4,404	**14**	1,670	**4,749**	6,074
Trade receivables written off	**2,119**	978	**–**	–	**2,119**	978
Other receivables written off	**2,103**	12	**–**	–	**2,103**	12
Contract assets written off	**55,751**	–	**–**	–	**55,751**	–
Impairment loss on property, plant and equipment (Note 18)	**2,482**	2,484	**–**	–	**2,482**	2,484
Impairment loss on financial assets and contract assets						
- Trade receivables (Note 8)	**7,084**	53	**–**	–	**7,084**	53
- Other receivables (Note 9)	**–**	169	**–**	–	**–**	169
- Contract assets (Note 12)	**–**	957	**–**	–	**–**	957
	7,084	1,179	**–**	–	**7,084**	1,179

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

40 LOSS FOR THE PERIOD/YEAR (CONT'D)

Loss for the period/year has been arrived at after charging/(crediting) (cont'd):

	Continuing operations		Discontinued operations		Total	
Group	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Impairment loss on financial assets written back						
- Other receivables (Note 9)	**(51)**	–	**–**	–	**(51)**	–
Accrual for back-charge from customer (Note 22)	**3,966**	–	**–**	–	**3,966**	–
Provision for onerous contract (Note 25)	**1,051**	–	**–**	–	**1,051**	–
Provision for performance bonds (Note 25)	**23,242**	–	**–**	–	**23,242**	–
Provision for liquidated damages (Note 25)	**24,393**	–	**–**	–	**24,393**	–
Provision for potential back charge from customers (Note 25)	**4,422**	–	**–**	–	**4,422**	–

* Included in cost of sales in the consolidated statement of profit or loss in the Note 39.

** Included in selling and distribution expenses in the Note 39.

*** Included in administrative expenses in the consolidated statement of profit or loss.

Retirement Benefit Obligations

The employees of the Company and certain of its subsidiaries are members of state-managed retirement benefit plans. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

As at 30 September 2021, contributions of $41,000 (2020 - $39,000) due in respect of current period/year had not been paid over to the plans.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

41 LOSS PER SHARE

The calculation of basic earnings per ordinary share is based on Group's loss attributable to owners of the Company of $201,716,000 (2020 - $59,554,000) divided by the weighted average number of ordinary shares (excluding treasury shares) of 646,882,476 (2020 - 646,882,476) in issue during the year.

Fully diluted loss per ordinary share is calculated based on 646,882,476 (2020 - 646,882,476) ordinary shares.

From continuing and discontinued operations

	FP 2021		2020	
Group	**Basic**	**Diluted**	Basic	Diluted
	$'000	**$'000**	$'000	$'000
Loss attributable to owners of the Company	**(201,716)**	**(201,716)**	(59,554)	(59,554)
Weighted average number of ordinary shares (excluding treasury shares) for the purposes of basic/ diluted earnings per share	**646,882,476**	**646,882,476**	646,882,476	646,882,476
Loss per share (cents)	**(31.18)**	**(31.18)**	(9.21)	(9.21)

From continuing operations

	FP 2021		2020	
Group	**Basic**	**Diluted**	Basic Re-presented	Diluted Re-presented
	$'000	**$'000**	$'000	$'000
Loss attributable to owners of the Company	**(201,034)**	**(201,034)**	(32,090)	(32,090)
Weighted average number of ordinary shares (excluding treasury shares) for the purposes of basic/ diluted earnings per share	**646,882,476**	**646,882,476**	646,882,476	646,882,476
Loss per share (cents)	**(31.08)**	**(31.08)**	(4.96)	(4.96)

42 LEASES

The Group leases leasehold land and premises, motor vehicles and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed on the Group by entering into these contracts.

The leases for certain leased premises contain extension periods for which the related lease payments has been included in lease liabilities as the Group is reasonably certain to exercise these extension options. The leases for certain leased premises also include termination options. The Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

42 LEASES (CONT'D)

The Group as lessee

(a) Carrying amounts

ROU assets classified within property, plant and equipment

Group	**30 September 2021** **$'000**	31 May 2020 Re-presented $'000
Leasehold land	**1,761**	16,950
Leased premises	**610**	1,161
Motor vehicles	**274**	300
Machinery and tools	**79**	106
Office equipment	**146**	31
	2,870	18,548

ROU assets classified within investment properties

The right-of-use assets relating to the leasehold land and building presented under Investment properties are stated at fair value and have carrying amounts at the statement of financial position date of $9,396,000 (2020 - $13,425,000) for the Group and $Nil (2020 - $2,409,000) for the Company.

(b) Depreciation charge during the period/year

Group	**FP 2021** **$'000**	2020 $'000
Leasehold land	**856**	1,088
Leased premises	**834**	999
Motor vehicles	**111**	212
Machinery and tools	**55**	161
Office equipment	**36**	42
	1,892	2,502

(c) Addition of ROU assets during the financial year was $764,000 (2020 - $1,032,000).

(d) Information regarding the Group's and the Company's lease liabilities are disclosed in Note 26.

The Group and Company as lessor

The Group and Company rent out its investment properties under operating lease to outside parties. Property rental income earned by the Group and Company during the year was $5,072,000 (2020 - $5,254,000) and $2,186,000 (2020 - $1,935,000), respectively.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

42 LEASES (CONT'D)

The Group and Company as lessor (Cont'd)

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting date are as follows:

	Group		Company	
	30 September 2021 $'000	31 May 2020 $'000	**30 September 2021 $'000**	31 May 2020 $'000
Undiscounted lease payments to be received:				
- Year 1	**5,373**	5,456	**2,032**	2,118
- Year 2	**2,047**	5,456	**–**	2,148
- Year 3	**235**	4,027	**–**	2,148
- Year 4	**20**	2,026	**–**	2,148
- Year 5	**–**	2,026	**–**	2,148
- Year 6 and onwards	**–**	1,519	**–**	1,611
	7,675	20,510	**2,032**	12,321

43 SEGMENT INFORMATION

The Group is organised into three major business segments/operating divisions - Engineering and Construction, Infrastructure and Corporate & Others. The divisions are the basis on which the Group reports its segment information. Certain assets, liabilities and profit and loss items are also reallocated to the respective segments. The accounting policies of these reportable segments are the same as the Group's accounting policies described in Note 2.

(i) Segment 1: Engineering and Construction – involves providing mechanical and electrical engineering services, and asset enhancement initiatives relating to the expansion and improvement of infrastructure, constructing new buildings and converting existing buildings and facilities for new uses and offering turnkey approaches to the construction of infrastructure as well as in system development from system definition, system development and system deployment

(ii) Segment 2: 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

(iii) Segment 3: Corporate & Others – involves a range of activities from corporate exercises and include income and expenses not attributable to other operating segments

Reportable Operating Segment Information

In accordance with SFRS(I) 8 *Operating Segments*, management has determined the operating segments based on the reports regularly reviewed by the Group Chief Executive that are used to make strategic decisions.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expenses reported in the Group's profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of cash and bank balances, operating receivables, investments, contract assets, inventories, investment in associates, investment in joint venture, deferred tax assets, property, plant and equipment, intangible assets and investment properties, net of allowances. Segment liabilities include all operating liabilities used by a segment and consist principally of bank loans and overdrafts, operating payables, provisions, income tax payable, lease liabilities, long-term borrowings, notes payable, financial guarantee liabilities and deferred tax liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between operating segments. Inter-segment sales are charged at cost plus a percentage of profit mark-up. These transfers are eliminated on consolidation.

43 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Engineering and Construction		Infrastructure		Discontinued operations		Elimination		Group	
	FP 2021	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment revenue												
External sales	**2,334**	1,935	**75,402**	290,120	**43,755**	35,587	**162**	50,180	**–**	–	**121,653**	377,822
Inter-segment sales	**394**	3,613	**–**	507	**37**	12	**–**	813	**(431)**	(4,945)	**–**	–
Total revenue	**2,728**	5,548	**75,402**	290,627	**43,792**	35,599	**162**	50,993	**(431)**	(4,945)	**121,653**	377,822
Segment results												
Segment results	**(10,980)**	(34,599)	**(189,222)**	(12,088)	**4,941**	(8,097)	**(682)**	(4,895)	**(759)**	10,847	**(196,702)**	(48,832)
Share of results of associates and joint venture	**–**	–	**3**	–	**946**	750	**–**	(606)	**–**	–	**949**	144
Finance costs	**(816)**	(4,333)	**(1,362)**	(2,291)	**(1,987)**	(2,158)	**–**	(4,719)	**679**	1,031	**(3,486)**	(12,470)
(Loss)/Profit before tax	**(11,796)**	(38,932)	**(190,581)**	(14,379)	**3,900**	(9,505)	**(682)**	(10,220)	**(80)**	11,878	**(199,239)**	(61,158)
Income tax credit/ (expense)	**87**	(1,354)	**(561)**	(2,466)	**(26)**	350	**–**	9	**–**	54	**(500)**	(3,407)
(Loss)/Profit for the period/year	**(11,709)**	(40,286)	**(191,142)**	(16,845)	**3,874**	(9,155)	**(682)**	(10,211)	**(80)**	11,932	**(199,739)**	(64,565)

	30 September 2021	31 May 2020	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020	**30 September 2021**	31 May 2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets												
Segment assets	**44,288**	37,876	**31,866**	211,448	**30,456**	48,439	**–**	–	**–**	–	**106,610**	297,763
Investment in associates and joint venture	**–**	–	**–**	130	**5,001**	9,646	**–**	–	**–**	–	**5,001**	9,776
Deferred tax assets	**9**	–	**–**	560	**51**	58	**–**	–	**–**	–	**60**	618
Total assets	**44,297**	37,876	**31,866**	212,138	**35,508**	58,143	**–**	–	**–**	–	**111,671**	308,157
Segment liabilities												
Segment liabilities	**10,026**	4,750	**195,904**	152,710	**17,512**	16,366	**–**	–	**–**	–	**223,442**	173,826
Loans, borrowings and lease liabilities	**28,284**	16,347	**27,418**	62,917	**10,110**	31,901	**–**	–	**–**	–	**65,812**	111,165
Income tax payable	**570**	842	**2,956**	3,488	**48**	9	**–**	–	**–**	–	**3,574**	4,339
Deferred tax liabilities	**–**	–	**–**	–	**120**	178	**–**	–	**–**	–	**120**	178
Total liabilities	**38,880**	21,939	**226,278**	219,115	**27,790**	48,454	**–**	–	**–**	–	**292,948**	289,508

43 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Engineering and Construction		Infrastructure		Discontinued operations		Elimination		Group	
	FP 2021	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020	**FP 2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Other information												
Depreciation	**390**	76	**376**	423	**3,969**	3,905	**14**	1,670	**–**	–	**4,749**	6,074
Change in fair value of investment properties	**3,705**	653	**–**	–	**627**	536	**–**	–	**–**	–	**4,332**	1,189
Allowance for doubtful trade receivables	**–**	–	**6,915**	53	**169**	–	**–**	–	**–**	–	**7,084**	53
Loss allowance on contract assets	**–**	–	**–**	957	**–**	–	**–**	–	**–**	–	**–**	957
Trade receivables written off	**–**	–	**2,119**	907	**–**	71	**–**	–	**–**	–	**2,119**	978
Other receivables written off	**2,072**	–	**–**	1	**31**	11	**–**	–	**–**	–	**2,103**	12
Contract assets written off	**–**	–	**55,751**	–	**–**	–	**–**	–	**–**	–	**55,751**	–
Allowance for doubtful other Receivables	**–**	9	**–**	–	**–**	160	**–**	–	**–**	–	**–**	169
Impairment loss on investment in associates	**–**	–	**–**	–	**1,324**	–	**–**	–	**–**	–	**1,324**	–
Loss/(Gain) on disposal of property, plant and equipment	**–**	–	**19**	71	**(166)**	(65)	**–**	–	**–**	–	**(147)**	6
Property, plant and equipment written off	**–**	–	**–**	–	**1**	225	**–**	9	**–**	–	**1**	234

43 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Engineering and Construction		Infrastructure		Discontinued operations		Elimination		Group	
	FP 2021 $'000	2020 $'000	**FP 2021 $'000**	2020 $'000	**FP 2021 $'000**	2020 $'000	**FP 2021 $'000**	2020 $'000	**FP 2021 $'000**	2020 $'000	**FP 2021 $'000**	2020 $'000
Other information												
Amortisation of intangible asset	**–**	–	**–**	–	**310**	744	**–**	–	**–**	–	**310**	744
Change in fair value of financial assets at FVTPL	**–**	82	**–**	–	**–**	–	**–**	–	**–**	–	**–**	82
Gain on disposal financial assets at FVTPL	**(545)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(545)**	–
Purchase of property, plant and equipment	**23,385**	11	**86**	139	**983**	374	**–**	814	**–**	–	**24,454**	1,338
Amortisation of deferred commission expenses	**418**	73	**–**	–	**–**	–	**–**	1,660	**–**	–	**418**	1,733
Amortisation of deferred show flat costs	**–**	–	**–**	–	**–**	–	**–**	1,150	**–**	–	**–**	1,150
Impairment loss on property, plant and equipment	**1,748**	97	**–**	–	**734**	1,491	**–**	896	**–**	–	**2,482**	2,484
Impairment recognised based on net fair value of a subsidiary disposed of	**–**	–	**–**	–	**–**	–	**–**	20,309	**–**	–	**–**	20,309
Gain on pre-termination of lease	**–**	–	**–**	–	**862**	–	**–**	–	**–**	–	**862**	–

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43 SEGMENT INFORMATION (CONT'D)

Geographical Information

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment non-current assets: Segment non-current assets (excluding financial instruments and deferred tax assets) are analysed based on the location of those assets.

	Revenue		**Non-current assets**	
			30 September	31 May
	FP 2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore	**118,070**	366,205	**25,712**	54,433
Malaysia	**–**	473	**–**	–
Thailand	**3,421**	2,987	**9,412**	11,017
Philippines	**–**	–	**5,001**	4,757
Vietnam	**–**	419	**–**	–
Hong Kong	**162**	2,303	**–**	144
Australia/New Zealand	**–**	5,435	**–**	–
Total	**121,653**	377,822	**40,125**	70,351

44 ACQUISITION OF SUBSIDIARY

On 24 March 2021, the Group acquired 100% equity interest in TEE Industrial Pte. Ltd. ("TEE Industrial") for a consideration of $38,000. The principal activity of TEE Industrial is that of operating an industrial building for rental. The Group has made the purchase to increase its portfolio of commercial properties.

The assets in TEE Industrial largely consist of the leasehold property located at 25 Bukit Batok Street 22, Singapore ("TEE Building") without substantive processes. Accordingly, the Group has accounted for the purchase of TEE Industrial as an asset acquisition in these financial statements.

Details of the acquired assets and assumed liabilities as recognised by the Group at the acquisition date, and the effects on the cash flows of the Group, are as follows:

	As at 24 March 2021 $'000
Effects on acquisition	
Right-of-use assets	**1,885**
Property, plant and equipment	**21,500**
	23,385
Trade receivables and other receivables	**4,294**
Trade payables and other payables	**(3,887)**
Amount due to former immediate holding company	**(9,985)**
Lease liabilities	**(1,885)**
Long-term borrowing	**(11,761)**
Income tax payable	**(123)**
Net identifiable assets	**38**
Consideration payable (Note 23)	**(38)**
Net cash outflow from acquisition of a subsidiary	**–**
Repayment of amount due to former immediate holding company	**8,454**
Total cash outflow	**8,454**

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

45 DISPOSAL OF SUBSIDIARIES

On 1 June 2021, the Group disposed of its entire 100% stake in TEE HK Limited. The fair value of identifiable assets and liabilities disposed of were as follows:

	As at 1 June 2021 $'000
Effects on disposal	
Cash and bank balances	**11**
Trade receivables and other receivables	**347**
Contract assets	**2,657**
Property, plant and equipment	**1**
Trade payables and other payables	**(2,424)**
Income tax payable	**(223)**
Net assets in a subsidiary	**369**
Add: Foreign currency translation in disposal group	**101**
Net	**470**
Loss on disposal of subsidiary	**(470)**
Consideration	**–**
Cash and bank balances disposed of	**(11)**
Net cash outflow from the disposal of a subsidiary	**(11)**

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

45 DISPOSAL OF SUBSIDIARIES (CONT'D)

As disclosed in Note 39, the Group disposed of its entire 63.28% stake in TEE Land Limited. The fair value of identifiable assets and liabilities disposed of were as follows:

	As at 31 January 2020 $'000
Effects on disposal	
Cash and bank balances	**23,442**
Trade receivables and other receivables	**14,763**
Contract assets and contract costs	**39,240**
Loans receivables	**10,632**
Inventories	**45**
Development properties	**132,798**
Completed properties and land for sale	**60,843**
Investment in associates	**4,854**
Property, plant and equipment	**56,749**
Right-of-use assets	**2,049**
Investment properties	**9,318**
Deferred tax assets	**4,426**
Bank loans and overdraft	**(1,165)**
Trade payables and other payables	**(38,517)**
Contract liabilities	**(9,205)**
Long-term borrowings	**(190,292)**
Financial guarantee liabilities	**(140)**
Income tax payable	**(409)**
Lease liabilities	**(2,042)**
Deferred tax liabilities	**(417)**
Net assets in a subsidiary	**116,972**
Less: Non-controlling interest in disposal group	**(48,536)**
Add: Foreign currency translation in disposal group	**389**
Net	**68,825**
Impairment recognised based on TEE Land Limited's net estimated fair value	**(20,309)**
Consideration, net of transaction costs (Note A)	**48,516**
Cash and short-term deposits disposed of	**(23,442)**
Net cash inflow from the disposal of a subsidiary	**25,074**
Note A	
Consideration	**50,617**
Transaction costs	**(2,101)**
Net consideration	**48,516**

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

46 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Pursuant to the Group's Board approval in prior year to dispose of the entire issued share capital of Arrow Waste Management Pte. Ltd. (the "disposal group" or "AWM") to Sustainable Waste Management Holdings Pte Ltd, the assets and liabilities related to the disposal group were presented separately in the consolidation statement of financial position as a disposal group held-for-sale as at prior year end. However, subsequently the Company and its subsidiary, TEE Infrastructure Private Limited ("TEE Infra"), received termination notices of the proposed disposal from the purchaser. As such, during the year, the Group reclassified AWM as continuing operation and re-presented the comparative figures to conform with this change.

In addition, the profit or loss of TEE HK was re-presented as discontinued operation.

The effects of the re-presentation of the comparative figures are as follows:

STATEMENTS OF FINANCIAL POSITION

	Group		
	31 May 2020 As previously presented $'000	Reclassification $'000	31 May 2020 As Re-presented $'000
ASSETS			
Current assets			
Cash and bank balances	50,730	34	50,764
Other receivables	5,027	57	5,084
Assets of disposal group classified as held-for-sale	17,041	(17,041)	–
Non-current assets			
Property, plant and equipment	8,389	16,950	25,339
LIABILITIES			
Current liabilities			
Other payables	22,573	2,308	24,881
Current portion of lease liabilities	2,119	17,532	19,651
Liabilities of disposal group classified as held-for-sale	19,840	(19,840)	–

STATEMENT OF PROFIT OR LOSS

	Group		
	Year ended 31 May 2020 As previously presented $'000	Reclassification $'000	Year ended 31 May 2020 As Re-presented $'000
Continuing operations			
Revenue	329,945	(2,303)	327,642
Cost of sales	(331,030)	2,168	(328,862)
Gross loss	(1,085)	(135)	(1,220)
Other operating income	3,623	212	3,835
Share of results of associates and joint venture	746	4	750
Administrative expenses	(16,011)	(2,864)	(18,875)
Other operating expenses	(4,844)	(896)	(5,740)
Finance costs	(7,034)	(717)	(7,751)
Loss for the year from continuing operations	(29,200)	(4,396)	(33,596)
Loss for the year from discontinued operations, net of tax	(35,365)	4,396	(30,969)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

47 ADOPTION OF NEW AND REVISED STANDARDS

On 1 June 2020, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group and the Company's accounting policies and has no material effect on the amounts reported for current or prior years except as discussed as below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised *Conceptual Framework for Financial Reporting*		1 January 2020
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020 *(early adoption)*

Amendments to SFRS(I) 3 *Definition of a Business*

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. The Group has applied the amendments in assessing whether the Group has acquired a business or a group of assets. Details of the Group's acquisition of subsidiary during the period are disclosed in Note 44 to the financial statements.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence';
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no significant impact to the Group's consolidated financial statements and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

47 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

There is no significant impact to the Group's consolidated financial statements and the Company's financial statements.

Revised *Conceptual Framework for Financial Reporting*

The purpose of the *Conceptual Framework* is to assist in developing financial reporting standards. The *Conceptual Framework* is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the *Conceptual Framework*'s principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the *Conceptual Framework* in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the *Conceptual Framework*. The *Amendments to References to the Conceptual Framework in SFRS(I)*, issued together with the revised *Conceptual Framework*, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised *Conceptual Framework*. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no significant impact to the Group's consolidated financial statements and the Company's financial statements.

Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions*

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020.

In the current period, the Group has applied the amendments and the practical expedient to all of the COVID-19 related rental concessions it has obtained as lessee.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

47 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions (Cont'd)*

In applying the practical expedient, the Group has:

- recognised a reduction in lease payments as a negative variable lease payment of $Nil in profit or loss for the period; and
- de-recognised part of the lease liability of $28,000 that has been extinguished by the forgiveness of lease payments.

In accordance with the transitional provisions, as the rental concessions have only arisen during the current financial period, there is no retrospective adjustment to opening balance of retained earnings on initial application of the amendments.

48 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the Group and the Company were issued but not effective.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendment to SFRS(I) 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		1 January 2022
• Amendments to SFRS(I) 1	*Subsidiary as a First-time Adopter*	1 January 2022
• Amendments to SFRS(I) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
• Amendments to SFRS(I) 16	*Lease Incentives*	1 January 2022
• Amendments 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	*Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 17	*Insurance Contracts*	1 January 2023
	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 7 & Amendments to SFRS(I) 4	*Extension of the Temporary Exemption from Applying SFRS(I) 9*	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

48 STANDARDS ISSUED BUT NOT EFFECTIVE (CONT'D)

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined
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

Management anticipates that the adoption of the standards above will not have a material impact on the financial statements of the Group in the period of their initial adoption.

49 CONTINGENT LIABILITIES

FY2020 Report

Arbitration Proceedings

The Company released an announcement on 19 September 2020 that a Malaysian client ("Claimant") has on 6 March 2020 commenced two sets of arbitration proceedings, as follows: (a) Arbitration proceedings against TEE E&C (Malaysia) Sdn Bhd ("TEE E&C (M)"), a wholly-owned subsidiary of the Company in Malaysia (the "Malaysia Arbitration"); and (b) Arbitration proceedings against the Company in Singapore (the "Singapore Arbitration"), (collectively, the "Arbitration Proceedings"). 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 June 2014. The Company is the Corporate Guarantor of TEE E&C (M) under the construction contract.

The Claimant is claiming for a total of RM55.99 million ($18.45 million) comprising of the following items: (a) liquidated damages; (b) costs of rectification of alleged defects; (c) loss of profits due to delay; (d) additional costs and expenses; and (e) direct payments to TEE E&C (M)'s sub-contractors.

In view of the Adjudication Application as described below, the Company has filed an application to stay the Singapore Arbitration pending the resolution of the Malaysia Arbitration, supported by the Company's undertaking be bound by the outcome of the Malaysia Arbitration.

Adjudication Application

Prior to the initiation of the above Arbitration Proceedings by the Claimant, TEE E&C (M) filed an Adjudication Application in Malaysia on 26 September 2019 against the Claimant under the Construction Industry Payment and Adjudication Act 2012 Malaysia for outstanding payments. On 16 March 2020, the Adjudication Determination for the Adjudication Application was issued to both parties.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

49 CONTINGENT LIABILITIES (CONT'D)

FY2020 Report (cont'd)

Adjudication Application (cont'd)

Under the Adjudication Application, the Claimant claimed a total of RM34.58 million ($11.39 million) for (a) liquidated damages; (b) costs of rectification of alleged defects; and (c) direct payments to TEE E&C (M)'s sub-contractors, while TEE E&C (M) claimed for RM5.50 million ($1.81 million) for value of work done but unpaid.

Under the Adjudication Determination, the Adjudicator (a) rejected the Claimant's claims on liquidated damages; (b) awarded RM3.76 million ($1.24 million) to the Claimant for rectification of alleged defects out of the Claimant's claim of RM24.77 million ($8.16 million); (c) awarded RM2.97 million ($0.98 million) to the Claimant for direct payments to TEE E&C (M)'s sub-contractors; and awarded fully RM5.50 million ($1.81 million) to TEE E&C (M) for unpaid work.

The above Adjudication Determination result in a net payable of RM1.23 million ($0.41 million) to the Claimant. These costs and billings awarded by the Adjudicator has been recognised in the financial statements for the current financial period.

Thereafter, TEE E&C (M) proposed a settlement with the Claimant based on the conditions set out in the Adjudication Determination. The Claimant however, rejected TEE E&C (M)'s proposed settlement.

Management's assessment

The Executive Directors have evaluated these claims and are of the view that the amount claimed by the Claimant are excessive and without merit. Accordingly, no provision for claim items (a), (c) and (d) under the Arbitration proceedings have been made in the financial statements for the current financial year ended 31 May 2020. In respect of item (b) and (e) under the Arbitration proceedings, the costs and the billings awarded by the Adjudicator have been recognised in the financial statements for the current financial year ended 31 May 2020.

The Group has sought further legal advice and intends to vigorously pursue its defence against the Claimant.

Update for FP2021

This remains valid for FY2021. The Company further released announcements on 13 October 2020, 26 October 2020 and 2 November 2020 to provide further updates of the Arbitration Proceedings. Both parties have agreed on a list of procedural matters relating to the Malaysia Arbitration, and based on the procedural timetable, such proceedings are expected to take place till the second half of 2022. In respect of the Singapore Arbitration, the tribunal has on 30 October 2020 ruled that the tribunal has jurisdiction to determine the dispute that has been referred to it in the Singapore Arbitration. However, the tribunal has no power to stay the Singapore Arbitration pending the outcome of the Malaysia Arbitration, and even if the tribunal has power to stay the Singapore Arbitration, it would decline to exercise that power to order to stay.

There are no material developments since the last announcement on 2 November 2020. In conjunction with the proposed restructuring as disclosed in Note 1(c), the Company, with the assistance of RSM, is in the process of discussions and negotiations with MDIS to arrive at an amicable solution.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

49 CONTINGENT LIABILITIES (CONT'D)

Other claims

Apart from the Arbitration Proceedings, various claims have been made against the Company and the Group in the Engineering and Construction Segment for liquidated damages, defects, and/or under guarantees for the performance of the contracts. The Company released the latest announcement on 10 January 2022 to provide an update in relation to claims against the Company and the Group.

As at the date of this report, there are 3 claims against the Company amounting to about S$13.7 million. There are 135 claims and 56 claims against Trans Equatorial and PBT Engineering amounting to about S$143.4 million and S$9.0 million, respectively. Furthermore, there are 13 claims against TEE E&C (M) to-date amounting to an aggregate of about an equivalent of S$1.9 million.

In view of the proposed restructuring exercise as disclosed in Note 1(c), with the assistance of RSM, the Group continues to be in discussions and negotiations with its creditors. The Group and the Company also continue to assess and estimate its liabilities and/or contingent liabilities exposures.

50 CHANGE OF FINANCIAL YEAR END AND COMPARATIVE FIGURES

Change of financial year end

The Company changed its financial year end from 31 May to 30 September after taking into consideration the Group's reporting requirements and to facilitate better management of resources and internal processes for a smooth flow of business operations and financial reporting. Management opined that the change in financial year end will result in better administrative and operational outcomes.

Consequently, the reporting period for 2021 covered a period of 16 months from 1 June 2020 to 30 September 2021 whereas the comparative period covered a period of 12 months for the financial year ended 31 May 2020. The comparative figures for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes are therefore not comparable.

Comparative figures

(i) The expected completion date of the disposal of Arrow Waste Management Pte. Ltd. ("AWM") was on 29 May 2020. However, subsequent to that, the Company and its subsidiary, TEE Infrastructure Private Limited ("TEE Infra") had received notices of termination of the proposed disposal from the Purchaser. The Company, TEE Infra, AWM, the Purchaser and the Purchaser's holding company Nutara Investment Pte. Ltd. have on 18 December 2020 entered into a settlement agreement. Accordingly, TEE Infra and the Purchaser will not be proceeding with the Proposed Disposal. As such, AWM has been reclassified as continuing operations in current financial period and the comparatives are re-presented in conformity with the change.

(ii) On 28 September 2021, Accounting and Corporate Regulatory Authority ("ACRA") issued a letter to the Company in relation to the Company's audited financial statements for the financial year ended 31 May 2019 (the "FY2019 FS"). Pursuant to ACRA's Financial Reporting Surveillance Programme, ACRA has reviewed the Company's FY2019 FS to ascertain its compliance with the applicable accounting standards.

The final findings in respect of the FY2019 FS are that the presentation of two items in the consolidated statement of cashflows should be corrected, the correct revenue recognition method should be used in respect of a project in Malaysia and the Group's then 63.3% equity interest in TEE Land Limited should be presented as "held for sale".

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2021

50 CHANGE OF FINANCIAL YEAR END AND COMPARATIVE FIGURES (CONT'D)

Comparative figures (cont'd)

(ii) As a result, ACRA requested that the Company to revise the FY2019 FS and the audited financial statements for the financial year ended 31 May 2020 (the "FY2020 FS"), to remediate the final findings of ACRA pursuant to Section 202A of the Companies Act, Chapter 50 of Singapore and the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance Sheet) Regulations 2018.

After taking into consideration on the significant challenges faced by the Company in revising the FY2019 FS, ACRA has agreed that the Company may revise the FY2020 FS, with the necessary revisions reflected in respect of the FY2019 comparative figures set out in the FY2020 FS, and the Company shall complete the revision on or before 27 April 2022. As such, the comparative figures in respect of FY2021 FS are that of audited FY2020 FS before the revision above.

51 SUBSEQUENT EVENTS

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

i. Creditors' voluntary liquidation of Trans Equatorial

On 16 December 2021, the Company has announced its decision to proceed with the creditors' voluntary liquidation (the "CVL") of Trans Equatorial due to its cash flow problems and Trans Equatorial's inability to pay its debts as they fall due. The Company has appointed RSM Corporate Advisory Pte. Ltd. as provisional liquidators.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis after considering the Group's proposed fund raising and debt restructuring plans and other asset divestment plan as disclosed in Note 1(c) to the financial statements.

The Company will make separate announcement on the progress and material developments of the CVL.

ii. Sale of investment property

The Company had defaulted on loan repayment to a bank which was due on 19 February 2021. On 9 September 2021, the bank gave notice, via their solicitors, to the Company that they will be exercising their rights to take possession of the mortgaged property situated at 33 Changi North Crescent, Singapore 499640 (the "33CNC Property").

Notwithstanding the moratorium granted to the Company, the Court granted leave to the said bank to take all necessary steps to enforce its security over 33CNC Property. The Property is classified as "Non-current Assets held for sale" [Note 13(i)] and the related lease liabilities of the ROU asset are classified as "Liabilities associated to non-current assets held for sale" [Note 13(ii)] and presented separately in the consolidated statement of financial position as management has assessed that the sale is highly probable.

As at the date of this report, the sale of 33CNC Property is still in progress.

SHAREHOLDERS' INFORMATION

As at 31 December 2021

ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES)	:	S$73,193,862
ISSUED AND FULLY PAID-UP CAPITAL (EXCLUDING TREASURY SHARES)	:	S$72,925,213
NO. OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	646,882,476
NUMBER/PERCENTAGE OF TREASURY SHARES	:	1,270,400 (0.20%)
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	154	11.97	3,187	0.00
100 - 1,000	82	6.37	45,189	0.01
1,001 - 10,000	308	23.93	1,818,439	0.28
10,001 - 1,000,000	703	54.62	111,032,961	17.16
1,000,001 & ABOVE	40	3.11	533,982,700	82.55
TOTAL	1,287	100.00	646,882,476	100.00

TOP TWENTY SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
1	UOB KAY HIAN PTE LTD	345,478,564	53.41
2	TAN ENG CHUA EDWIN	30,261,200	4.68
3	DBS NOMINEES PTE LTD	21,674,272	3.35
4	PHILLIP SECURITIES PTE LTD	19,786,858	3.06
5	OCBC NOMINEES SINGAPORE PTE LTD	16,946,745	2.62
6	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	11,922,039	1.84
7	KOH YEW CHOO	9,085,700	1.41
8	MAYBANK SECURITIES PTE. LTD.	7,903,022	1.22
9	TAN SOON HOE	7,000,000	1.08
10	TANG CHONG SIM	6,000,000	0.93
11	RAFFLES NOMINEES (PTE) LIMITED	4,621,797	0.72
12	YEOW HUI KHOON	4,166,100	0.64
13	OCBC SECURITIES PRIVATE LTD	3,558,536	0.55
14	KUAH ANN THIA	3,400,000	0.53
15	LEE TIAT SHIH (LI ZHESHI)	2,874,300	0.44
16	PEH SOEK BEE	2,675,100	0.41
17	ROMIEN CHANDRASEGARAN	2,549,700	0.39
18	KO LEE MENG	2,458,000	0.38
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,352,668	0.36
20	CITIBANK NOMINEES SINGAPORE PTE LTD	2,203,085	0.34
	TOTAL	506,917,686	78.36

SHAREHOLDERS' INFORMATION

As at 31 December 2021

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 31 December 2021

	Number of shares		Number of shares	
	Direct Interest	**%**	**Deemed Interest**	**%**
Tramore Global Limited[1]	345,378,471	53.41	–	–
Teo Yi-Dar[2][5]	–	–	345,378,471	53.41
Gary Ng Jit Meng[5]	–	–	345,378,471	53.41
Altair ASEAN Fund Limited Partnership [3]	–	–	345,378,471	53.41
Altair Capital General Partners Ltd [4]	–	–	345,378,471	53.41

Notes:

(1) A total of 345,378,471 ordinary shares held by Tramore Global Limited ("TGL") are registered in the name of UOB Kay Hian Pte Ltd.

(2) Teo Yi-Dar through his 100% shareholding interest in TGL, is deemed to have an interest in the shares held directly by TGL.

(3) Altair ASEAN Fund Limited Partnership ("AAFL") financed the investment in TGL, and is deemed to have an interest in all the shares held directly by TGL.

(4) Altair Capital General Partners Ltd ("ACGP") is the general partner of and controls AAFL. ACGP is deemed to have an interest in the shares held directly by TGL.

(5) Teo Yi-Dar and Gary Ng Jit Meng are directors of TGL and are the managing partners of ACGP. They each own more than 20% of ACGP, and are deemed to have an interest in all the shares held directly by TGL.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 31 December 2021, approximately 46.6% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of TEE International Limited (the "**Company**") will be held at by way of electronic means on 28 January 2022, Friday, at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the 16-month financial period ended 30 September 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Siow Yuen Khong Alex ("**Mr. Siow**") as Director of the Company who will be retiring pursuant to Article 89 of the Company's Constitution.

   Mr. Siow will, upon re-election as a Director of the Company, remain as an Independent Director of the Company. Detailed information of Mr. Siow required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.
   (Resolution 2)

3. To re-elect Mr. Teo Yi-Dar ("**Mr. Teo**") as Director of the Company who will be retiring pursuant to Article 89 of the Company's Constitution.

   Mr. Teo will, upon re-election as a Director of the Company, remain as a Non-Executive, Non-Independent Director of the Company. Detailed information of Mr. Teo required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.
   (Resolution 3)

4. To re-elect Mr. Hoon Chee Wai ("**Mr. Hoon**") as Director of the Company who will be retiring pursuant to Article 88 of the Company's Constitution.

   Mr. Hoon will, upon re-election as a Director of the Company, remain as an Independent Director of the Company. Detailed information of Mr. Hoon required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.
   (Resolution 4)

5. To re-elect Mr. Yeo Kian Wee Andy ("**Mr. Yeo**") as Director of the Company who will be retiring pursuant to Article 88 of the Company's Constitution.

   Mr. Yeo will, upon re-election as a Director of the Company, remain as an Independent Director of the Company. Detailed information of Mr. Yeo required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.
   (Resolution 5)

6. To re-elect Mr. Phua Cher Chuan ("**Mr. Phua**") as Director of the Company who will be retiring pursuant to Article 88 of the Company's Constitution.

   Mr. Phua will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Detailed information of Mr. Phua required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.
   (Resolution 6)

7. To approve the payment of Directors' fees of S$75,000 for the financial period 1 June 2021 to 30 September 2021.
   (Resolution 7)

   [See Explanatory Note i]

8. To approve the payment of Directors' fees of S$220,000 for the financial year ending 30 September 2022 to be paid quarterly in arrears. **(Resolution 8)**

9. To re-appoint M/s Foo Kon Tan LLP as the Auditors of the Company, and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

11. **Authority to issue new shares**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 10)**

[See Explanatory Note ii]

By Order of the Board

Ong Beng Hong
Joint Company Secretary

Singapore
13 January 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Resolutions to be passed:

(i) At the last annual general meeting of the Company held on 30 October 2020, the Company had sought and obtained shareholders' approval for the payment of directors' fees of S$330,000 for the financial year ended 31 May 2021. In view of the change in financial year end of the Company from 31 May to 30 September (as announced by the Company on 28 April 2021), the Company is now seeking shareholders' approval for the payment of directors' fees of S$75,000 for the period 1 June 2021 to 30 September 2021.

(ii) The Ordinary Resolution 10 proposed in item 11 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. The AGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, inter alia, conduct general meetings, either wholly or partly, by electronic communication, videoconferencing, tele-conferencing or other electronic means and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020 and is deemed to have come into operation on 27 March 2020 and shall remain in effect until it is revoked or amended by the Ministry of Law and which sets out the alternative arrangements in respect of, inter alia, general meetings of companies.

2. This Notice of AGM will also be sent to members by way of electronic means via publication on the SGXNet and the Company's website at https://www.teeintl.com/investor-relations

3. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Persons who hold shares and wish to follow the proceedings must pre-register at https://conveneagm.sg/teeintlagm2022 no later than 10 a.m. on 26 January 2022. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

   Members are advised to also check the junk / spam folder of their emails in case the emails are directed there instead of the inbox. Members who registered but do not receive an email response by 10 a.m. on 27 January 2022 may contact us, 6697 6589 or by email at IR@teeintl.com.

   Persons who hold shares through relevant intermediaries, including CPF and SRS investors, and who wish to participate in the AGM should approach their respective relevant intermediaries as soon as possible for necessary arrangements to be made for their participation in the AGM.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible but not less than 7 working days before the AGM, i.e. by 10 a.m., 18 January 2022 in order for the relevant intermediary to make the necessary arrangements to pre-register.

NOTICE OF ANNUAL GENERAL MEETING

4. Due to the current Covid-19 restriction orders in Singapore, members will **not** be able to attend the AGM in person. Members will also not be able to vote online on the resolutions tabled for approval at the AGM.

5. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote in his/her/its stead at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as a proxy, need not be a member of the Company.

6. The accompanying proxy form for the AGM may be accessed on the SGXNet and the Company's website at https://www.teeintl.com/investor-relations In addition, where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

7. If a member of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) wishes to appoint the Chairman of the AGM as his/her/its proxy to vote in his/her/its stead at the AGM, he/she/its must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least seventy-two (72) hours before the time of the Meeting.

8. CPF/SRS investors should be informed that if they wish to vote, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, i.e. by 10 a.m., 18 January 2022. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries at least 7 working days, i.e. by 10 a.m., 18 January 2022 before the AGM if they wish to vote. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.

9. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be deposited at the Registered Office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 or the Company's registered office at 25 Bukit Batok Street 22, Singapore 659591; or

   (b) if submitted electronically, be sent via email to *proxyform@teeintl.com*;

   in either case, by 10 a.m. on 26 January 2022, being not less than forty-eight (48) hours before the time appointed for the AGM.

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

10. Members and Investors will not be able to ask questions "live" during the "live" broadcast of the AGM. All members may submit questions relating to the business of the AGM within seven days of the date of this Notice of AGM, i.e. by 10 a.m., 20 January 2022:

    (a) via the pre-registration website at https://conveneagm.sg/teeintlagm2022

    (b) by email to *IR@teeintl.com*; or

    (c) by post to the Registered Office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 or the Company's registered office at 25 Bukit Batok Street 22, Singapore 659591.

    When sending in your questions, please also provide us with the following details:

    (a) your full name;

    (b) your address;

    (c) number of shares held; and

    (d) the manner in which you hold shares (e.g., via CDP, CPF or SRS).

    The Company will endeavour to address all relevant questions at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms, and subsequent to the AGM, will also post such questions from Shareholders and responses by the Company as well as minutes of the AGM proceedings on SGXNET.

Personal data privacy:

By submitting an instrument appointing the Chairman of the meeting as proxy to vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TEE INTERNATIONAL LIMITED

Company Registration No. 200007107D
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 13 January 2022 entitled "Annual General Meeting" in the Notice of Annual General Meeting ("AGM") dated 13 January 2022 on SGXNet on the same day. The Notice of AGM may also be accessed at the Company's website https://www.teeintl.com/investor-relations.
2. Members are not able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. For investors who have used their CPF monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. CPF/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 January 2022.
5. Please read the notes to the Proxy Form.

I/We, _____ (Name)

_____ (NRIC/Passport Number/Company Registration Number)

of _____ (Address)
being a member/members of TEE International Limited (the "**Company**"), hereby appoint:

The Chairman of the Meeting

as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on 28 January 2022, Friday, at 10 a.m. and at any adjournment thereof.
(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "**For**" or "**Against**". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "**Abstained**". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "**For**" or "**Against** or "**Abstained**". In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

No.	Resolutions relating to:	[1] No. of Votes For	[1] No. of Votes Against	[1] No. of Votes Abstained
1	Directors' Statement and Audited Financial Statements for the 16-month financial period ended 30 September 2021			
2	Re-election of Mr. Siow Yuen Khong Alex as a Director			
3	Re-election of Mr. Teo Yi-Dar as a Director			
4	Re-election of Mr. Hoon Chee Wai as a Director			
5	Re-election of Mr. Yeo Kian Wee Andy as a Director			
6	Re-election of Mr. Phua Cher Chuan as a Director			
7	Approval of Directors' fees of S$75,000 for the financial period 1 June 2021 to 30 September 2021			
8	Approval of Directors' fees of S$220,000 for the financial year ending 30 September 2022 to be paid quarterly in arrears			
9	Re-appointment of M/s Foo Kon Tan LLP as Auditors			
10	Authority to issue new shares			

[1] If you wish to exercise all your votes "For", "Against" or "Abstained", please tick (√) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate in the boxes provided.

Dated this _____ day of _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 13 January 2022 entitled "Annual General Meeting" in the Notice of Annual General Meeting ("**AGM**") dated 13 January 2022 on SGXNet on the same day. The Notice of AGM may also be accessed at the Company's website https://www.teeintl.com/investor-relations.

   The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Persons who hold shares and wish to follow the proceedings must pre-register at https://conveneagm.sg/teeintlagm2022 no later than 10 a.m. on 26 January 2022. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

   Members are advised to also check the junk / spam folder of their emails in case the emails are directed there instead of the inbox. Members who registered but do not receive an email response by 10 a.m. on 27 January 2022 may contact us, 6697 6589 or by email at IR@teeintl.com.

   Members and investors holding Shares through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings must pre-register at https://conveneagm.sg/teeintlagm2022 no later than 10 a.m. on 26 January 2022.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible but not less than 7 working days before the AGM, i.e. by 10 a.m. on 18 January 2022 in order for the relevant intermediary to make the necessary arrangements to pre-register.

2. Members will **not** be able to attend the AGM in person. Members will also not be able to vote online on the resolutions tabled for approval at the AGM.

3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. If a member of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) wishes to appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote in his/her/its stead at the AGM, he/she/its must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least seventy-two (72) hours before the time of the Meeting.

6. CPF/SRS investors should be informed that if they wish to vote, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, i.e. by 10 a.m. on 18 January 2022. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries at least 7 working days, i.e. by 10 a.m. on 18 January 2022 before the AGM if they wish to vote. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.

7. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be deposited at the Registered Office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 or the Company's registered office at 25 Bukit Batok Street 22, Singapore 659591; or

   (b) if submitted electronically, be sent via email to *proxyform@teeintl.com*;

   in either case, by 10 a.m. on 26 January 2022, being not less than forty-eight (48) hours before the time appointed for the AGM.

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

8. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 January 2022.

General:

The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



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