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

RESPONSE TO THE QUERIES FROM THE SINGAPORE EXCHANGE REGULATION IN RELATION TO THE COMPANY'S ANNOUNCEMENT DATED 10 SEPTEMBER 2021 ON THE NOTICE GIVEN BY DBS BANK LTD IN RELATION TO 33 CHANGI NORTH CRESCENT

The Board of Directors (the "**Board**" or the "**Directors**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by Singapore Exchange Regulation ("**SGX RegCo**") on 17 September 2021 in relation to the Company's announcement dated 10 September 2021 on the notice given by DBS bank Ltd in relation to 33 Changi North Crescent.

Query No 1

In the Company's announcement on 10 September 2021, it was disclosed that "DBS will be exercising their rights to take possession of the mortgaged property situated at 33 Changi North Crescent Singapore 499640 (the "**Mortgaged Property**") on the expiry of one (1) month from the date of service of the Letter." Please disclose the amount of banking facilities from the DBS that were affected and the book value of the property mortgaged as collateral.

Company's Response

The outstanding amount of banking facilities due to DBS Bank Ltd ("**DBS**") in relation to the notice given by DBS on the Mortgaged Property is approximately S$12.9 million.

As of today, the book value of the property mortgaged as collateral is approximately S$20 million, which is held as an investment property by the Company.

Query No 2

Please explain the use of the mortgaged property and whether the Company's operations will be affected if the bank takes possession of the property. To disclose if the property is currently tenanted and if so, the amount of rental contributed to other income, if material.

Company's Response

The Mortgaged Property is presently fully tenanted to an external party and is not utilised by the Group for its businesses and operations. As such, it is noted that the Group's operations would not be directly and significantly affected if DBS takes possession of the same. Nonetheless, the Company's income from renting out the Mortgaged Property would be affected.

The current monthly rent in respect of the Mortgaged Property is approximately $154,000.

Query No 3

To disclose if, arising from the above, other banking facilities have been affected and if so, please disclose if the Company had pledged any other properties or provided corporate guarantees for these other affected banking facilities taken by the Group.

Company's Response

The Company has provided other corporate guarantees to DBS for financing facilities granted by DBS to some of the Companies' subsidiaries, namely Trans Equatorial Engineering Pte Ltd and PBT Engineering Pte Ltd, with an outstanding amount of about S$1.8 million. The S$1.8 million amount is not related to the Mortgaged Property and it is separately collaterised by corporate guarantees granted by the Company and its subsidiary. Nonetheless, DBS may also deduct the amounts owing to it under these other financing facilities from the surplus sale proceeds from the sale of the Mortgaged Property.

Query No 4

Please provide an update on the progress of ongoing strategic review and disclose material findings, where applicable. To also provide a timetable on the remaining components of the review and estimated completion date.

Company's Response

The Company refers to its announcements on 7 August 2021, 17 August 2021, 7 September 2021 and 8 September 2021 (the "**Previous Announcements**" and each a "**Previous Announcement**"). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Previous Announcements.

As disclosed in the Previous Announcement on 7 August 2021, the Financial Consultant had undertaken the initial review of the Group's businesses and operations and presented a preliminary proposed restructuring plan to the Board. Pursuant to such preliminary proposed restructuring plan, the Applications for moratoria were made and these have been allowed for an interim period of six weeks up to and including 18 October 2021 as stated in the Company's announcement dated 7 September 2021.

In relation to the Company's application for a moratorium under Section 64 of the IRDA and the applications made by PBT Engineering, Trans Equatorial, TEE Infra and TEE E&C under Section 65 of the IRDA, the Court has given various directions, including as to certain timelines, as stated in the Company's announcement dated 8 September 2021. The further hearing for the Applications has been fixed on 18 October 2021 (Monday), at 10am.

The Group, with the assistance of the Financial Consultant, will continue to (a) look for opportunities to divest its non-core assets, (b) assess the viability and working capital requirements of its on-going projects in the Engineering and Construction business, and (c) actively engage with the financial institutions and trade creditors on alternative repayment schedules and/or terms of repayment. The Group will also continue to manage its costs of operations given its current tight working capital position. The Company will make further announcements via SGXNet as and when there are any material developments on the same.

By Order of the Board
TEE International Limited

Ong Beng Hong
Company Secretary
21 September 2021