TEE International Limited
and its subsidiaries
Registration Number: 200007107D

Condensed Interim Consolidated Financial Statements
for the First Quarter Ended 31 December 2023

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

	Note	Group Three Months Ended 31 December 2023 Unaudited S$'000	31 December 2022 Unaudited S$'000	Change %
Continuing operations				
Revenue		7,172	6,998	2.5
Cost of sales		(6,020)	(6,355)	(5.3)
Gross profit		1,152	643	79.2
Other operating income		141	105	34.3
Gain on de-recognition of a subsidiary upon loss of control	**20**	-	5,685	(100.0)
Administrative expenses		(1,464)	(1,392)	5.2
Other operating expenses		(4)	(2,944)	(99.9)
Share of results of associate		176	178	(1.1)
Finance costs		(225)	(187)	20.3
(Loss)/profit before income tax		**(224)**	**2,088**	(110.7)
Income tax (expense)/credit	**7**	(136)	30	(553.3)
(Loss)/profit for the period from continuing operations		**(360)**	**2,118**	(117.0)
Profit for the period from discontinued operations		**-**	**110**	(100.0)
(Loss)/profit for the period/year		**(360)**	**2,228**	(116.2)
(Loss)/profit for the period attributable to:				
Owners of the Company		(619)	2,128	(129.1)
Non-controlling interests		259	100	159.0
		(360)	**2,228**	(116.2)

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

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

	Group		
	Three Months Ended		
	31 December 2023 Unaudited	31 December 2022 Unaudited	Change
	S$'000	S$'000	%
(Loss)/profit for the period			
(Loss)/profit from continuing operations, net of tax	**(360)**	**2,118**	(117.0)
Profit from discontinued operations, net of tax	**-**	**110**	(100.0)
	(360)	**2,228**	(116.2)
Other comprehensive income, net of tax			
Item that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences arising from consolidation			
Loss from continuing operations, net of tax	(45)	(60)	(25.0)
	(45)	(60)	(25.0)
Total comprehensive (loss)/profit for the period	**(405)**	**2,168**	(118.7)
(Loss)/profit attributable to:			
(Loss)/profit from continuing operations, net of tax	(619)	2,018	(130.7)
Profit from discontinued operations, net of tax	-	110	(100.0)
Owners of the Company	(619)	2,128	(129.1)
Profit from continuing operations, net of tax	259	100	159.0
Non-controlling interests	259	100	
	(360)	**2,228**	(116.2)
Total comprehensive (loss)/profit attributable to:			
Owners of the Company	(664)	2,068	(132.1)
Non-controlling interests	259	100	159.0
	(405)	**2,168**	(118.7)
(Loss)/profit per share for (loss)/profit for the period attributable to the owners of the Company:			
From continuing and discontinued operations			
- Basic (SGD in cent)	(0.10)	0.33	(129.1)
- Diluted (SGD in cent)	(0.10)	0.33	(129.1)
Weighted average number of ordinary shares	646,882	646,882	
From continuing operations			
- Basic (SGD in cent)	(0.10)	0.31	(130.7)
- Diluted (SGD in cent)	(0.10)	0.31	(130.7)
Weighted average number of ordinary shares	646,882	646,882	

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

B. Condensed Interim Statements of Financial Position

	Note	Group 31 December 2023 Unaudited S$'000	Group 30 September 2023 Audited S$'000	Company 31 December 2023 Unaudited S$'000	Company 30 September 2023 Audited S$'000
ASSETS					
Current assets					
Cash and bank balances		5,279	4,957	11	25
Fixed deposits		8,200	8,012	-	-
Trade receivables	**11**	5,062	4,888	-	-
Other receivables		1,142	1,289	8,794	8,446
Inventories		50	48	-	-
Contract assets		207	333	-	-
Total current assets		19,940	19,527	8,805	8,471
Non-current assets					
Other receivables		144	147	-	-
Investment in associate	**12**	5,404	5,273	-	-
Investment in subsidiaries	**13**	-	-	-	-
Property, plant and equipment	**14**	22,240	22,546	1	17
Deferred tax assets		396	396	-	-
Total non-current assets		28,184	28,362	1	17
Total assets		**48,124**	**47,889**	**8,806**	**8,488**
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	**15**	1,706	1,694	144	152
Other payables	**16**	70,390	69,690	62,451	61,696
Contract liabilities		-	1	-	-
Provisions	**17**	1,790	1,614	1,280	1,108
Current portion of lease liabilities	**18**	294	374	-	17
Current portion of long-term borrowings	**18**	704	735	-	-
Financial guarantee liabilities	**19**	100,439	100,439	100,439	100,439
Income tax payable		640	584	310	343
Total current liabilities		175,963	175,131	164,624	163,755
Non-current liabilities					
Lease liabilities	**18**	1,829	1,854	-	-
Long-term borrowings	**18**	9,322	9,486	-	-
Deferred tax liabilities		229	232	-	-
Total non-current liabilities		11,380	11,572	-	-
Capital, reserves and non-controlling interests					
Share capital	**21**	73,194	73,194	73,194	73,194
Treasury shares	**21**	(269)	(269)	(269)	(269)
Currency translation reserve		(952)	(907)	-	-
Capital reserve		-	-	(274)	(274)
Accumulated losses		(212,616)	(211,997)	(228,469)	(227,918)
Equity attributable to owners of the Company		(140,643)	(139,979)	(155,818)	(155,267)
Non-controlling interests		1,424	1,165	-	-
Net equity		(139,219)	(138,814)	(155,818)	(155,267)
Total liabilities and equity		**48,124**	**47,889**	**8,806**	**8,488**

See accompanying notes to condensed interim consolidated financial statements.

C. Condensed Interim Consolidated Statements of Changes in Equity

	Attributable to equity owners of the Company						
Group	**Share capital S$'000**	**Treasury shares S$'000**	**Currency translation reserve S$'000**	**Accumulated (losses)/profit S$'000**	**Equity attributable to Owners of the Company S$'000**	**Non-controlling interests S$'000**	**Total S$'000**
Balance at 1 October 2022	73,194	(269)	(844)	(209,391)	(137,310)	265	(137,045)
Total comprehensive (loss)/income for the period:							
Profit for the period	-	-	-	2,128	2,128	100	2,228
Other comprehensive loss for the period	-	-	(60)	-	(60)	-	(60)
Total comprehensive (loss)/income for the period	-	-	(60)	2,128	2,068	100	2,168
Balance at 31 December 2022	**73,194**	**(269)**	**(904)**	**(207,263)**	**(135,242)**	**365**	**(134,877)**

See accompanying notes to condensed interim consolidated financial statements.

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

	Attributable to equity owners of the Company						
Group	**Share capital** S$'000	**Treasury shares** S$'000	**Currency translation reserve** S$'000	**Accumulated (losses)/profit** S$'000	**Equity attributable to Owners of the Company** S$'000	**Non-controlling interests** S$'000	**Total** S$'000
Balance at 1 October 2023	**73,194**	**(269)**	**(907)**	**(211,997)**	**(139,979)**	**1,165**	**(138,814)**
Total comprehensive (loss)/income for the period:							
Loss for the period	-	-	-	(619)	(619)	259	(360)
Other comprehensive loss for the period	-	-	(45)	-	(45)	-	(45)
Total comprehensive (loss)/income for the period	-	-	(45)	(619)	(664)	259	(405)
Balance at 31 December 2023	**73,194**	**(269)**	**(952)**	**(212,616)**	**(140,643)**	**1,424**	**(139,219)**

See accompanying notes to condensed interim consolidated financial statements.

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

Company	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total S$'000
Balance at 1 October 2023	73,194	(269)	(274)	(227,918)	(155,267)
Loss for the period, representing total comprehensive loss for the period	-	-	-	(551)	(551)
Balance at 31 December 2023	**73,194**	**(269)**	**(274)**	**(228,469)**	**(155,818)**
Balance at 1 October 2022	73,194	(269)	(274)	(219,064)	(146,413)
Loss for the period, representing total comprehensive loss for the period	-	-	-	(222)	(222)
Balance at 31 December 2022	**73,194**	**(269)**	**(274)**	**(219,286)**	**(146,635)**

See accompanying notes to condensed interim consolidated financial statements.

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group 31 December 2023 Unaudited S$'000	Group 31 December 2022 Unaudited S$'000
Operating activities			
(Loss)/profit before tax from continuing operations		(224)	2,088
Profit before tax from discontinued operations		-	110
		(224)	2,198
Adjustments for:			
Share of results of associate		(176)	(178)
Provision for restructuring costs		172	-
Depreciation of property, plant and equipment	**6.1**	518	592
Gain on de-recognition of subsidiaries upon loss of control	**6.1 & 20**	-	(5,685)
Due from former subsidiaries written off	**6.1**	-	2,984
Allowance for doubtful trade receivables written back	**6.1**	-	(41)
Amortisation of deferred commission expenses	**6.1**	2	2
Loss/(gain) on disposal of property, plant and equipment	**6.1**	3	(9)
Interest income		(40)	(2)
Interest expense		225	188
Operating cash flows before movements in working capital		480	49
Trade receivables		(174)	1,207
Other receivables		2	(311)
Inventories		(2)	(26)
Contract assets		126	1,069
Trade payables		12	(1,182)
Other payables		(40)	378
Contract liabilities		(1)	248
Utilisation of provision for maintenance costs		-	(9)
Utilisation of provision for onerous contracts		-	(61)
Cash generated from operations		403	1,362
Income tax paid		(83)	(20)
Net cash generated from operating activities		**320**	**1,342**
Investing activities			
Placement of fixed deposits		(1,200)	(1,000)
Proceeds on disposal of property, plant and equipment		14	17
Purchase of property, plant and equipment		(229)	(142)
Expenses paid on behalf of a former subsidiary		-	(12)
Repayment of advances to directors of subsidiaries		-	8
Repayment of finance lease receivables		3	3
Interest received		39	2
Net cash used in from investing activities		**(1,373)**	**(1,124)**

See accompanying notes to condensed interim consolidated financial statements.

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

	Group	
	30 September 2023 Unaudited	30 September 2022 Audited
	S$'000	S$'000
Financing activities		
Repayment of long-term borrowings	(195)	(157)
Decrease in amount due from former immediate holding company of a subsidiary	144	288
Repayment to former immediate holding company of a subsidiary	(164)	-
Repayment of principal portion of lease liabilities	(105)	(122)
Loan from Subscriber[1]	880	-
Loan from a related party	-	200
Loan from third party	90	-
Interest paid	(287)	(154)
Net cash generated from financing activities	**363**	**55**
Net (decrease)/ increase in cash and cash equivalents	(690)	273
Cash and cash equivalents at beginning of year	5,969	7,060
Cash and cash equivalents at end of year (Note a)	**5,279**	**7,333**

	Group	
	31 December 2023 Unaudited	31 December 2022 Unaudited
Note a	S$'000	S$'000
Cash and cash equivalents	5,279	4,953
Cash at bank in disposal group held for sale	-	2,380
	5,279	**7,333**

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

See accompanying notes to condensed interim consolidated financial statements.

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "Group").

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

Proposed Restructuring Exercise

On 15 July 2021, the Company announced the appointment of RSM Corporate Advisory Pte. Ltd. ("RSM") as financial consultant in 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"). Please see the announcement on 7 August 2021 for more information. In addition, the Company's former wholly-owned subsidiaries PBT Engineering Pte Ltd ("PBT Engineering", now known as Tracebuild Pte Ltd), Trans Equatorial Engineering Pte Ltd ("Trans Equatorial"), TEE Infrastructure Private Limited ("TEE Infra") and TEE E&C (Malaysia) Sdn Bhd ("TEE E&C (M)"), (together with the Company, PBT Engineering, Trans Equatorial and TEE Infra, the "Applicants") have also filed applications under Section 65 of the IRDA on 6 August 2021 respectively in support of the Company's proposed restructuring. The moratorium orders are being sought to preserve the assets of the Group pending the formulation of a holistic restructuring plan. Please also see further announcements on material developments in this regard made on 17 August 2021, 7 September 2021, 8 September 2021, 19 October 2021, 1 November 2021, 29 November 2021, 23 March 2022, 31 March 2022, 20 June 2022, 29 June 2022, 21 September 2022 and 27 September 2022 (the "Previous Announcements").

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

Disposal and scheme of arrangement of PBT Engineering

On 20 February 2023, the Company completed the disposal of 100% of the issued and paid-up share capital of PBT Engineering to Chia Yoke Heng ("Mr Chia") and ADS Builders (1988) Pte. Ltd. ("ADS") (Mr Chia and ADS collectively, the "Purchasers") for a consideration of S$18,000 (the "Consideration").

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

Creditors' Voluntary Liquidation of Trans Equatorial

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

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

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

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

1. Corporate information (cont'd)

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

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

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

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

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

a) Subscription by the Subscriber of S$7.5 million in new ordinary shares in the Company; and

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

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

a) A loan agreement (the "Loan Agreement") for a term loan of up to S$1.8 million (the "Loan") to mainly fund the costs and expenses incurred for the restructuring exercise of the Group as well as operating expenses of the Group; and

b) A supplemental agreement to the Subscription Agreement to extend the Longstop Date to 18 August 2023 (where both parties may mutually agree to extend by another two (2) months, pending on the progress of the restructuring exercise.

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

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

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

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

Proposed Scheme of Arrangement by the Company

On 24 February 2023, the Company has proposed a pre-packaged Scheme (the "Scheme") with its creditors pursuant to section 71 of the IRDA, and further on 13 April 2023, the Company announced that the Scheme has been approved by a majority in number representing at least three-fourths in value of the creditors casting their votes through the ballot forms.

As such, on 3 May 2023, the Company filed an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 71 of the IRDA for the Court's sanction of the Scheme (the "Sanction Application"). On 11 May 2023, the Court granted the application and approved the Scheme. Further on 16 May 2023, a copy of the Order of Court approving the Scheme was lodged with ACRA and accordingly, the said Order took effect on and from 16 May 2023 with a Long-Stop Date of 31 December 2023.

In view of the lapse of the Scheme, the Company, together with the Scheme Manager and legal advisor is engaging with the creditors to agree to an extension of Long-Stop Date of the Scheme.

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

1. Corporate information (cont'd)

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

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

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

On 27 December 2023, the Company submitted an application for a further extension of time up to 31 March 2024 to allow the Company sufficient time to work towards the re-submission of a Resumption Proposal.

Refer to Note 23 on Subsequent Events for material updates after 31 December 2023.

Entry into binding term sheet in relation to proposed acquisition of Carats&Co Pte. Ltd.

On 14 December 2023, the Company announced that it has entered into a legally binding term sheet (the "Term Sheet") with the shareholders of Carats&Co Pte. Ltd. (the "Target Company"), namely Teo Kin Hua, Teo Kim Guan, Teo Chiew Moi Susie, Koh Tong Huat, Teo Kim Huat, Cho Ann Fong (each, a "Vendor" collectively, the "Vendors" and together with the Company, the "Parties"), in relation to the proposed acquisition of the entire issued and paid-up share capital (the "Sales Share") of the Target Company (the "Proposed Acquisition").

The Term Sheet is legally binding on the Parties with the commercial terms therein and subject to the conditions set forth therein, including the negotiation and execution of a sale and purchase agreement in respect of the Proposed Acquisition, amongst other definitive agreements (the "Definitive Agreements"). There is a Long-Stop Date of nine (9) months from the date of the Term Sheet (or such other dates as may be agreed between the Parties in writing with regard to the entry of Definitive Agreement).

Pursuant to the Term Sheet and subject to the terms and conditions of the Definitive Agreements to be entered into between the Parties, the acquisition by the Company of the Sale Shares free from all encumbrances with all rights, title and interest in and to the Sale Shares attaching to them as at completion of the Proposed Acquisition (the "Completion"), shall be carried out in two (2) tranches:

a) Tranche One: within three (3) months (or such other period as the Parties may agree in writing) from the satisfaction of the Conditions Precedents (as defined in the Term Sheet), the acquisition of 1,200,000 Sale Shares held by Vendors (the "Tranche One Acquisition") such that the total number of Sale Shares acquired by the Company on completion of the Tranche One Acquisition would be equivalent to 60% of the issued share capital of the Company; and

b) Tranche Two: within 12 months following the completion of the Tranche One Acquisition, the acquisition of 800,000 Sale Shares held by Vendors representing 40% of the issued share capital of the Company (the "Tranche Two Acquisition"). With respect to the Tranche Two Acquisition, each Party or Vendor shall have an option to negotiate with the other Party or Vendor to acquire a lower percentage of the issued share capital of the Company, such amount to be between 20% to 40%, as may be agreed in writing between the respective Parties.

The Consideration payable by the Company to the Vendors for the Sale Shares shall be approximately $14 million, being the indicative valuation based on the price earning ration of the Target Company's FY2023 projection figures.

The completion of each tranche of the Proposed Acquisition shall be conditional upon the customary conditions precedent having been fulfilled or waived as defined in the Term Sheet. The detailed terms and conditions of the Term Sheet was announced on 14 December 2023.

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

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

1. Corporate information (cont'd)

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

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

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

2. Basis of preparation

The condensed interim consolidated financial statements for the financial period from 1 October 2023 to 31 December 2023 (1QFY2024) have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year ended 30 September 2023 (FY2023).

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

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

Going concern assumption

As at 31 December 2023, the Group's and the Company's current liabilities exceeded their current assets by S$156,023,000 (30 September 2023 - S$155,604,000) and S$155,819,000 (30 September 2023 - S$155,284,000) respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

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

Based on the aforementioned, the condensed interim consolidated financial statements of the Company and the Group for the period ended 31 December 2023 have been prepared on the assumption that the Company and its subsidiaries is able to continue as a going concern. As the completion of the Subscription Agreement and proposed restructuring exercise including discussions with creditors are still in progress, the final outcome is uncertain and accordingly, the actual impact, whether financial or non-financial, is not easily determinable as at the date of this announcement. It should therefore be noted that the going concern assumption is premised upon, *inter alia*, (i) the successful completion of the Subscription Agreement, (ii) the successful completion of the proposed restructuring exercise, (iii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iv) the sufficiency of cash flows generated from the Group's operating activities.

The condensed interim consolidated financial statements in this announcement, explanatory notes and other information have not been audited or reviewed by the Company's auditors. Accordingly, depending on the eventual outcome of the aforementioned, the Company and/or its subsidiaries may have to make material adjustments to its financial performance and financial position of 1QFY2024 as contained herein. In this regard, the Company will make appropriate announcements accordingly when more information is available.

Basis of consolidation

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

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

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

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

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

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

2. Basis of preparation (cont'd)

Basis of consolidation (cont'd)

Change in the Group's ownership interests in existing subsidiaries

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

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

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

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

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

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

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

As disclosed in Note 1, these events were taken place in FY2022 and FY2023 within Engineering and Construction Segment:

- Trans Equatorial[1] was placed into creditors' voluntary liquidation (the "CVL") on 12 January 2022
- Winding up of TEE E&C (M)[2] on 24 June 2022
- Disposal of PBT Engineering

Following the events described above and in compliance with SFRS (I) 5 *Non-current Assets Held-for-sale and Discontinued Operations*, the Group has classified Engineering and Construction Segment as discontinued operations in FY2023.

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

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

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

2. Basis of preparation (cont'd)

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 30 September 2023 (FY2023).

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

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

(a) Going concern assumption

As at 31 December 2023, the Group's and the Company's current liabilities exceeded their current assets by S$156,023,000 (30 September 2023 - S$155,604,000) and S$155,819,000 (30 September 2023 - S$155,284,000) respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

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

Based on the aforementioned, the condensed interim financial statements of the Company and the Group for the period ended 31 December 2023 have been prepared on the assumption that the Company and its subsidiaries is able to continue as a going concern. As the completion of the Subscription Agreement and proposed restructuring exercise including discussions with creditors are still in progress, the final outcome is uncertain and accordingly, the actual impact, whether financial or non-financial, is not easily determinable as at the date of this announcement. It should therefore be noted that the going concern assumption is premised upon, *inter alia*, (i) the successful completion of the Subscription Agreement, (ii) the successful completion of the proposed restructuring exercise, (iii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iv) the sufficiency of cash flows generated from the Group's operating activities.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business ad adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, ad 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.

(b) Determination of lease terms

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(c) Associate

As part of the Company's Scheme of Arrangement, one of the key terms of the Scheme is to dispose of the Group's 21.05% equity interest in Powersource Philippines Distributed Power Holdings Inc. ("Powersource") and any net cash proceeds from the disposal to be distributed to the Scheme creditors on a pari passu basis. In the event that the divestment of Powersource is not completed within 24 months from date of the Order sanctioning the proposed Scheme, the shares of Powersource shall be distributed in specie to the Scheme creditors on a pari passu basis.

Management has entrusted local management of Powersource to explore/approach interested buyers but till date, there are no prospective buyer/(s) and the Management is of the view that there is no certainty that any sale can be transacted/completed within one year from balance sheet date. Accordingly, the Group continues to account for its investment in Powersource as an associate in the consolidated financial statements as the sale is not highly probable.

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

(a) Revenue recognition

The Group recognises revenue from the following major sources:

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

As described in the FY2023 audited consolidated financial statements, the Group recognises revenue either at a point in time or over time, depending on the contractual terms. Revenue from construction engineering contracts is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

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

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

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

(b) Calculation of loss allowances

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

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

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

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(c) Impairment of investment in associate and subsidiaries, and property, plant and equipment

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

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

(d) 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.

(e) Estimation of provisions made on various claims

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

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

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

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

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Corporate & Others		Infrastructure		Discontinued Operations		Elimination / Adjustments		Group	
	Three months ended		Three months ended		Three months ended		Three months ended		Three months ended	
	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue										
External sales	64	54	7,108	6,944	-	7,451	-	-	7,172	14,449
Inter-segment sales	17	78	2	2	-	-	(19)	(80)	-	-
Total revenue	**81**	**132**	**7,110**	**6,946**	**-**	**7,451**	**(19)**	**(80)**	**7,172**	**14,449**
Segment results										
Segment results	(703)	(435)	528	2,809	-	(165)	-	-	(175)	2,209
Share of results of associate	-	-	176	178	-	-	-	-	176	178
Finance costs	(218)	(176)	(7)	(11)	-	(2)	-	-	(225)	(189)
(Loss)/Profit before tax	(921)	(611)	697	2,976	-	(167)	-	-	(224)	2,198
Income tax (expense)/ credit	(29)	56	(107)	(26)	-	-	-	-	(136)	30
(Loss)/Profit for the period	**(950)**	**(555)**	**590**	**2,950**	**-**	**(167)**	**-**	**-**	**(360)**	**2,228**

	Corporate & Others		Infrastructure		Discontinued Operations		Elimination / Adjustments		Group	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment assets										
Segment assets	22,019	22,425	20,305	19,795	-	-	-	-	42,324	42,220
Investment in associate	-	-	5,404	5,273	-	-	-	-	5,404	5,273
Deferred tax assets	-	-	396	396	-	-	-	-	396	396
Total assets	**22,019**	**22,425**	**26,105**	**25,464**	**-**	**-**	-	-	**48,124**	**47,889**
Segment liabilities										
Segment liabilities	162,794	161,993	11,531	11,445	-	-	-	-	174,325	173,438
Loans, borrowings and lease liabilities	11,852	12,057	297	392	-	-	-	-	12,149	12,449
Income tax payable	337	370	303	214	-	-	-	-	640	584
Deferred tax liabilities	-	-	229	232	-	-	-	-	229	232
Total liabilities	**174,983**	**174,420**	**12,360**	**12,283**	**-**	**-**	**-**	**-**	**187,343**	**186,703**

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 30 September 2023:

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at amortised cost	**19,591**	**18,975**	**8,799**	**8,447**
Financial liabilities				
Financial guarantee liabilities	100,439	100,439	100,439	100,439
Financial liabilities at amortised cost	83,860	83,438	62,451	61,713
	184,299	**183,877**	**162,890**	**162,152**

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

Financial liabilities at amortised cost consist of trade payables excluding GST payables, other payables, lease liabilities and borrowings.

6. (Loss)/profit before income tax

6.1 Significant items

	Continuing operations		Discontinued operations		Total	
	Three months ended		Three months ended		Three months ended	
	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Amortisation of deferred commission expenses	2	2	-	-	2	2
Net foreign currency adjustment loss	1	1	-	-	1	1
Professional fees	265	191	-	103	265	294
Depreciation of property, plant and equipment, including ROU assets	518	592	-	-	518	592
Gain on de-recognition of subsidiaries upon loss of control (Note 21)	-	(5,685)	-	-	-	(5,685)
Loss/(gain) on disposal of property, plant and equipment	3	(9)	-	-	3	(9)
Due from former subsidiaries written off	-	2,984	-	-	-	2,984
Impairment loss on financial assets written back - Trade receivables	-	(41)	-	-	-	(41)

6.2 Related party transactions

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

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

7. Taxation

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

	Continuing operations		Discontinued operations		Total	
	Three months ended		Three months ended		Three months ended	
	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited	31 December 2023 Unaudited	31 December 2022 Unaudited
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current:						
- (Loss)/profit for the period	110	-	-	-	110	-
- Adjustment in respect of prior years	29	(56)	-	-	29	(56)
Deferred:						
- (Credit)/charge for the period	(3)	26	-	-	(3)	26
	136	**(30)**	**-**	**-**	**136**	**(30)**

8. Discontinued operations

The Company completed the disposal of PBT Engineering on 20 February 2023. Combined with the liquidation of Trans Equatorail and winding up of TEE E&C (M), the E&C Segment was classified as discontinued operations in FY2023.

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

	Discontinued operations
	Three months ended 31 December 2022 Unaudited
	S$'000
Revenue	7,451
Cost of sales	(7,010)
Gross profit	441
Other operating income	12
Administrative expenses	(341)
Finance costs	(2)
Profit before tax	110
Income tax	-
Profit after tax	110

9. Dividend

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

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

10. Net asset value

Group	31 December 2023 Unaudited	30 September 2023 Audited
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	(21.52)	(21.64)
Number of ordinary shares issued at the end of the period/year	646,882,476	646,882,476

Company	31 December 2023 Unaudited	30 September 2023 Audited
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	(24.09)	(24.0)
Number of ordinary shares issued at the end of the period/year	646,882,476	646,882,476

11. Trade receivables

	Group	
	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000
Third parties	5,335	5,153
GST receivable	7	15
	5,342	5,168
Less: Allowance for impairment		
- At beginning of period/year	(280)	(327)
- Allowance for the period/year	-	(274)
- Written back during the period/year	-	171
- Amount utilised during the period/year	-	150
- At end of period/year	(280)	(280)
Trade receivables – net	**5,062**	**4,888**

12. Investment in associate

Group	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000
Unquoted equity shares, at cost	4,332	4,332
Share of post-acquisition reserves, net of dividend received	1,072	941
Net	**5,404**	**5,273**

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

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

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

13. Investment in subsidiaries

Company	31 December 2023 Unaudited S$'000	30 September 2023 Audited S$'000
Unquoted equity shares, at cost	12,094	12,094
Less: Allowance for Impairment loss		
- At beginning of period/year	(12,094)	(8,137)
- Allowance for the period/year	-	(3,957)
- At end of period/year	(12,094)	(12,094)
Net	**-**	**-**

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	
		31 December 2023	30 September 2023
		%	%
TEE Industrial Pte. Ltd. Singapore	Operating an Industrial building for rental	100.00	100.00
G3 Environmental Private Limited Singapore	Commercial and industrial real estate Management	50.10	50.10

14. Property, plant and equipment

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

During the three months ended 31 December 2023, the Group acquired assets amounting to S$0.2 million (31 December 2022: S$0.1 million) and disposed of assets with net book value amounting to S$17,000 (31 December 2022: S$9,000).

15. Trade Payables

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Third parties	1,321	1,299	-	-
GST payable	385	395	144	152
Total	**1,706**	**1,694**	**144**	**152**

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

16. Other Payables

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Amounts due to:				
- Subsidiaries	-	-	3,206	3,206
- Former immediate holding company of a subsidiary	1,457	1,587	114	241
- Former subsidiaries	49,684	49,684	49,647	49,647
Shareholder loans	2,968	2,968	2,768	2,768
Loan from a related party	200	200	200	200
Loan from non-controlling interest	6,188	6,188	-	-
Loan from Subscriber	2,680	1,800	2,680	1,800
Accrued expenses	3,436	3,487	712	696
Accrued interest expense	31	131	31	23
Rental and security deposits	1,186	1,204	1,000	1,000
Loans from third party	445	355	445	355
Other payables	2,115	2,086	1,648	1,760
Amounts shown under current liabilities	**70,390**	**69,690**	**62,451**	**61,696**

The loan from a related party is for working capital purpose, is unsecured, interest-free and repayable within the next twelve months. Related party refers to a party who is deemed to have an interest in all the shares directly held by the shareholder (the immediate and ultimate holding company) of the Company.

Former immediate holding company of a subsidiary refers to Amcorp Global Limited (the "AGL"). Amounts due to AGL carry a fixed interest rate of 10% per annum (FY2023 - 7% to 10%) and are secured by assignment of sales proceed from the property of a subsidiary and certain shares of the subsidiaries under the Group.

Amounts due to former subsidiaries, namely PBT Engineering (now known as Tracebuild Pte Ltd) and Trans Equatorial Engineering were reclassified and recognised as other payables as a result of the completion of the disposal of PBT Engineering and CVL of Trans Equatorial Engineering, respectively. The amounts owed by the Group to PBT Engineering and Trans Equatorial Engineering had been included as part of and will be settled through the Scheme.

Loan from non-controlling interest is for working capital loans for respective subsidiaries and are unsecured, interest-free and repayable on demand.

Loan from Subscriber is unsecured, interest-free and repayment is extended to the earlier of the completion date of the conditional subscription agreement and eight months from the date of the supplemental loan agreement dated 31 October 2023, i.e. on 30 June 2024. The loan is mainly to fund the costs and expenses incurred for the restructuring exercise of the Group, as well as operating expenses of the Group.

Loan from third party carries a fixed interest rate of 8% per annum and is unsecured and repayable within next twelve months.

17. Provisions

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Provision for restoration costs	510	506	-	-
Provision for restructuring costs	1,280	1,108	1,280	1,108
Total	**1,790**	**1,614**	**1,280**	**1,108**

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

18. Lease liabilities and borrowings

Amount repayable in one year or less, or on demand

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Lease liabilities	294	374	-	17
Long-term borrowings	704	735	-	-
Total	**998**	**1,109**	**-**	**17**

Amount repayable after one year

	Group		Company	
	31 December 2023 Unaudited	30 September 2023 Audited	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000	S$'000	S$'000
Lease liabilities	1,829	1,854	-	-
Long-term borrowings	9,322	9,486	-	-
Total	**11,151**	**11,340**	**-**	**-**

The Group's and the Company's lease liabilities are secured by the lessors' title to the leased assets.

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

The Group's bank facility agreements include financial covenants. As at 31 December 2023 and 30 September 2023, the Group is in compliance with the relevant covenants.

19. Financial Guarantee Liabilities

Group and Company	31 December 2023 Unaudited	30 September 2023 Audited
	S$'000	S$'000
At the beginning of period/year	100,439	98,617
Additional liabilities	-	2,336
Adjustments	-	(514)
Amounts shown under current liabilities	**100,439**	**100,439**

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

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

20. De-recognition of subsidiaries upon loss of control

Arrow Waste Management Pte Ltd

In FY2023, the Company had placed Arrow Waste Management Pte Ltd ("AWM") under CVL and it was completed on 1 September 2023. Accordingly, consolidation of AWM ceased when the Company ceased to control AWM. The fair value of identifiable assets and liabilities were as follows:

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

**denotes amount less than $1,000.*

21. Share capital

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

There are 1,270,400 treasury shares as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year. The total number of issued shares as at 31 December 2023 is 648,152,876 (30 September 2023: 648,152,876).

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

22. Contingent liabilities

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

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

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

The management assessed and estimated the potential exposure on liabilities (see Note 19) and contingent liabilities. Accordingly, the Group has made adequate provision for liabilities in connection with the claims in these condensed interim consolidated financial statements based on current best estimates and available information.

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

22. Contingent liabilities (cont'd)

As part of the proposed restructuring exercise, the Company proposed and launched the Scheme between the Company and its creditors. Together with the scheme managers, the management discussed with various parties/creditors to reach amicable conclusions. On 24 February 2023, the Company has proposed a pre-packaged Scheme (the "Scheme") with its creditors pursuant to section 71 of the IRDA, and will be relying on ballot forms completed and submitted by its creditors as evidence of the manner in which the creditors would have voted had a meeting of creditors been summoned and held. Further on 13 April 2023, the Company announced that the Scheme has been approved by a majority in number representing at least three-fourths in value of the creditors casting their votes through the ballot forms.

As such, on 3 May 2023, the Company filed an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 71 of the IRDA for the Court's sanction of the Scheme (the "Sanction Application"). On 11 May 2023, the Court granted the application and approved the Scheme. Further on 16 May 2023, a copy of the Order of Court approving the Scheme was lodged with ACRA and accordingly, the said Order took effect on and from 16 May 2023 with a Long-Stop Date of 31 December 2023. In view of the lapse of the Scheme, the Company, together with the Scheme Manager and legal advisor is engaging with the creditors to agree to an extension of Long-Stop Date of the Scheme.

23. Subsequent events

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

Notice of delisting (the "Delisting Notification")

On 10 January 2024, the Company had received a rejection by the SGX-ST of the Extension Application on the basis that the Company has not been able to provide substation details of its Proposed Acquisition of the Target Company and substantiation to demonstrate that its plans (including its Proposed Acquisition) would enable the Company to operate as a going concern and enable trading resumption.

In addition, SGX-ST also served a notification of the Delisting Notification to the Company and the suspension in trading of the Company's shares shall remain in effect until the Company's delisting from the Exchange which was stated in the Delisting Notification as 10 February 2024.

Subsequently, the Company has submitted an appeal to SGX-ST by providing additional information to address SGX's concerns (the "Appeal"). Nevertheless, on 8 February 2024, the Company was informed by SGX-ST that the Appeal has been rejected and the Company will be delisted from the SGX-ST with effect from 16 February 2024. Accordingly, the Company will continue to exist as an unlisted public limited company with all its existing shareholders after it is delisted from the SGX-ST.

The relevant announcement was made on 9 February 2024.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed interim consolidated statement of financial position of TEE International Limited and its subsidiaries as at 31 December 2023 and the related condensed interim consolidated statement of comprehensive income for the financial period from 1 October 2023 to 31 December 2023, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the financial period from 1 October 2023 to 31 December 2023 and certain explanatory notes have not been audited or reviewed.

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

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

Please refer to the Company's Annual Report released on 11 January 2024 and announcement made on 9 and 11 January 2023 for the follow-up actions taken by the Company.

(i) Opening balance of FY2023 – this refers to the audit of the Group's financial statements for financial year ended 30 September 2022 ("FY2022"). The matters contributing to the modification of the audit report in FY2022 included limitation of scope on opening balances, insufficient information to complete the audit of the consolidated financial statements of the Group, completeness of liabilities and appropriateness of the going concern assumption.

The limitation of scope on opening balances and insufficient information to complete the audit of the consolidated financial statements of the Group arising from the audit of the entities within the E&C Segment. As of the date of this announcement, the E&C Segment has discontinued and save as disclosed in this announcement, there are no further material development with regards to the liquidation of Trans Equatorial and winding up of TEE E&C(M).

With regards to the completeness of liabilities and for the appropriateness of going concern assumption, please refer to Note (iii) and Note (iv) below.

(ii) Insufficient information to complete the audit of the consolidated financial statements of the Group – this refers to:

- The audit of the profit or loss for the period from 1 October 2022 to 19 February 2023 of a significant former subsidiary, PBT Engineering. The former subsidiary was disposed off on 20 February 2023. As at 30 September 2023 and as of the date of this announcement, PBT Engineering is no longer a subsidiary of the Company.

  In addition, PBT Engineering's company level was issued with a Disclaimer of Opinion for FY2022 audit in view of the insufficiency of supporting documents which are required to ascertain the completeness and accuracy and/or to reconcile various evidence mainly for project related items in PBT Engineering.

- Audit of the carrying amount of the Group's investment in PowerSource Philippines Distributed Power Holdings, Inc. ("PWS"), a foreign associate as at 30 September 2023 and the Group's share of PWS's net income for the year as the audit of the component was ongoing at the date of the financial statements.

(iii) Completeness of liabilities including contingent liabilities - please refer to Note 22 to the condensed interim financial statements of this announcement.

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

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

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

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

2. Review of performance of the Group

Financial performance review

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

First Quarter Ended 31 December 2023 ("1QFY2024") against First Quarter Ended 31 December 2022 ("1QFY2023")

Higher revenue by S$0.2 million mainly contributed from environmental business. The gross profit of S$0.5 million is contributed by the Group's environmental business. The higher revenue and gross profit arising from securing of good margin waste management contracts and continuous effort in contract renewals.

Other operating income increased marginally by S$36,000 mainly due to government grants and interest income received during the financial period.

Administrative expenses increased marginally by S$72,000 mainly due to professional fees incurred for the proposed restructuring exercise of the Company.

High other operating expenses in 1QFY2023 mainly comprised of due to other receivables written off, arising from the amount due from former subsidiary i.e. Arrow Waste Management Pte Ltd ("AWM") due to liquidation.

Finance costs increased by S$38,000 mainly contributed by higher interest rate charged by financial institute.

Overall, the Group reported a loss after tax of S$0.3 million in 1QFY2024 as compared to profit after tax of $2.2 million in 1QFY2023, which mainly contributed by the gain arising from the de-recognition of AWM in prior period.

Attributable to the owners of the Company was a loss of S$0.6 million in 1QFY2024 as compared to a profit of S$2.1 million in 1QFY2023.

Financial position review

Total cash and bank balances, and fixed deposits increased by $0.5 million mainly contributed from cash generated from operating activities.

Trade receivables increased by S$0.2 million, consistent with the increase in revenue generated from the environmental business during the current financial period.

Property, plant and equipment decreased by S$0.3 million mainly due to depreciation charge and amortisation of right-of-use assets of S$0.5 million, offset by purchase of motor vehicle and machinery S$0.2 million during the financial period.

Other payables increased by S$0.7 million mainly arising from the loan received from Subscriber and third party of S$0.9 million, offset by repayment to former immediate holding company of a subsidiary S$0.2 million.

Provisions increased by $0.2 million mainly arising from provision for restructuring costs.

Provision of financial guarantee liabilities is explained in Note 19 and Note 22 in the condensed interim consolidated financial statements.

Long-term borrowings and lease liabilities decreased by S$0.3 million due to repayment during the financial period.

Cash Flow Statement

Net cash generated from operating activities amounted to approximately S$0.3 million mainly contributed by improved working capital management.

Net cash used in investing activities was approximately S$1.4 million mainly due to purchase of property, plant and equipment of $0.2 million and placement of fixed deposit S$1.2 million.

Net cash generated from financing activities was S$0.4 million, mainly due to loan received from Subscriber and a third party of S$1.0 million, offset by net repayment of bank borrowings and lease liabilities of S$0.3 million and relevant interest paid of S$0.3 million.

As a result, the Group recorded a net decrease in cash and cash equivalents of S$0.7 million.

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

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

Net Current Liabilities and Negative Net Equity

As at 31 December 2023, the Group's and the Company's current liabilities exceeded its current assets by S$156.0 million and S$155.8 million respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and former subsidiaries, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against former subsidiaries.

As at 31 December 2023, the Group's and the Company's accumulated losses exceeded its share capital, resulting in negative net equity by S$139.2 million and S$155.8 million respectively.

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

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

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

Group

The details of the restructuring exercise are explained in Note 1 and Note 23 under Section E above in this announcement. In view of the Delisting Notification served to the Company, the Company will be delisted from the SGX-ST with effect from 16 February 2024. Accordingly, the Company will continue to exist as an unlisted public limited company with all its existing shareholders after it is delisted from the SGX-ST.

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

Infrastructure Business

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

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

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

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

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

5. Interested person transactions

No IPT mandate has been obtained for the period under review. However, the Company wishes to disclose the following aggregate value of interested person transactions conducted during the financial period ended 31 December 2023.

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

[1] Tramore Global Limited ("TGL") is a controlling shareholder of the Company, holding direct interest of 53.4% of the issued share capital of the Company. As at 31 December 2023, TGL granted unsecured interest-free loans of S$2.9 million in total to the Company and a subsidiary of the Company. The repayment date of the loan is on 31 December 2024, 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.

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

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

7. Additional information required pursuant to Rule 706A

Save as disclosed on SGXNET, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

8. Negative assurance confirmation on the interim financial results pursuant to Rule 705(5)

We, Phua Cher Chuan and Yeo Kian Wee Andy, being two Directors of TEE International Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period from 1 October 2023 to 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Phua Cher Chuan
Chief Executive
and Managing Director

Yeo Kian Wee Andy
Independent Non-Executive
Chairman

Dated: 14 February 2024

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