

TEE International Limited
and its subsidiaries
Registration Number: 200007107D

Condensed Financial Statements
For the full year ended 30 September 2022

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A. Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group 12 months ended 30 September 2022 Unaudited S$'000	16 months ended 30 September 2021 Re-presented S$'000	Change %
Continuing operations				
Revenue	**4**	30,413	42,668	(28.7)
Cost of sales		(24,967)	(34,715)	(28.1)
Gross profit		5,446	7,953	(31.5)
Other operating income		918	3,808	(75.9)
Administrative expenses		(5,942)	(9,548)	(37.8)
Other operating expenses		(249)	(7,939)	(94.7)
Trade and other receivables (due from former subsidiaries) written off		(23,621)	(2,072)	N.M.
Share of results of associates and joint venture		368	946	(61.1)
Finance costs		(1,226)	(1,558)	(21.3)
Impairment loss on financial assets and contract assets		(177)	(164)	(0.1)
Impairment loss on financial assets written back		-	51	N.M
Loss before income tax	**6.1**	(24,483)	(8,523)	187.3
Income tax (expense)/credit	**7**	(311)	69	N.M.
Loss for the year/period from continuing operations		**(24,794)**	**(8,454)**	**193.3**
Profit/(loss) for the year/period from discontinued operations	**8**	**68,775**	**(191,285)**	**(136.0)**
Profit/(loss) for the year/period		**43,981**	**(199,739)**	**(122.0)**
Profit/(loss) for the year/period attributable to:				
Owners of the Company		43,407	(201,716)	(121.5)
Non-controlling interests		574	1,977	(71.0)
		43,981	**(199,739)**	**(122.0)**

Note:

Following the events described in Note 2 below with regards to Trans Equatorial Engineering Pte. Ltd., TEE E&C (M) Sdn. Bhd, as well as PBT Engineering Pte. Ltd., the Group has reclassified Engineering and Construction Segment as discontinued operations in the financial year ended 30 September 2022. For the prior financial period ended 30 September 2021, the financial figures are re-presented in conformity with the aforementioned change.

N.M.: Not Meaningful

See accompanying notes to condensed financial statements.

A. Condensed consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group		
	12 months ended 30 September 2022 Unaudited	16 months ended 30 September 2021 Re-presented	Change
	S$'000	S$'000	%
Profit/(Loss) for the year/period			
Loss from continuing operations, net of tax	**(24,794)**	**(8,454)**	**193.3**
Profit/(Loss) from discontinued operations, net of tax	**68,775**	**(191,285)**	**(136.0)**
	43,981	**(199,739)**	**(122.0)**
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	(150)	(478)	(68.6)
(Loss)/profit from discontinued operations, net of tax	(1,083)	291	N.M.
	(1,233)	(187)	N.M.
Total comprehensive profit/(loss) for the year/period	**42,748**	**(199,926)**	**(121.4)**
Profit/(Loss) attributable to:			
Loss from continuing operations, net of tax	(25,368)	(10,431)	143.2
Profit/(loss) from discontinued operations, net of tax (Note 8)	68,775	(191,285)	(136.0)
Owners of the Company	43,407	(201,716)	(121.5)
Profit from continuing operations, net of tax	837	1,652	(49.3)
(Loss)/profit from discontinued operations, net of tax	(263)	325	(180.9)
Non-controlling interests	574	1,977	(71.0)
	43,981	**(199,739)**	**(122.0)**
Total comprehensive profit/(loss) attributable to:			
Owners of the Company	42,169	(201,926)	(120.9)
Non-controlling interests	579	2,000	(71.1)
	42,748	**(199,926)**	**(121.4)**
Profit/(Loss) per share for loss for the year / period attributable to the owners of the Company:			
From continuing and discontinued operations			
- Basic (SGD in cent)	6.71	(31.18)	(121.5)
- Diluted (SGD in cent)	6.71	(31.18)	(121.5)
Weighted average number of ordinary shares	646,882	646,882	
From continuing operations			
- Basic (SGD in cent)	(3.92)	(1.61)	143.2
- Diluted (SGD in cent)	(3.92)	(1.61)	143.2
Weighted average number of ordinary shares	646,882	646,882	

N.M.: Not Meaningful

See accompanying notes to condensed financial statements.

B. Condensed statements of financial position

	Note	Group		Company	
		30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and cash equivalents		5,967	7,756	280	236
Fixed deposits		6,038	4,440	-	-
Trade receivables	**11**	4,304	15,435	-	-
Other receivables		1,471	3,365	19,160	14,340
Inventories		45	87	-	-
Contract assets	**12**	267	19,558	-	-
		18,092	50,641	19,440	14,576
Non-current assets held for sale	**13**	14,212	20,205	18	20,205
Total current assets		32,304	70,846	19,458	34,781
Non-current assets					
Other receivables		157	240	-	-
Financial asset at fair value through other comprehensive income		-	400	-	-
Investment in associate	**14**	4,916	5,001	-	-
Investment in subsidiaries	**15**	-	-	8,157	11,455
Property, plant and equipment	**16**	23,934	25,728	82	26
Investment properties	**17**	-	9,396	-	-
Deferred tax assets		-	60	-	9
Total non-current assets		29,007	40,825	8,239	11,490
Total assets		61,311	111,671	27,697	46,271

See accompanying notes to condensed financial statements.

B. Condensed statements of financial position (cont'd)

	Note	Group		Company	
		30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
		S$'000	S$'000	S$'000	S$'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	**18**	-	17,129	-	-
Trade payables	**19**	1,717	141,205	79	59
Other payables	**20**	45,009	26,901	63,373	63,569
Contract liabilities		2	1,102	-	-
Provisions	**21**	-	53,886	-	-
Current portion of lease liabilities	**18**	510	1,377	65	-
Current portion of long-term borrowings	**18**	651	23,452	-	12,797
Financial guarantee liabilities	**22**	98,617	-	98,617	75,868
Income tax payable		816	3,574	559	570
		147,322	268,626	162,693	152,863
Liabilities associated with non-current assets held for sale	**13**	39,188	2,572	-	2,572
Total current liabilities		186,510	271,198	162,693	155,435
Non-current liabilities					
Lease liabilities	**18**	2,160	10,857	17	-
Long-term borrowings	**18**	10,087	10,732	-	-
Other payables	**20**	-	41	-	-
Deferred tax liabilities		88	120	-	-
Total non-current liabilities		12,335	21,750	17	-
Capital, reserves and non-controlling interests					
Share capital	**24**	73,194	73,194	73,194	73,194
Treasury shares	**24**	(269)	(269)	(269)	(269)
Currency translation reserve		(843)	395	-	-
Capital reserve		-	-	(274)	(274)
Accumulated losses		(209,672)	(253,079)	(207,664)	(181,815)
Equity attributable to owners of the Company		(137,590)	(179,759)	(135,013)	(109,164)
Non-controlling interests		56	(1,518)	-	-
Net equity		(137,534)	(181,277)	(135,013)	(109,164)
Total liabilities and equity		61,311	111,671	27,697	46,271

See accompanying notes to condensed financial statements.

C. Condensed statements of changes in equity

Group	Attributable to equity owners of the Company						
	Share capital	Treasury shares	Currency translation reserve	Accumulated losses	Equity attributable to Owners of the Company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'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 condensed financial statements.

C. Condensed statements of changes in equity (cont'd)

Group	Attributable to equity owners of the Company						
	Share capital	Treasury shares	Currency translation reserve	Accumulated profit/(losses)	Equity attributable to Owners of the Company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 October 2021	73,194	(269)	395	(253,079)	(179,759)	(1,518)	(181,277)
Total comprehensive income/(loss) for the year:							
Profit for the year	-	-	-	43,407	43,407	574	43,981
Foreign currency exchange difference	-	-	(155)	-	(155)	5	(150)
Exchange difference realised on de-recognition of subsidiaries upon loss of control recycled to profit or loss	-	-	(1,083)	-	(1,083)	-	(1,083)
Other comprehensive (loss)/income for the year	-	-	(1,238)	-	(1,238)	-	(1,233)
Total comprehensive (loss)/income for the year	-	-	(1,238)	43,407	42,169	579	42,748
De-recognition of subsidiaries upon loss of control (Note 23)	-	-	-	-	-	995	995
Balance at 30 September 2022	73,194	(269)	(843)	(209,672)	(137,590)	56	(137,534)

See accompanying notes to condensed financial statements.

C. Condensed statements of changes in equity (cont'd)

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 October 2021	73,194	(269)	(274)	(181,815)	(109,164)
Loss for the period, representing total comprehensive loss for the year				(25,849)	(25,849)
Balance at 30 September 2022	73,194	(269)	(274)	(207,664)	(135,013)
Balance at 1 June 2020	73,194	(269)	(274)	(57,837)	14,814
Loss for the period, representing total comprehensive loss for the period	-	-	-	(123,978)	(123,978)
Balance at 30 September 2021	73,194	(269)	(274)	(181,815)	(109,164)

See accompanying notes to condensed financial statements.

D. Condensed consolidated statement of cash flows

	Note	Group 12 months ended 30 September 2022 Unaudited	Group 16 months ended 30 September 2021 Re-presented
		S$'000	S$'000
Operating activities			
Loss before tax from continuing operations		(24,483)	(8,523)
Profit/(loss) before tax from discontinued operations		68,739	(190,716)
		44,256	(199,239)
Adjustments for:			
Share of results of associates and joint venture		(368)	(949)
Depreciation of property, plant and equipment	**6.1**	2,408	4,749
Gain on de-recognition of subsidiaries upon loss of control	**6.1 & 23**	(90,442)	-
Trade receivables written off	**6.1**	604	2,119
Other receivables written off	**6.1**	23,025	2,103
Allowance for doubtful trade receivables	**6.1**	74	7,084
Allowance for doubtful other receivables	**6.1**	17,786	-
Allowance for doubtful other receivables written back	**6.1**	-	(51)
Allowance for impairment loss on contract asset	**6.1**	1,924	-
Amortisation of deferred commission expenses	**6.1**	-	418
Amortisation of financial guarantee liabilities		-	(75)
Amortisation of intangible asset	**6.1**	-	310
Amortisation of issuance costs on notes payable	**6.1**	-	39
Loss on disposal of financial asset at fair value through other comprehensive income		22	-
Changes in fair value of investment properties	**6.1**	820	4,332
Changes in fair value of non-current assets held for sale	**6.1**	115	-
Gain on disposal of non-current assets held for sale		(9)	-
Gain on disposal of property, plant and equipment		(153)	(147)
Gain on pretermination of leases		-	(862)
Loss on disposal of a subsidiary		-	470
Loss on disposal of an associate		-	1,324
Gain on disposal of financial assets at FVTPL		-	(545)
Provision for maintenance costs written back		(229)	-
Contract assets written back	**6.1**	(18)	-
Impairment recognised based on net estimated fair value of disposal group classified as held-for-sale	**6.1 & 13**	2,900	-
Impairment loss on property, plant and equipment	**6.1**	84	2,482
Contract assets written off	**6.1**	-	55,751
Property, plant and equipment written off		22	1
Provision for onerous contracts	**6.1**	-	1,051
Provision of maintenance costs	**6.1**	-	556
Provision of performance bonds	**6.1**	-	23,242
Provision for liquidated damages	**6.1**	-	24,393
Provision for potential back charges from customers	**6.1**	-	4,422
Trade payables written back		(5)	-
Currency translation adjustment		187	(30)
Interest income		(26)	(30)
Interest expense		1,709	3,486
Operating cash flows before movements in working capital		4,686	(63,596)
Trade receivables		6,031	8,956
Other receivables		614	2,424
Inventories		42	(10)
Contract assets		5,285	68,278
Trade payables		(3,741)	(6,184)
Other payables		(1,633)	(5,952)
Contract liabilities		1,035	441
Deposit		-	1
Utilisation of provision for maintenance costs		(523)	(13)
Utilisation of provision for onerous contracts		(962)	-
Cash generated from operations		10,834	4,345
Income tax paid		(122)	(655)
Net cash generated from operating activities		**10,712**	**3,690**

See accompanying notes to condensed financial statements.

D. Condensed consolidated statement of cash flows (cont'd)

	Note	Group 12 months ended 30 September 2022 Unaudited S$'000	Group 16 months ended 30 September 2021 Re-presented S$'000
Investing activities			
Proceeds on disposal of property, plant and equipment		207	455
Purchase of property, plant and equipment		(618)	(399)
Proceeds from disposal of an associate		-	3,519
Proceeds from disposal of other investment		-	627
Net proceeds from disposal of non-current assets held for sale		17,637	-
Return on capital from investment in joint venture		-	129
Repayment of advances to directors of subsidiaries		141	182
Repayment of loan by associate		-	12
Repayment of finance lease receivables		10	13
Net cash outflow on de-recognition of subsidiaries upon loss of control	**23**	(1,767)	-
Net cash outflow from disposal of a subsidiary		-	(11)
Interest received		26	60
Net cash generated from investing activities		**15,636**	**4,587**
Financing activities			
Drawdown of bank loans		-	26,989
Repayment of bank loans		(2,271)	(67,865)
Drawdown of long-term borrowings		-	5,000
Repayment of long-term borrowings		(18,446)	(2,141)
Repayment of amount due to associate		-	(31)
Decrease/(increase) in bank balances pledged		404	(825)
Repayment to former immediate holding company of a subsidiary		(184)	(8,454)
Repayment of loan from former ultimate holding company of a subsidiary		(1,744)	(256)
Repayment of principal portion of lease liabilities		(908)	(3,778)
Repayment of loan to non-controlling interest		-	(1,996)
Loan from a controlling shareholder		-	2,968
Loan from director and investor of a subsidiary classified as held-for-sale		300	-
Loan from third parties		100	601
Loan payable from former ultimate holding company of a subsidiary		-	2,000
Interest paid		(1,592)	(4,019)
Net cash used for financing activities		**(24,341)**	**(51,807)**
Net increase/(decrease) in cash and cash equivalents		2,007	(43,530)
Cash and cash equivalents at beginning of period		7,053	50,570
Effect of foreign exchange rate changes		-	13
Cash and cash equivalents at end of period (Note a)		**9,060**	**7,053**

Note a	Group 30 September 2022 Unaudited $'000	Group 30 September 2021 Unaudited $'000
Cash and cash equivalents	**5,967**	7,756
Cash and cash equivalents in disposal group held for sale	**1,093**	
Fixed deposits	**2,000**	-
Bank overdrafts	-	(703)
	9,060	7,053

See accompanying notes to condensed financial statements.

E. Notes to the condensed consolidated financial Statements

1. Corporate information

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

These condensed consolidated financial statements as at and for the financial year ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are investment holding and property investment and development. 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 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. 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 and 29 June 2022 (the "Previous Announcements").

On 21 September 2022, the Company announced that, together with TEE Infra, an extension of the Moratoria under Section 64(7) and/or 65(5) of the IRDA (the "Extension Applications") was filed. Further on 26 September 2022, the Court has granted orders in terms of the Extension Applications for moratoria relief for the Company and TEE Infra up to 31 December 2022.

PBT Engineering will be undertaking a separate scheme of arrangement (the "Scheme") with its creditors for, *inter alia*, the restructuring of PBT Engineering's debts. On 22 November 2022, the Company announced that the Court has granted leave for a meeting of Creditors (the "Scheme Meeting") of PBT Engineering to be convened for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme. The Court has also extended the moratorium granted to PBT Engineering by a period of three months from 1 January 2023.

Proposed Disposal of PBT Engineering

On 3 August 2022, the Company had announced that it has entered into a sale and purchase agreement (the "SPA") with Chia Yoke Heng ("Mr Chia") and ADS Builders (1988) Pte. Ltd. ("ADS") (Mr Chia and ADS collectively, the "Purchasers"), to sell to the Purchasers 100% of the issued and paid-up share capital of PBT Engineering for a consideration of S$18,000 (the "Consideration") (the "Disposal").

The obligations of the Company and the Purchasers to complete the Disposal are subject to the condition precedents stated in the SPA and the target completion of the disposal shall take place on the fourteenth day following confirmation by the Parties of the fulfilment (or waiver) of the conditions precedent and, in any event, no later than 31 December 2022, unless otherwise mutually agreed upon in writing between the parties. The Company will make further announcement should there be material development in relation to the Disposal.

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 to perform the following functions:

a) To exercise oversight over the entire restructuring process;
b) To exercise oversight over the utilisation of the assets and cash; and
c) 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.

E. Notes to the condensed consolidated financial statements (cont'd)

1. Corporate information (cont'd)

Creditors' Voluntary Liquidation of Trans Equatorial (Cont'd)

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 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, there is no other material development in relation to the CVL.

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 following orders in relation to TEE E&C (M) on 16 June 2022:

a) TEE E&C (M) to wind up under the provisions of the Companies Act 2016 of Malaysia;
b) The Receiving Officer/Director General of Insolvency to be appointed as the Liquidator for TEE E&C (M); and
c) Cost of RM3,000 to be paid to Hong Poh Engineering from the assets of TEE E&C (M).

The Company wishes to confirm that there has been no other material development as at the date of this announcement in relation to the winding up process that may have a significant impact on the Company's financial position.

Entry into Conditional Subscription 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 "Subscriber") (the parties to the Subscription Agreement, collectively, as the "Parties") 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. The Company will make further announcement should there be material development in relation to the Disposal.

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

As the proposed restructuring exercise and discussions with creditors are still in progress and the above Subscription Agreement is 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 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. Audit by the Company's auditors is currently still on-going and accordingly, the condensed 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 consolidated financial statements (cont'd)

2. Basis of preparation

The condensed financial statements for the full year ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 *Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 period ended 30 September 2021.

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 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 30 September 2022, the Group and the Company's current liabilities exceeded their current assets by S$154,206,000 (30 September 2021 - S$200,352,000) and S$143,235,000 (30 September 2021 - S$120,654,000) 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 former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

The Company, together with RSM was in discussions with various unrelated interested parties to raise equity funds and as of 18 August 2022, the Company entered into a conditional subscription agreement with Meta5 Pte. Ltd. (the "Meta5") (the "Subscription Agreement") to issue new shares in the Company worth S$7.5 million. Meta5 will also subscribe S$7.5 million of share options in the Company. Furthermore, the Company is also proposing a rights issue to raise S$3.5 million, bringing the total of equity fund to S$18.5 million 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, details of which is also explained in Note 1 above in this announcement.

Based on the aforementioned, the condensed financial statements of the Company and the Group for the year ended 30 September 2022 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 audit by the Company's auditors is still on-going. As such, the condensed 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 as contained herein. In this regard, the Company will make the 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 interim condensed 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 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.

De-recognition of subsidiaries upon loss of control

i) Trans Equatorial and its subsidiaries

As disclosed in Note 1, Trans Equatorial was placed into creditors' voluntary liquidation (the "CVL") on 12 January 2022.

Ms. Oon Su Sun and Mr. Lin Yueh Hung of RSM Corporate Advisory Pte. Ltd. were appointed as the liquidators for the purposes of the CVL. Hence, the Company no longer has control over 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").

ii) TEE E&C (M) and its subsidiary

As disclosed in Note 1, TEE E&C (M) is wind up under the provisions of the Companies Act 2016 of Malaysia and the Receiving Officer/Director General of Insolvency is appointed as the liquidator to TEE E&C (M). Hence, the Company no longer has control over TEE E&C (M) and it subsidiary i.e. TEE Project Solutions Sdn Bhd.

Accordingly, consolidation of Trans Group and TEE E&C (M) and its subsidiary ceased when the Company ceased to control these entities. Detailed information is disclosed in Note 23.

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, the following events had taken place during the year within Engineering and Construction Segment:

- Trans Equatorial was placed into creditors' voluntary liquidation (the "CVL") on 12 January 2022
- Winding up of TEE E&C (M) on 24 June 2022
- Proposed 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.

E. Notes to the condensed 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.

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
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021

2.2. Use of judgements and estimates

In preparing the condensed 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 period ended 30 September 2021.

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 financial statements is included in the following notes:

(a) 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).

(b) 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.

E. Notes to the condensed consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

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
- Sale of goods
- Revenue from services rendered
- Interest income
- Rental income

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.

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 controls of services are transferred to customers. This generally occurs when the wastes are 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.

Rental and related services income

The Group's policy for recognition of rental income arises from operating leases as described above.

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

E. Notes to the condensed consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

(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.

The carrying amounts of the Group and the Company's trade, other and loans receivables are disclosed in the respective notes to the financial statements.

(c) 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.

(d) Impairment of investment in associates and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates 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.

(e) Valuation of properties

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. 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.

E. Notes to the condensed consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

(f) 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 estimates 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.

(g) 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 provision for liabilities made from the claims received. The carrying amount and details of the Group and the Company's various provisions are disclosed in Note 21 and Note 22.

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 Group 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.

Geographical Information

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produces. For the current financial year ended 30 September 2022, the revenue across all segments is generated from Singapore only.

Segment non-current assets: Segment non-current assets (excluding financial instruments and deferred tax assets) are analysed based on the location of those assets. As at 30 September 2022, the segment non-current assets are based in Singapore, except for investment in associate which is located in Philippines.

E. Notes to the condensed consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Corporate & Others		Infrastructure		Discontinued Operations**		Elimination / Adjustments		Group	
	2022 Unaudited S$'000	2021 Re-presented S$'000	2022 Unaudited S$'000	2021 Re-presented S$'000	2022 Unaudited S$'000	2021 Re-presented S$'000	2022 Unaudited S$'000	2021 Re-presented S$'000	2022 Unaudited S$'000	2021 Re-presented S$'000
Segment revenue										
External sales	1,853	2,334	28,560	40,334	53,198	78,985	-	-	83,611	121,653
Inter-segment sales	362	394	12	37	-	-	(374)	(431)	-	-
Total revenue	2,215	2,728	28,572	40,371	53,198	78,985	(374)	(431)	83,611	121,653
Segment results										
Segment results	(23,734)	(10,980)	1,429	2,928	67,906	(187,890)	(4)	(759)	45,597	(196,701)
Share of results of associates and joint venture	-		368	946	-	3	-	-	368	949
Finance costs	(1,036)	(816)	(190)	(1,398)	(487)	(1,952)	4	679	(1,709)	(3,487)
(Loss)/Profit before tax	(24,770)	(11,796)	1,607	2,476	67,419	(189,839)	-	(80)	44,256	(199,239)
Income tax credit/(expense)	(86)	87	(225)	(18)	36	(569)	-	-	(275)	(500)
(Loss)/Profit for the year/period	(24,856)	(11,709)	1,382	2,458	67,455	(190,408)	-	(80)	43,981	(199,739)
Segment assets										
Segment assets	23,787	44,288	18,396	20,104	14,212	42,218	-	-	56,395	106,610
Investment in associates and joint venture	-	-	4,916	5,001	-	-	-	-	4,916	5,001
Deferred tax assets	-	9	-	2	-	49	-	-	-	60
Total assets	23,787	44,297	23,312	25,107	14,212	42,267			61,311	111,671
Segment liabilities										
Segment liabilities	131,453	10,026	13,892	17,095	39,188	196,321	-	-	184,533	223,442
Loans, borrowings and lease liabilities	12,536	28,284	872	788	-	36,740	-	-	13,408	65,812
Income tax payable	559	570	257	48	-	2,956	-	-	816	3,574
Deferred tax liabilities	-	-	88	120	-	-	-	-	88	120
Total liabilities	144,548	38,880	15,109	18,051	39,188	236,017	-	-	198,845	292,948

***Discontinued operation – Engineering and Construction Segment*

The Engineering and Construction segment involves providing mechanical and electrical engineering services, and asset enhancement initiative 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.

Following the events described in Note 2 with regards to Trans Group, TEE E&C (M) and its subsidiary as well as PBT Engineering, the Group has classified Engineering and Construction Segment as discontinued operations in current financial year ended 30 September 2022 in accordance with SFRS (I) 5 *Non-current Assets Held-for-sale and Discontinued Operations*.

E. Notes to the condensed consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

	Continuing operations		Discontinued operations		Total		
	2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Unaudited	Change
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	%
Revenue reported for first half year	16,105	15,867	27,967	50,959	44,072	66,826	(34)
Operating profit/(loss) after tax before deducting non-controlling interest for first half year	(17,660)	1,132	51,476	715	33,816	1,847	N.M.
Revenue reported for second half year/10 months	14,308	26,801	25,231	28,026	39,539	54,827	(28)
Operating profit/(loss) after tax before deducting non-controlling interest for second half year/ 10 months	(7,134)	(9,586)	17,299	(192,000)	10,165	(201,586)	N.M.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 30 September 2021:

	Group		Company	
	30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at fair value through other comprehensive income	-	400	-	-
Financial assets at amortised cost	17,461	29,385	19,411	14,543
	17,461	**29,785**	**19,411**	**14,543**
Financial liabilities				
Financial guarantee liabilities	98,617	-	98,617	75,868
Financial liabilities at amortised cost	59,813	230,571	63,455	79,825
	158,430	**230,571**	**162,072**	**155,693**

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.

E. Notes to the condensed consolidated financial statements (cont'd)

6. Profit/(Loss) before income tax

6.1 Significant items

	Continuing operations		Discontinued operations		Total	
	30 September 2022 Unaudited	30 September 2021 Re-presented	30 September 2022 Unaudited	30 September 2021 Re-presented	30 September 2022 Unaudited	30 September 2021 Re-presented
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Change in fair value of investment properties	-	3,705	820	627	820	4,332
Change in fair value of non-current assets held for sale	115	-	-	-	115	-
Amortisation of deferred commission expenses	-	418	-	-	-	418
Amortisation of issuance costs on notes payable	-	39	-	-	-	39
Amortisation of intangible assets	-	310	-	-	-	310
Net foreign currency adjustment (gain)/loss	9	(202)	116	553	125	351
Professional fees	539	854	578	325	1,117	1,179
Depreciation of property, plant and equipment, including ROU assets	2,378	4,350	30	399	2,408	4,749
Gain on de-recognition of subsidiaries upon loss of control (Note 23)	-	-	(90,442)	-	(90,442)	-
Trade receivables written off/(writeback)	603	(5)	1	2,124	604	2,119
Other receivables written off	23,018	2,103	7	-	23,025	2,103
Contract assets written off	-	-	-	55,751	-	55,751
Impairment loss on property, plant and equipment	84	2,482	-	-	84	2,482
Impairment recognised based on net estimated fair value of disposal group classified as held-for-sale (Note 13)	-	-	2,900	-	2,900	-
Impairment loss on financial assets and contract assets						
- Trade receivables	74	164	-	6,920	74	7,084
- Other receivables	103	-	17,683	-	17,786	-
- Contract assets	-	-	1,924	-	1,924	-
Impairment loss on financial assets written back						
- Other receivables	-	(51)	-	-	-	(51)
- Contract assets	-	-	(18)	-	(18)	-
Provision for onerous contract	-	-	-	1,051	-	1,051
Provision for maintenance costs	-	-	-	556	-	556
Provision for performance bonds	-	-	-	23,242	-	23,242
Provision for liquidated damages	-	-	-	24,393	-	24,393
Provision for potential back charges from customers	-	-	-	4,422	-	4,422

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 financial statements.

E. Notes to the condensed 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 consolidated statement of profit or loss are:

Group	Continuing operations		Discontinue operations		Total	
	30 September 2022 Unaudited S$'000	30 September 2021 Re-presented S$'000	30 September 2022 Unaudited S$'000	30 September 2021 Re-presented S$'000	30 September 2022 Unaudited S$'000	30 September 2021 Re-presented S$'000
Current:						
- Profit/(loss) for the year/period	384	169	-	7	384	176
- Adjustment in respect of prior years	(52)	(199)	(14)	-	(66)	(199)
- Withholding tax expenses	1	27	5	-	6	27
Deferred:						
- (Credit)/Charge for the year/period	(22)	(66)	(27)	562	(49)	496
	311	**(69)**	**(36)**	**569**	**275**	**500**

8. Discontinued operations

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

	Engineering and Construction Segment [a]		TEE HK[b]	Total
	2022 Unaudited S$'000	2021 Unaudited S$'000	2021 Audited S$'000	2021 Unaudited S$'000
Revenue	**53,198**	78,823	162	**78,985**
Cost of sales	**(50,021)**	(200,134)	(154)	**(200,288)**
Gross profit/(loss)	**3,177**	(121,311)	8	**(121,303)**
Other operating income	**351**	4,669	44	**4,713**
Administrative expenses	**(1,266)**	(5,633)	(124)	**(5,757)**
Other expenses	**(23,482)**	(65,834)	(610)	**(66,444)**
Net gain on de-recognition of subsidiaries upon loss of control (Note 23)	**90,442**	-	-	**-**
Share of results of associates	**-**	3	-	**3**
Finance costs	**(483)**	(1,928)	-	**(1,928)**
Profit/(loss) before tax	**68,739**	(190,034)	(682)	**(190,716)**
Income tax expense/(credit)	**36**	(569)	-	**(569)**
Profit/(loss) for the year	**68,775**	(190,603)	(682)	**(191,285)**

(a) During the financial year, the Group placed Trans Group under CVL and entered into a sales and purchase agreement to dispose PBT Engineering; TEE E&C (M) was under winding up process. As such, Engineering and Construction segment is classified as discontinued operations.

(b) Discontinued operations in financial period ended 30 September 2021 relate to the disposal of all the shares in TEE Hong Kong Limited ("TEE HK"). As announced on 12 May 2021, the Company had entered into a conditional sale and purchase agreement with Yeung Kwok Ching for the sale of its entire 100% stake in TEE HK. The sale was completed on 2 June 2021, and the Company accounted for the results of TEE HK up to 31 May 2021.

9. Dividend

No dividend has been declared or recommended by the board of directors of the Company ("Board" or "Directors") for the current financial period 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 consolidated financial statements (cont'd)

10. Net asset value

Group	30 September 2022 Unaudited	30 September 2021 Audited
Net assets value per ordinary share based on issued share capital at end of financial year/period (in cents)	(21.3)	(27.8)
Number of ordinary shares issued at the end of the year/period	646,882,476	646,882,476

Company	30 September 2022 Unaudited	30 September 2021 Audited
Net assets value per ordinary share based on issued share capital at end of financial year/period (in cents)	(20.9)	(16.9)
Number of ordinary shares issued at the end of the year/period	646,882,476	646,882,476

11. Trade receivables

Group	30 September 2022 Unaudited S$'000	30 September 2021 Audited S$'000
Contract trade receivables	-	13,500
Third parties	4,631	8,241
GST receivable	-	969
	4,631	22,710
Less: Allowance for impairment		
- At beginning of year/period	(7,275)	(192)
- Allowance for the year/period	(74)	(7,084)
- Foreign currency exchange adjustment	-	1
- De-recognition of subsidiaries	7,010	-
- Reclassification to disposal group	12	-
- At end of year/period	(327)	(7,275)
Trade receivables – net	**4,304**	**15,435**

12. Contract assets

Group	30 September 2022 Unaudited S$'000	30 September 2021 Audited S$'000
Accrued revenue	267	299
Amounts related to construction engineering contracts	-	19,259
	267	19,558
Less: Allowance for impairment		
- At beginning of year/period	-	(957)
- Foreign currency exchange adjustment	42	-
- Allowance for the year/period	(1,924)	-
- Allowance written off	-	957
- De-recognition of subsidiaries	1,882	-
- At end of year/period	-	-
Contract assets – net	**267**	**19,558**

E. Notes to the condensed consolidated financial statements (cont'd)

13. Non-current assets held for sale and liabilities associated with non-current assets held for sale

During the financial year, the Company entered into a sale and purchase agreement (the "SPA") to sell 100% of the issued and paid-up share capital of PBT Engineering (the "Disposal"). Following the approval of the Company's Board for the Disposal, the assets and liabilities related to PBT Engineering have been presented separately in the consolidated statement of financial position as a disposal group held for sale. An impairment loss of S$2.9 million (Note 6.1) is recognised and allocated against the assets of the disposal group.

The assets and liabilities of the disposal group classified as held for sale are as follows:

PBT Engineering	30 September 2022 Unaudited $'000
Assets	
Cash and cash equivalents	908
Trade receivables	3,005
Other receivables	908
Contract assets	9,387
Property, plant and equipment	4
Assets of the disposal group	**14,212**
Liabilities	
Trade payables	36,375
Other payables	1,476
Contract liabilities	1,229
Provisions	108
Liabilities of the disposal group	**39,188**

Company	30 September 2022 Unaudited $'000
Details of assets in non-current assets classified as held-for-sale were as follows:	
Investment on subsidiary (Note 15)	18

Sale of 33 CNC Property

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") on 8 March 2021.

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 such, the 33CNC Property is reclassified as "Non-current assets held for sale" and the related lease liabilities of the ROU asset are reclassified as "Liabilities associated with non-current assets held for sale". The sale of 33CNC Property was completed on 18 July 2022.

Group and Company	30 September 2022 Unaudited $'000	30 September 2021 Audited $'000
Reclassified from investment properties		
Properties on leasehold land	-	18,000
ROU asset classified as investment properties	-	2,205
	-	**20,205**
Liabilities associated with non-current assets held for sale		
- Reclassified from lease liabilities	-	2,265
- Reclassified from long term deposit	-	307
	-	**2,572**

E. Notes to the condensed consolidated financial statements (cont'd)

14. Investment in associate

	Group		Company	
	30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000	S$'000	S$'000
Unquoted equity shares, at cost	5,001	4,332	-	-
Share of post-acquisition reserves, net of dividend received	(85)	669		-
	4,916	5,001	-	-
Less: Impairment:				
- At beginning of year/period	-	(245)		(300)
- Written off	-	245		300
- At the end of year/period	-	-		-
Net	**4,916**	**5,001**	**-**	**-**

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	
		30 September 2022	30 September 2021
		%	%
PowerSource Philippines Distributed Power Holdings, Inc. ("PWS") Philippines	Construction, operation and maintenance of power plants	21.05	21.05

15. Investment in subsidiaries

Company	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000
Unquoted equity shares, at cost	27,137	49,108
Impairment loss	(18,962)	(37,653)
Reclassified to non-current assets classified as held-for-sale	(18)	-
Net	**8,157**	**11,455**

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 2022	30 September 2021
		%	%
TEE Industrial Pte. Ltd. Singapore	Operating an Industrial building for rental	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
G3 Environmental Private Limited Singapore	Commercial and industrial real estate Management	50.10	50.10

[(1)] Reclassified to disposal group classified as held-for-sale during the financial year.

E. Notes to the condensed consolidated financial statements (cont'd)

16. Property, plant and equipment

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

During the financial year ended 30 September 2022, the Group acquired assets amounting to S$1.6 million (30 September 2021: S$24.4 million, in which S$23.4 million pertains to TEE Building) and disposed of assets with net book value amounting to S$0.6 million (30 September 2021: S$16.9 million).

17. Investment properties

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group		Company	
	30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000	S$'000	S$'000
At fair value:				
At beginning of the year/period	9,396	34,926	-	23,909
Changes in fair value included in profit or loss	(820)	(4,332)	-	(3,704)
Reclassified to assets held for sale (Note 13)	-	(20,205)		(20,205)
De-recognition of subsidiaries upon loss of control (Note 23)	(8,626)	-	-	-
Foreign currency exchange adjustments	50	(993)	-	-
At end of the year/period	**-**	**9,396**	**-**	**-**

18. Borrowings

Amount repayable in one year or less, or on demand

	As at 30 September 2022			As at 30 September 2021		
Group	S$'000 Secured	S$'000 Unsecured	S$'000 Total	S$'000 Secured	S$'000 Unsecured	S$'000 Total
Bank loans and overdrafts	-	-	-	15,386	1,743	17,129
Lease liabilities	510	-	510	1,377	-	1,377
Long-term borrowings	651	-	651	13,452	10,000	23,452
	1,161	**-**	**1,161**	**30,215**	**11,743**	**41,958**

Amount repayable after one year

	As at 30 September 2022			As at 30 September 2021		
Group	S$'000 Secured	S$'000 Unsecured	S$'000 Total	S$'000 Secured	S$'000 Unsecured	S$'000 Total
Lease liabilities	2,160	-	2,160	10,857	-	10,857
Long-term borrowings	10,087	-	10,087	10,732	-	10,732
	12,247	**-**	**12,247**	**21,589**	**-**	**21,589**

Company	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000
Lease liabilities		
Amount shown under current liabilities	65	-
Amount shown under non-current liabilities	17	-
	82	**-**

Loan from financial institutions and other borrowings are secured by the following:

i. fixed deposits;
ii. corporate guarantees by the Company and former immediate holding company of a subsidiary;
iii. certain property, plant and equipment and investment properties

E. Notes to the condensed consolidated financial statements (cont'd)

18. Borrowings (cont'd)

The Group's bank facility agreements include financial covenants. As at 30 September 2021, some of these covenants were not met. Consequently, total borrowings of S$27.8 million were presented as current liabilities (i.e. amount repayable in one year or less, or on demand). As at 30 September 2022, the Group is in compliance with the relevant covenants.

19. Trade Payables

	Group		Company	
	30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000	S$'000	S$'000
Contract trade payables	-	86,726	-	-
Retention payables	-	43,670	-	-
Third parties	1,424	4,564	-	-
GST payable	293	1,382	79	59
Accrual for back-charge from customer	-	3,966	-	-
Others	-	897	-	-
Total	**1,717**	**141,205**	**79**	**59**

20. Other Payables

	Group		Company	
	30 September 2022 Unaudited	30 September 2021 Audited	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000	S$'000	S$'000
Amounts due to:				
- Subsidiaries	-	-	32,204	57,494
- Former immediate holding company of a subsidiary	1,347	1,531	-	-
- Former subsidiary	24,839	-	24,802	-
Shareholder loans	2,968	2,968	2,768	2,768
Loan from non-controlling interest	6,188	6,188	-	-
Accrued expenses	3,664	5,129	578	783
Accrued interest expense	89	579	-	11
Rental and security deposits	918	1,915	785	576
Loans from third parties	305	571	305	205
Payable for acquisition of a subsidiary	-	38	-	38
Loan from former ultimate holding company of a subsidiary	-	1,744	-	-
Other payables	4,691	6,279	1,931	1,694
	45,009	26,942	63,373	63,569
Less:				
Amounts payable within 12 months	(45,009)	(26,901)	(63,373)	(63,569)
Amounts payable after 12 months	-	41	-	-

The amounts due to former immediate holding company of a subsidiary and loan from former ultimate holding company of a subsidiary are secured by assignment of sales proceed from the property of the subsidiary; investment property under the Company and certain shares of the subsidiaries under the Group.

21. Provisions

Group	30 September 2022 Unaudited	30 September 2021 Audited
	S$'000	S$'000
Provision for maintenance costs	-	778
Provision for performance bonds	-	23,242
Provision for onerous contracts	-	1,051
Provision for liquidated damages	-	24,393
Provision for potential back charges from customers	-	4,422
	-	**53,886**

E. Notes to the condensed consolidated financial statements (cont'd)

22. Financial Guarantee Liabilities

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.

As at 30 September 2022, the Group and the Company recognised financial guarantee liabilities of $98.6 million (FY2021: NIL) and $98.6 million (FY2021: $75.9 million), respectively. The liabilities made are mainly resulted from the insolvency of Trans Equatorial and TEE E&C (M) (see Note 1). The liabilities were principally arising in view of the project stoppage and termination, novation of projects and various claims / disputes with contract counterparties. The Group continues to assess the adequacy of the provisions.

23. De-recognition of subsidiaries upon loss of control – discontinued operation

As disclosed in Note 1 and Note 2, the Company no longer has control over Trans Equatorial and its subsidiaries when Trans Equatorial was placed into CVL on 12 January 2022; and TEE E&C (M) when it was under winding up order on 16 June 2022. Accordingly, consolidation of Trans Group and TEE E&C (M) ceased when the Company ceased to control these entities. The fair value of identifiable assets and liabilities were as follows:

Trans Group	**As at 12 Jan 2022 $'000**
Effects on de-recognition	
Cash and cash equivalents	1,765
Trade receivables and other receivables	27,303
Contract assets	778
Property, plant and equipment (inclusive of Right-of-use assets)	225
Investment properties (Note 17)	8,626
Deferred tax assets	76
Bank loans and overdraft	(14,155)
Trade payables and other payables	(132,527)
Contract liabilities	(897)
Provisions	(52,065)
Long-term borrowings	(5,000)
Income tax payable	(2,959)
Lease liabilities	(9,198)
Net identifiable liabilities de-recognised	(178,028)
Non-controlling interest	871
Foreign currency translation	(631)
Liabilities assumed pursuant to financial guarantees (Note 22)	82,997
Net	(94,791)
Gain on de-recognition	94,791
	-
Cash and cash equivalents disposed of	(1,765)
Net cash outflow from the de-recognition upon loss of control	(1,765)

TEE E&C (M)	**As at 16 Jun 2022 $'000**
Effects on de-recognition	
Cash and cash equivalents	2
Trade receivables and other receivables	17
Trade payables and other payables	(10,962)
Net identifiable liabilities de-recognised	(10,943)
Non-controlling interest	124
Foreign currency translation	(452)
Liabilities assumed pursuant to financial guarantees (Note 22)	15,620
Net	4,349
Loss on de-recognition	(4,349)
	-
Cash and cash equivalents disposed of	(2)
Net cash outflow from the de-recognition upon loss of control	(2)

Net gain on de-recognition of subsidiaries upon loss of control amounted to S$90,442,000 (Note 6.1) for financial year ended 30 September 2022.

E. Notes to the condensed consolidated financial statements (cont'd)

24. Share capital

There were 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 period 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 30 September 2022 is 648,152,876 (30 September 2021: 648,152,876).

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

25. Contingent liabilities

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 18 October 2022 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 amounting to approximately S$13.6 million has been repaid in full to the relevant creditor 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 66 claims and 1 claim against PBT Engineering and Arrow Waste Management Pte Ltd ("AWM") amounting to about S$15.4 million and S$2.5 million, respectively.

Trans Equatorial and TEE E&C (M) are under liquidation 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. In total, there were 135 claims and 13 claims against Trans Equatorial and TEE E&C Malaysia to the date of the said announcement amounted to an aggregate of about S$143.4 million and RM5.9 million or S$1.9 million.

In view of the restructuring process, the management is still assessing and estimating the potential exposure on liabilities (see Note 22) and contingent liabilities. Accordingly, the Group has made adequate provision for liabilities in connection with the claims in these condensed financial statements based on current best estimates and available information. The outcome of certain claims, and counterclaims, cannot be determined with reasonable certainty as of the date of this announcement. Together with the financial consultant, the management is in discussions with various parties to reach amicable conclusions.

26. Subsequent events

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

i) Statutory audit for the full year ended 30 September 2022

The statutory audit on the Group for the financial year ended 30 September 2022 is currently in progress. The Board has been informed that one of the issues arising from the statutory audit so far relates to the insufficiency of supporting documents and audit evidence which are required in order to ascertain the completeness and accuracy of, and/or to reconcile various E&C project-related items in PBT Engineering.

Save as disclosed in this announcement, the Management has confirmed to the Board of Directors that there are no known subsequent events which have led to material adjustments required to this set of condensed financial statements for the financial year ended 30 September 2022 as at the date of this announcement.

Notwithstanding the above, pending the conclusion of the statutory audit by the Company's auditor, material adjustments may be required to be made to the Group's financial results and statements for the financial year ended 30 September 2022. Where any material adjustments are to be made, an appropriate announcement will be made accordingly.

ii) Deposit from Meta5 Pte. Ltd. (the "Subscriber")

Based on the Subscription Agreement with Meta5 Pte. Ltd., the Subscriber is to make a deposit of S$0.5 million (the "Deposit Amount") into an escrow account held in the name of the Company, of which S$0.2 million of the Deposit Amount was received by the Company within three business days from the date of the Subscription Agreement (during the financial year), and the remaining S$0.3 million was also deposited to the escrow account upon the satisfaction of the satisfactory completion of due diligence by the Subscriber on the Group subsequent to the end of the financial year.

iii) Intention to place a subsidiary under creditors' voluntary liquidation ("CVL")

Following the non-completion of the sale of Arrow Waste Management Pte Ltd ("AWM"), the Company has no further plans for AWM and intends for AWM to be placed under CVL.

The Company will make the relevant announcement on the CVL when appropriate.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of TEE International Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated statement of comprehensive income for the financial year then ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended 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 13 January 2022 and announcement made on 13 January 2022 and 14 May 2022 for the follow-up actions taken by the Company.

(i) On-going CAD investigations on Unauthorised Remittances – the Company is not aware of or informed of any developments as at the date of this announcement.

(ii) Revision of FY2020 financial statements (the "**revised FY2020 FS**") in respect certain non-compliance with accounting standards under Section 201(5) of the Companies Act as identified by the Accounting and Corporate Regulatory Authority contained in the financial statements for the financial year ended 31 May 2019 – an announcement was made on 27 April 2022 and that the revised FY2020 FS has been finalised as required and, a copy of the revised FY2020 FS together with supporting working documents were presented to ACRA on 27 April 2022. The revised FY2020 FS was approved and adopted by shareholders at an extraordinary general meeting held on 13 May 2022.

(iii) Contingent liabilities - please refer to Note 25 to the condensed financial statements of this announcement.

(iv) Appropriateness of going concern assumption – please refer to Note 2 to the condensed financial statements for updates of the announcement.

(v) Insufficient information to complete of the audit of the consolidated financial statements of Group – this refers to subsidiaries, Trans Equatorial and PBT Engineering. Trans Equatorial was not audited as the said subsidiary is insolvent and has been placed in liquidation as announced on 16 December 2021 and 13 January 2022. Save as disclosed in this announcement, there are no further material development.

PBT Engineering's company level was issued with a Disclaimer of Opinion for FY2021 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. Notwithstanding the above, pending the provision of sufficient appropriate audit evidence and final outcome of the audit of PBT Engineering, it is noted that material adjustments may be required to be made to the Group's financial results, an appropriate announcement will be made accordingly.

(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

The Company is announcing its condensed financial statements in accordance with the following:

i. Current financial year – 1 October 2021 to 30 September 2022 (12-month period)
ii. Comparative period – 1 June 2020 to 30 September 2021 (16-month period)

Since last financial period, the Group has announced that it has commenced a strategic review of the Group's business with the appointment of RSM as financial consultant in June 2021 to assist to formulate restructuring plans to improve the financial position and/or performance of the Group.

On 12 January 2022, the Group has commenced the winding up process of Trans Equatorial by way of creditors' voluntary liquidation and subsequently on 16 June 2022, TEE E&C (M) was winding up under the provisions of the Companies Act 2016 of Malaysia. Further on 3 August 2022, the Company entered into a sale and purchase agreement to sell 100% stake in PBT Engineering (the "Proposed disposal"). Accordingly, the Group has classified Engineering and Construction Segment as discontinued operations in accordance with SFRS (I) 5 *Non-current Assets Held-for-sale and Discontinued Operations*.

Revenue and cost of sales are lower as compared to prior financial period by S$12.3 million and S$9.8 million, respectively mainly due to shorter reporting period. The detailed breakdown of the revenue by segments are shown in Note 4.1 to the condensed financial statements. The gross profit of S$5.4 million is mainly contributed by the Group's environmental business and rental income from its investment properties.

Other operating income decreased by S$2.9 million mainly due to less government grant received during the financial year.

Administrative expenses decreased by S$3.6 million mainly due to lower salaries and wages resulted from reduction in headcounts, lower depreciation charge and lower office rental.

Other operating expenses in prior financial period mainly related to change in fair value of investment properties of S$3.7 million, loss on disposal of associate of S$1.3 million and impairment loss on property, plant and equipment of S$2.5 million. Trade and other receivables written off of S$23.6 million in current financial year pertaining to amount due from former subsidiaries i.e. Trans Group and TEE E&C (M) and its subsidiaries due to liquidation.

Finance cost lower by S$0.3 million mainly contributed by lower bank loans and borrowings due to repayment.

Overall, the Group reported profit after tax of S$43.9 million in FY2022, in which, loss after tax of S$24.8 million from continuing operations and a profit from discontinued operations of S$68.7 million. Attributable to the owners of the Company was profit of S$43.4 million in FY2022 as compared to a loss of S$201.7 million in FY2021.

Financial position review

Total cash and cash equivalents and fixed deposits remain stable at approximately S$12.0 million. The total collections from customers and net proceeds from the sale of 33CNC Property were used for repayments of borrowings.

Trade receivables decreased by S$11.1 million mainly due to reclassification of PBT Engineering's trade receivables as held for sale, receipt from customers during the financial year and offsetting of receivable and payable balances with a customer who is also a sub-contractor of the Group.

Contract assets decreased by S$19.3 million mainly due to conversion to trade receivables upon billing during the financial year as well as reclassification of PBT Engineering's contract assets to held for sale.

Property, plant and equipment decreased by S$1.8 million mainly due to depreciation charge and amortisation of right-of-use assets.

The Group has de-recognised investment property of Lat Krabang Housing Phase 4 Part 1, Thailand upon the loss of control of subsidiaries.

Bank loans and overdrafts, long-term borrowings and lease liabilities reduced by S$50.1 million in aggregate mainly attributed to the loss of control of subsidiaries as well as due to repayments of loans and borrowings, offset by recognition of lease liabilities upon renewal of certain leases.

Trade and other payables decreased by S$121.4 million mainly attributed to the loss of control of subsidiaries and reclassification of PBT Engineering's trade payables to liabilities associated with non-current assets held for sale.

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

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

Financial position review (cont'd)

Contract liabilities decreased by S$1.1 million mainly due to reclassification of PBT Engineering's contract liabilities to liabilities associated with non-current assets held for sale.

Provisions and income tax payable decreased by S$53.9 million and S$2.8 million, respectively, mainly due to deconsolidation of subsidiaries and repayment of income taxes.

Provision of financial guarantee liabilities is explained in Note 22 in the condensed financial statements.

Cash Flow Statement

Net cash generated from operating activities of S$10.7 million mainly contributed by improved working capital management.

Net cash generated from investing activities was approximately S$15.6 million mainly arising from sale of 33CNC Property.

Net cash used for financing activities was approximately S$24.3 million, mainly utilised for the repayment of loans and borrowings of S$20.7 million, repayment of loan to former ultimate holding company of a subsidiary S$1.7 million and relevant interest paid of S$1.6 million, offset by decrease in bank balances pledged by S$0.4 million.

As a result, the Group recorded a net increase in cash and cash equivalents of S$2.0 million.

Net Current Liabilities and Negative Net Equity

As at 30 September 2022, the Group and the Company's current liabilities exceeded its current assets by S$154.2 million and S$143.2 million 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 former subsidiaries.

As at 30 September 2022, the Group and the Company's accumulated losses exceeded its share capital, resulting in negative net equity by S$137.5 million and S$135.0 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 under Section E above in this announcement. Based on the aforementioned, the Company, together with RSM was in discussions with various unrelated interested parties to raise equity funds and as of 18 August 2022, the Company entered into a conditional subscription agreement with Meta5 Pte. Ltd. (the "Meta5") to issue new shares in the Company worth S$7.5 million. Meta5 will also subscribe S$7.5 million of share options in the Company. Furthermore, the Company is also proposing a rights issue to raise S$3.5 million, bringing the total of equity fund to S$18.5 million to be raised. The completion of the Subscription Agreement is subject to the fulfilment (or waiver) of the conditions precedent therein. As part of the completion of the Subscription Agreement, the Company will work with RSM and its legal advisors to apply for listing of the trading suspension of the Company's shares under Chapter 13 of the listing manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

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. The Company intends to make an application under Section 71 of IRDA for Court sanction of the proposed Scheme.

Following the completion of the liquidation of Trans Equatorial, TEE E&C (M) and Proposed Disposal of PBT Engineering, the Group will have no Engineering and Construction Business.

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

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 (cont'd)

Infrastructure Business

With the easing of the COVID-19 pandemic, the Group is seeing higher business transactions among some of its key customers thus leading to a busier operation for the waste management service. However, the inflationary pressures and rising costs of operations, particularly labour cost and diesel cost will continue to affect the profit margin. There is also a reduction in the demand for disinfection services for COVID-19 as companies in Singapore start to live with the COVID-19 virus.

The Group will 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 on 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.

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 year ended 30 September 2022.

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 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 31 December 2022, 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

Deregistration of Subsidiaries and Associate Company

TEE Technology Pte. Ltd. and TEE Green Agriculture Pte. Ltd., the Company's wholly owned subsidiaries incorporated in Singapore, had been deregistered (the "Deregistration").

The deregistration for subsidiaries has no material impact on the consolidated net tangible assets and earnings per share of the Company and Group for the current financial period ended 30 September 2022.

None of the directors and, as far as the directors are aware, none of the controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction, save for their shareholdings (if any) in the Company.

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

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Cher Chuan	53	Nephew of Phua Boon Kin, former Executive Director of the Company (resigned on 20 December 2021)	Group Chief Executive and Managing Director (2021) Other Directorships: a) TEE Industrial Pte Ltd (2021) b) TEE Infrastructure Private Limited (2019) c) TEE Solar Pte Ltd (2019) d) G3 Environmental Private Limited (2019) e) TEE Environmental Pte Ltd (2020) f) Envotek Engineering Pte Ltd (2020) g) TEE Recycling Pte Ltd (2020) h) TEE Water Pte Ltd (2019) i) Arrow Waste Management Pte Ltd (2020) j) Powersource Philippines Distribution Power Holdings Inc (Philippines) (2020)	On 11 August 2021, Mr. Phua was redesignated as Group Chief Executive and Managing Director with effect from 1 September 2021. New Directorships: a) Trans Equatorial Engineering Pte Ltd (appointed on 16 December 2021) b) PBT Engineering Pte Ltd (appointed on 20 December 2021) c) Meridian Edge Pte Ltd (appointed on 13 May 2022) Ceased Directorships: a) TEE Technology Pte Ltd (struck off on 8 November 2021) b) TEE Green Agriculture Pte Ltd (struck off on 8 November 2021)

On behalf of the Board of Directors,

_____
Phua Cher Chuan
Group Chief Executive and Managing Director

Dated: 28 November 2022

*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.*