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

DISCLAIMER OF OPINION BY INDEPENDENT AUDITOR ON FINANCIAL STATEMENTS

Pursuant to Rule 704(5) of the SGX-ST Listing Manual, the Board of Directors (the "**Board**" or the "**Directors**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the independent external auditor of the Company, Foo Kon Tan LLP (the "**Auditor**"), has, in its Independent Auditor's report dated 9 January 2024 ("**Independent Auditor's Report**"), issued a disclaimer of opinion in respect of the audited financial statements of the Company and consolidated financial statements of the Group for the financial year ended 30 September 2023 ("**FY2023**").

The nature and contents of the disclaimer of opinion are contained in the Independent Auditor's Report, as attached in the Appendix hereto, for the Shareholders' information.

Shareholders are advised to read this announcement in conjunction with the audited financial statements of the Group for FY2023 which will be set out in the Company's annual report for FY2023 to be released on SGXNET in due course.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
TEE INTERNATIONAL LIMITED

Phua Cher Chuan
Chief Executive Officer and Managing Director
9 January 2024

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of TEE International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

A. Opening balances as at 1 October 2022

We expressed a disclaimer of opinion in our independent auditor's report dated 13 January 2023 in respect of the financial statements for the financial year ended 30 September 2022 ("FY2022"). The matters contributing to the modification to our audit report for FY2022 include limitation of scope on opening balances, insufficient information to complete the audit of the consolidated financial statements of the Group, completeness of liabilities, and appropriateness of the going concern assumption.

We are still unable to obtain sufficient appropriate information to determine whether any adjustments might be necessary to the amounts and disclosures shown in FY2022 financial statements, including the closing balances as at 30 September 2022, as well as opening balances as at 1 October 2022.

As the opening balances as at 1 October 2022 form the basis of determining the financial performance, changes in equity and cash flows of the Group for the financial year ended 30 September 2023 ("FY2023"), we are unable to determine whether adjustments are required to FY2023 financial statements.

Our opinion on the FY2023 financial statements is also modified because of the possible effect of the comparability of the FY2023 financial statements and the FY2022 financial statements.

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

(i) The profit or loss for the period from 1 October 2022 to 19 February 2023 of a significant subsidiary, PBT Engineering Pte. Ltd. ("PBT Engineering"), was not audited as the said subsidiary was disposed of on 20 February 2023 as disclosed in Note 41 to the financial statements.

Management was also unable to provide sufficient information for us to complete the audit on certain financial statements' captions of PBT Engineering for FY2022 and we are unable to determine whether adjustments are required to the financial information of PBT Engineering that have been incorporated into the Group's financial statements for both FY2022 and FY2023. Accordingly, we are unable to obtain sufficient appropriate audit evidence over the components accumulated and contributing to the $1,449,000 loss for the year attributable to discontinued operations, including whether the loss on disposal of PBT Engineering of $1,982,000 included in loss for the year from discontinued operations is appropriately stated.

(ii) The Group's investment in PowerSource Philippines Distributed Power Holdings, Inc. ("Powersource"), a foreign associate accounted for by the equity method, is carried at $5,273,000 on the consolidated statement of financial position as at 30 September 2023, and the Group's share of Powersource's net income of $578,000 is included in the Group's loss for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in Powersource as at 30 September 2023 and the Group's share of Powersource's net income for the year as the audit of the component is ongoing. Accordingly, we were unable to determine whether any adjustments of these amount were necessary.

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

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

Basis for Disclaimer of Opinion (Cont'd)

C. Completeness of liabilities including contingent liabilities

Various claims had been made in the prior years and additional claims and adjustments have been made in the current year for the Company as the Company had provided corporate guarantees for liquidated damages, defects, and/or under guarantees for the performance of contracts and/or guarantees for performance bonds issued by financial institutions in respect of contracts of former subsidiaries in the Engineering & Construction segment. A number of these contracts are ongoing.

The Company is undergoing a Scheme of Arrangement with its unsecured creditors, including contingent creditors for claims mentioned above. This Scheme of Arrangement has not been completed. We are unable to obtain sufficient appropriate information on the completeness of claims against the Company.

D. Appropriateness of going concern assumption

Note 1(c) to the financial statements and the factors below indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

- The Group incurred a net loss of $257,000 from continuing operations for FY2023.
- The Group's and the Company's total liabilities exceeded their total assets by $138,814,000 and $155,267,000, respectively, as at 30 September 2023. The Group's and the Company's current liabilities exceeded their current assets by $155,604,000 and $155,284,000, respectively, as at 30 September 2023.
- The Company is undergoing a Scheme of Arrangement with a majority of its creditors, the outcome of which, including the subsequent discharge of amounts owing to creditors and contingent creditors, cannot be determined with reasonable certainty.

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of TEE International Limited

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 9 January 2024