



## TEE INTERNATIONAL LIMITED

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

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### RESPONSE TO THE QUERIES FROM THE SINGAPORE EXCHANGE REGULATION IN RELATION TO THE COMPANY'S ANNOUNCEMENT DATED 12 APRIL 2021 ON THE UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2021

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The Board of Directors (the “**Board**” or the “**Directors**”) of TEE International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to respond to the following queries raised by Singapore Exchange Regulation (“**SGX RegCo**”) on 28 April 2021 in relation to the Company’s announcement dated 12 April 2021 on the Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 28 February 2021 (“**3Q FY2021**”).

#### Query No 1

The Company's Revenue decreased by S\$53.9 million mainly due to "substantial completion of a major project and slowdown of project progression due to COVID-19". Please provide a discussion of the performance of the group, to the extent necessary for a reasonable understanding of any significant factors that affected the turnover from the various segments and disclose the Company's pipeline of projects over the next 12 months period.

#### Company's Response

##### Engineering and Construction Business (“E&C Business”)

Revenue decreased by S\$53.9 million was due mainly to disruptions on on-going engineering business in view of the government regulations and measures that have been implemented to slow the spread of the COVID-19 virus and the substantial completion of a major project with revenue of S\$27.2 million in the previous financial year.

As at 28 February 2021, the Group’s E&C Business order book stood at S\$218.2 million with projects expected to be completed progressively over the next 12-24 months.

##### Infrastructure Business

The Group's environmental business remains stable as it continues to grow its waste management services and cleaning solutions, which include disinfection services for commercial premises.

## **Query No 2**

The Company's Other operating expenses increased by S\$0.5 million mainly due to loss on disposal of investment in associate. In the Company's announcement on 14 January 2021 in relation to proposed disposal of Global Environmental Technology Company Limited (“GETCO”), the estimated costs and expenses for the disposal was stated to be S\$0.05 million. Please provide breakdown of the S\$0.5 million costs of disposal and explain the material variance.

## **Company's Response**

The Group's other operating expenses increased by S\$0.5 million in 3Q FY2021, mainly due to the one-off loss on disposal of investment in an associate of S\$1.3 million, partially off-set by decrease in amortisation of intangible assets and trade receivables written off amounting to S\$0.2 million and S\$0.7 million respectively.

The estimated costs and expenses for the disposal of GETCO was S\$0.05 million, comprising legal & professional fees and transactions costs of S\$0.04 million and S\$0.01 million respectively, which have been accounted for as administration expenses in 3Q FY2021.

In respect of the above, no material variance is noted.

## **Query No 3**

The Company's announcement on 14 January 2021 in relation to the disposal of GETCO stated that the proposed disposal would result in “accounting loss of approximately S\$1.07 million at the Group level and S\$1.02 million at the Company level”. Please reconcile the figures against the Loss on disposal of S\$1.324 million reflected on the Company's Notes to Income statement. Please substantiate how the loss was increased to S\$1.324 million.

## **Company's Response**

The increase in the Group's loss on disposal of investment in GETCO of approximately S\$0.25 million from S\$1.07 million to S\$1.32 million in 3Q FY2021 is mainly due to the currency translation reserve adjustments arising from GETCO of S\$0.30 million, partially off-set by the costs of disposal of S\$0.05 million, which was accounted for as administrative expenses.

## **Query No 4**

The Company had fully utilised the net proceeds of S\$14.3 million from the rights issue announced on 29 November 2018: S\$8.0 million for general working capital and S\$6.3 million on expansion and growth of existing businesses, acquisitions and new investments. Please provide a further breakdown of the amount spent in the two categories respectively.

## **Company's Response**

The details and breakdown of the amount for general working capital and the finance of business expansion and new acquisitions and investment are as follows:

	<b>Amount after re-allocation S\$'000</b>	<b>Utilised amount S\$'000</b>
<b><u>General working capital</u></b>		
Staff salaries and related expenses	2,384	
Trade payments	5,590	7,974
<b><u>Finance expansion and new acquisitions and investment</u></b>		
Performance bonds placement for new projects	2,886	
Acquisition of 4 plots of lands and related expenses for AWM	3,453	6,339
Total		<u>14,313</u>

By Order of the Board  
**TEE International Limited**

Ong Beng Hong  
Joint Company Secretary  
30 April 2021