TEE INTERNATIONAL LIMITED

TEE

ANNUAL REPORT
2022

Restructure For Growth

CONTENTS

CORPORATE PROFILE

Listed in 2001, TEE International Limited ("**TEE**" or together with its subsidiaries and associated companies, "**TEE Group**") is a leading regional engineering and construction group with business interests in environmental services business.

TEE's core engineering business dates back to 1991 when it was first established as a general electrical contractor. Anchored on a strong track record of delivering quality and value-added integrated engineering solutions, TEE is now recognised as a trusted partner in the engineering & construction industry. Nevertheless, the engineering & construction business was severely impacted by the unprecedented COVID-19 pandemic and TEE is currently undergoing a restructuring exercise which will be explained in more detailed in this report.

Through its investments in the environmental services businesses, TEE expanded into the waste management business in Singapore. With more than 20 years of experience in the waste management industry, TEE Environmental Pte. Ltd. ("TEE Environmental") is one of the leading industrial & commercial waste management companies in Singapore. As an essential service provider, TEE Environmental offers integrated waste management solutions supported by its recycling and cleaning services.

OUR VISION

We aim to be among the best and the preferred choice in the industry.

OUR MISSION

We strive to be a leading Integrated Engineering and Infrastructure Group recognised for our quality and value- added services, as well as our cost competitiveness; resolutely backed by people with strong capabilities, a devotion to quality service delivery, and the tenacity to face challenges.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of TEE International Limited ("**TEE**" and the "**Company**") and its subsidiaries (collectively, the "**Group**"), we are pleased to present to you our annual report for the financial year ended 30 September 2022 ("**FY2022**").

ONGOING RESTRUCTURING OF ENGINEERING AND CONSTRUCTION BUSINESS

The engineering and construction business ("**E&C business**") of the Group remains challenging despite the economy has been gradually recovering from COVID-19 pandemic. The E&C business has been operating at net losses for three (3) financial years since FY2020.

PBT Engineering Pte Ltd ("**PBT Engineering**") continues to focus on completing the existing projects as concurred with clients and consultants, while carrying on its own restructuring exercise. PBT Engineering will be undertaking a separate scheme of arrangement with its creditors for, *inter alia*, the restructuring of PBT Engineering's debts. The Scheme Meeting will be held electronically on 10 February 2023.

The current several on-going projects have relatively significant cashflow injection requirements. In view of the Company's current financial position and cashflow constraints, the Company has no means of supporting the funding needs of PBT Engineering's ongoing projects. The Board is therefore of the view that the best course of action for the Group would be divesting the E&C business, to ease the strain caused by the financial requirements of the ongoing projects.

In view of the rationale stated above and taking into account the challenging industry developments and the current debt restructuring exercise of the Company and the Group, the Company believes that it is an opportune time to dispose of its shares in PBT Engineering ("Proposed Disposal") and that the Proposed Disposal would be in the best interests of the Company and its shareholders.

On top of that, two wholly owned loss-making subsidiaries, Trans Equatorial Engineering Pte Ltd ("**Trans Equatorial**") and TEE E&C (Malaysia) Sdn Bhd ("**TEE E&C (M)**"), were put under creditors' voluntary liquidation and winding up process, respectively, during FY2022 due to its cash flow issue and the subsidiaries' inability to pay its debts as they fall due.

INFRASTRUCTURE BUSINESS

Despite the disruptions caused by the COVID-19 pandemic and continued challenges in the industry, the environmental business has turned profitable since the financial period ended 30 September 2021. The Government's continuous strong emphasis on improving the general cleanliness and hygiene of Singapore as well as the push towards a higher recycling rate will be beneficial to our environmental business.

The environmental business is positioned to capitalise on the higher demand for environment management services resulted from the expected improvement in economic activities, the Group is seeing higher business transactions among some of its key customers, thus leading to a busier operation for the waste management service. Its suite of services: waste collection, recycling, cleaning and disinfection services have been spruced up to provide a seamless solution to its customers.

The inflationary pressures and rising costs of operations will affect the profit margin of the environmental business inevitably. However, we remain hopeful in our environmental business in contributing positive results to the Group.

Concurrently, the Group will continue its efforts to selectively divest its investment in its overseas infrastructure assets.

LETTER TO SHAREHOLDERS

GROUP RESTRUCTURING

RSM Corporate Advisory Pte. Ltd. ("**RSM**") was appointed as our 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.

During current financial year, to strengthen the financial position, the Group, together with RSM have been in discussions with the various unrelated interested parties to raise equity funds. On 18 August 2022, the Company 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 $7.5 million in new ordinary shares in the Company; and

(b) Subscription by the Subscriber of $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.

Furthermore, the Company is also proposing a right issue to raise $3.5 million, bringing the total of equity fund to be raised to $18.5 million. 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(s) should there be any material developments.

The Company will continue to work with its financial and legal advisors on the restructuring plan which includes the completion of equity funds raising, restructuring of the debts as well as disposal of non-core assets.

APPRECIATION

The Board of Directors are grateful and thankful to have a team of management who have demonstrated commitment and dedication amid the challenges faced in the restructuring stage. To all our key stakeholders, especially our shareholders, customers, business partners, consultants and professionals, suppliers and associates, we truly appreciate your support and understanding throughout these trying times.

We continue to see this group restructuring as an opportunity for the Group to re-position itself to restart growth and value creation. We are confident that the Group will overcome these uncertain times and the Board views FY2023 as a transitional year for stabilisation, followed by growth. We will continue to do our best to complete the restructuring exercise and bring the Company into a new chapter.

Yours sincerely,

Mr. Yeo Kian Wee Andy
Independent Non-Executive Chairman

Mr. Phua Cher Chuan
Group Chief Executive & Managing Director

BUSINESS SEGMENTS

INFRASTRUCTURE BUSINESS

With more than 20 years of experience in the waste management industry, TEE Environmental Pte. Ltd. ("TEE Environmental") is one of the leading industrial & commercial waste management companies in Singapore. TEE Environmental offers an integrated waste management solution that is supported by the recycling and cleaning services. This includes on-site and off-site waste management including the collection and transport of waste and the processing of recyclables like paper and plastics. We also provide top-of-the-line equipment that are customised to suit our clients' waste solutions, as well as prompt and efficient 24/7 customer service.

As an essential services provider, TEE Environmental has expanded its range of cleaning solutions and is one of the preferred disinfection service providers for hotels, retail and commercial premises to ensure these spaces are COVID-19 free.

Over the years, we have formed lasting relationships with clients for the betterment of the environment through our green outreach programs & activities and actively supporting socially responsible causes, programs & activities. Our major clients include multinational corporations, government organisations, education & medical institutions and retail malls owners.

Our Infrastructure Business has a 21.05% stake in PowerSource Philippines Distributed Power Holdings, Inc which owns, constructs and operates a 25-megawatt greenfield thermal hybrid power plant in the Philippines. The plant has been commissioned and operational since June 2018.

ENGINEERING AND CONSTRUCTION ("E&C") BUSINESS

First established in 1991 as a general electrical contractor, TEE has grown over the years into a leading integrated engineering and construction solutions provider. With our strong track record of delivering quality integrated engineering solutions, we treasure our reputation as a trusted partner in the engineering industry. Today we offer a full suite of high-value engineering solutions based on international standards that are adopted for large-scale and complex commercial building projects.

We have a strong professional and technical team that provides an array of solutions and services. Armed with the knowledge of the latest engineering and building developments, we are able to provide comprehensive solutions for our clients from Project Management, Construction Management, to Design Management.

Over the years, our major clients include CapitaLand, Changi Airport Group, Dragages Singapore, Frasers Centrepoint, Hyundai Engineering and Construction, Land Transport Authority, Las Vegas Sands Group to name a few. The majority of them are repeat clients, which bear testimony to our work quality and ability to deliver in our focus areas of Building Services, Asset Enhancement Initiatives works, and Transport Infrastructure.

Following the events taken place within the E&C segment in FY2022, e.g Trans Equatorial's creditors' voluntary liquidation, winding up of TEE E&C (M) and Proposed Disposal of PBT Engineering, the E&C segment is classified as discontinued operations.

OPERATION REVIEW

RESTRUCTURING EXERCISE

Since the WHO declared COVID-19 a pandemic in early March 2020, countries all around the world have implemented lockdowns to slow the spread of the virus. Malaysia introduced the Movement Control Order ("MCO") since mid-March, and Singapore announced a series of circuit breaker ("CB") measures from 7 April 2020 lasting until 1 June 2020. As a result of these government regulations, TEE experienced significant disruption to its E&C business since the COVID-19 pandemic.

On 15 July 2021, TEE 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 TEE, on 7 August 2021, TEE announced that it intends to propose a scheme of arrangement between TEE and its creditors. TEE 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 (the "IRDA") on 6 August 2021 (the "Application"). In addition, TEE'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 TEE, 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 proposed restructuring. The moratorium orders are being sought to preserve the assets of the Group pending the formulation of a holistic restructuring plan. Announcements on material developments in this regard were made subsequently and further details of the restructuring exercise are disclosed in Note 1 of the Notes to Financial Statements in the Annual Report.

INFRASTRUCTURE BUSINESS

Despite the disruptions caused by the COVID-19 pandemic since early 2020, the environmental business has achieved a marked improvement as it has turned profitable since the financial period ended 30 September 2021 as compared to the previous years.

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 of the environmental business. Furthermore, 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. Nevertheless, it continues to contribute positive results to the Group in current financial year.

TEE Infrastructure continues to explore the sale of its 21.05% stake in Powersource Philippines Distributed Power Holdings Inc., where its 25-megawatt thermal hybrid power plant has been operational for more than a year.

ENGINEERING AND CONSTRUCTION ("E&C") BUSINESS

The E&C business continued to face pressure due to rising manpower, material costs, and the new norms of project execution as a result of COVID-19 pandemic.

On 16 December 2021, the Group commenced the winding-up process of Trans Equatorial by way of creditors' voluntary liquidation (the "CVL") and appointed RSM as provisional liquidator. 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.

OPERATION REVIEW

ENGINEERING AND CONSTRUCTION ("E&C") BUSINESS (CONT'D)

Following the winding-up of Trans Equatorial by way of creditors' voluntary liquidation (the "CVL") on 13 January 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 the claimant from the assets of TEE E&C (M).

Subsequent to 3 August 2022, TEE 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") to a director of PBT Engineering and a third party for a consideration of S$18,000. PBT Engineering will also 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 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 granted and extended the moratorium to PBT Engineering by a period of three month from 1 January 2023.

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

Overall, TEE will continue to work with RSM and legal advisors on the restructuring plan. The Group will also continue to work on the continuing operations and any potential opportunities on new businesses will be reviewed from time-to-time post restructuring.

FINANCIAL REVIEW

INCOME STATEMENT

The current financial year covers a period of 12 months from 1 October 2021 to 30 September 2022 ("FY2022"); whereas the comparative financial period covers a period of 16 months from 1 June 2020 to 30 September 2021 ("FP2021").

Revenue decreased by S$12.3 million, a decrease of 28.7% mainly due to a shorter reporting financial period as compared to FP2021. Cost of sales, on the other hand, also decreased correspondingly by 28.4%, equivalent to approximately S$9.8 million. As a result, the Group recorded a gross profit of S$5.6 million as compared to a gross profit of S$7.9 million in FP2021, both FY2022 and FP2021 recorded a gross profit margin of 18.3% and 18.6%, respectively. It was mainly contributed by the Group's environmental business and rental income from its investment property.

Other operating income decreased by S$2.9 million mainly due to lesser government grants received during the financial year by S$1.3 million, and there were gain on pretermination of leases of S$0.9 million and gain on disposal of financial assets at FVTPL of S$0.5 million in prior financial period.

Administrative expenses decreased by S$3.4 million mainly due to shorter reporting period as well as lower staff cost resulted from lower headcount and lower depreciation charge of property, plant and equipment as compared to prior financial period.

Other operating expenses in FY2022 mainly comprised of trade and other receivables written off of S$23.6 million, pertaining to amount due from former subsidiaries from E&C business. The outstanding receivables amounts were written off due to liquidation of the former subsidiaries. Other operating expenses in FP2021 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, other receivables due from former subsidiary written off of S$2.1 million and impairment loss on property, plant and equipment of S$2.5 million.

Finance costs decreased marginally by S$0.3 million mainly contributed by lower bank loans and borrowings due to repayment during the financial year.

Following the events taken place during the financial year within E&C Segment, the Group has classified E&C Segment as discontinued operations accordingly. The profit from discontinued operations amounted to S$68.8 million in FY2022 as compared to loss from discontinued operations of S$191.3 million in FP2021. FY2022 profit from discontinued operations mainly contributed by the net gain on de-recognition of subsidiaries upon loss of control; whereas FP2021 loss from discontinued operations mainly arose from the operating loss reported by E&C Segment, coupled with various provisions made for liquidated damages, performance bonds/claims from contract counterparty, contract assets written off, allowance for impairment loss of trade receivables etc.

Overall, the Group reported profit after tax of S$44.5 million in FY2022, in which, loss after tax of S$24.4 million from continuing operations and a profit from discontinued operations of S$68.8 million. Attributable to the owners of the Company was profit of S$43.7 million in FY2022 as compared to a loss of S$201.7 million in FP2021.

STATEMENT OF FINANCIAL POSITION

The total assets were S$62.1 million as at end of the financial year. There was a significant decrease in total assets by S$43.6 million from S$91.5 million in continuing operations, mainly due to decrease in:

(a) Contract assets of S$19.3 million;

(b) Trade and other receivables of S$13.0 million;

(c) Investment properties of S$9.4 million;

(d) Cash and bank balances of S$1.8 million ; and

(e) Property, plant and equipment of S$1.5 million.

FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION (CONT'D)

Total liabilities were S$199.2 million as at end of the financial year. There was an overall net decrease of S$93.8 million, due mainly to decrease in:

(a) Trade and other payables of S$121.4 million;

(b) Provisions of S$53.4 million;

(c) Bank loans, overdraft and long-term borrowings of S$40.6 million;

(d) Lease liabilities of S$9.6 million; and

(e) Income tax payable of S$2.9 million.

Overall decrease was offset by financial guarantee liabilities of S$98.6 million, mainly pertaining to corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries and recognition of liabilities associated to non-current assets held-for-sale of S$39.1 million as at 30 September 2022 as compared to S$2.6 million recognised as at 30 September 2021.

STATEMENT OF CASH FLOWS

Operating activities

Net cash generated from operating activities was S$12.7 million due mainly to net cash inflow arising from changes in working capital of S$8.0 million and cash inflows arising from operating cash flows before movements in working capital of S$4.8 million, offset with tax paid of S$0.1 million.

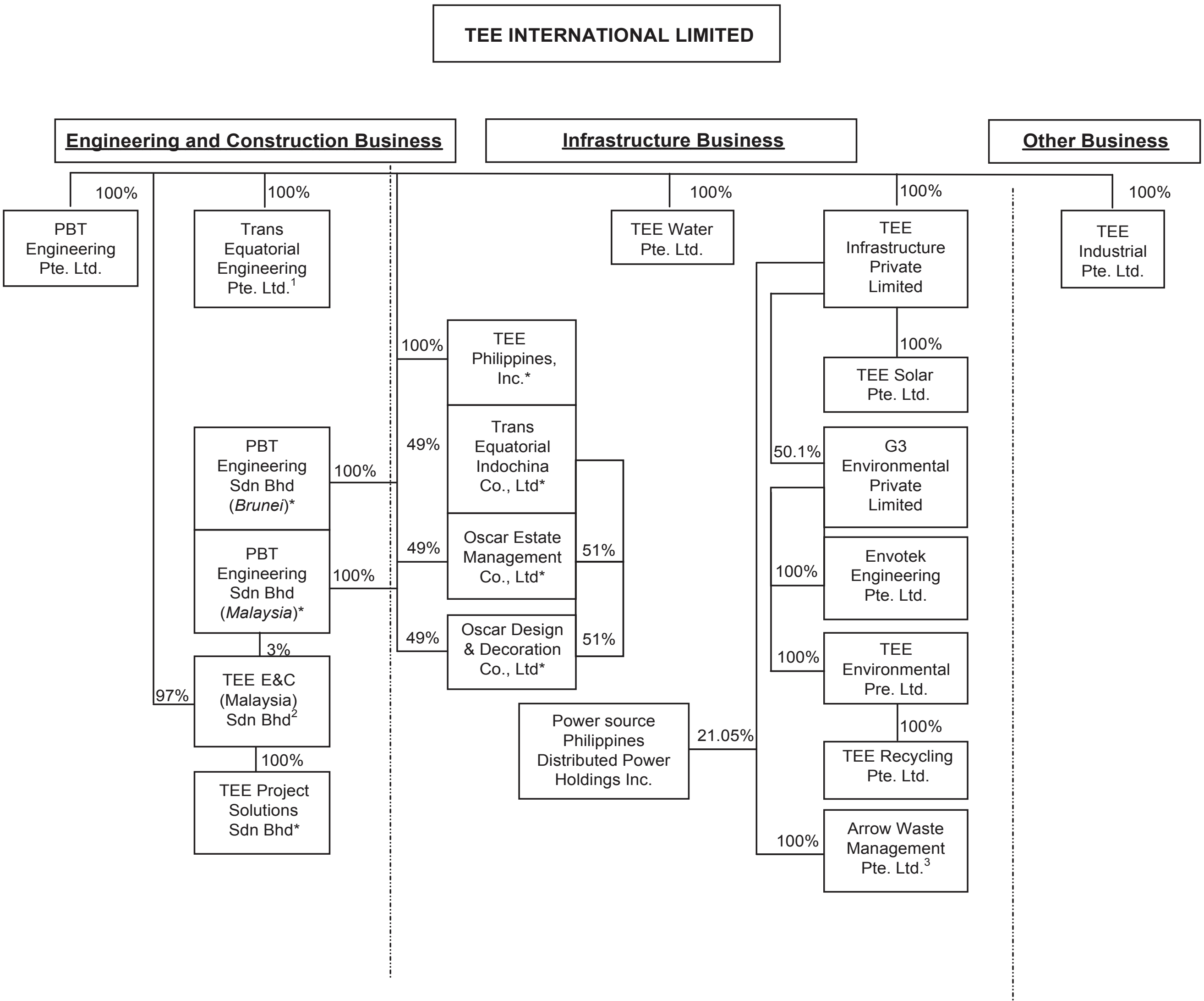
Investing activities

Net cash from investing activities was S$13.0 million due mainly to net cash inflows of S$17.6 million from disposal of non-current asset held-for-sale – an investment property located at 33 Changi North Crescent, Singapore (the "33CNC Property"), offset by placement of fixed deposits of S$3.0 million.

Financing activities

Net cash used in financing activities was S$25.6 million due mainly to repayment of loans and borrowings. As a result, the Group recorded a marginal net increase in cash and cash equivalents of S$7,000.

CORPORATE STRUCTURE



Legend:

1 Placed under creditors' voluntary liquidation on 12 January 2022.
2 Wound up by Order from High Court of Penang (Malaysia) on 16 June 2022.
3 Placed under creditors' voluntary liquidation on 5 December 2022
* The Group has lost control over these entities as the immediate holding companies of these entities are in the liquidation process.

BOARD OF DIRECTORS

MR. YEO KIAN WEE ANDY

Independent Non-Executive Chairman

Mr. Yeo Kian Wee Andy was appointed to the Board on 29 December 2020 as an Independent Director. He was appointed as an Independent Non-Executive Chairman and Nominating Committee Chairman on 21 January 2021.

Mr. Yeo is presently a Partner at Eldan Law LLP. He has over 20 years of experience in legal practice. He began his career as a trainee with the Legal Service Commission in March 1996, before becoming an assistant registrar of the Supreme Court in July 1996. He was appointed as a magistrate and a coroner in the State Courts from September 1997 to September 1998. In October 1998, he joined the Attorney-General's Chambers as a state counsel and deputy public prosecutor. He left Allen & Gledhill LLP after 18 years and is now practising with Eldan Law LLP.

Mr. Yeo graduated with a Bachelor of Laws from the National University of Singapore in 1996 and was admitted as an advocate and solicitor in Singapore in 2000. He is also a non-practising solicitor of England and Wales, having been admitted to the Roll of Solicitors of England and Wales in 2010. Mr. Yeo has been an accredited international mediator of the Thailand Arbitration Centre since 2016. He is also a very active volunteer in the Singapore disability sports scene.

Mr. Yeo's present directorships and principal commitments include The Necessary Stage Ltd, LY Corporation Limited, Nexty IO, Gossama IO, Eldan Law LLP, Fintex Pte. Ltd., Jadefx Pte. Ltd. and TEE International Limited. He does not have any past directorships in the last three years.

MR. PHUA CHER CHUAN

Group Chief Executive & Managing Director

Mr. Phua was appointed as Interim Group Chief Executive & Managing Director on 24 June 2021, re-designated as Group Chief Executive & Managing Director on 1 September 2021.

Mr. Phua joined the Group in 2005 and leads the TEE Infrastructure businesses, which include the environmental business and overseas investments. In addition to the Group's infrastructure business, Mr. Phua also drives the Merger and Acquisition projects and other corporate exercises of the Group.

Mr. Phua started his career in August 1994 as an engineer with National Semiconductor Manufacturing Pte Ltd before he joined Infineon Technologies Asia Pacific Pte Ltd (formerly known as Siemens Components Pte Ltd) from March 1996 to December 2000 where he was involved in developing software for the testing of microchips as a senior engineer. In January 2001, Mr. Phua joined ST Assembly and Test Services Pte Ltd as an engineering section manager where he was in charge of testing microchips at its test development centre. He subsequently joined Flextronics International Ltd. in June 2002 as a manager at its test development department where he was a division head and responsible for testing of product designs for Singapore, Malaysia and China. Mr. Phua founded and was the Chief Executive Officer of Nexfrontier Solutions Pte. Ltd. from June 2005 to September 2012.

Mr. Phua was Executive Director and Chief Executive Officer of CMC INFOCOMM LIMITED ("CMCI", a subsidiary company of the Group) from March 2015 to May 2017. He led the team to a successful Initial Public Offering (IPO) of CMCI in Singapore Stock Exchange on 13 August 2015. Mr. Phua was responsible for the overall management of business and corporate development and he worked together with Non-Executive Chairman to formulate the business and corporate policies and strategies of CMCI.

Mr. Phua graduated from Nanyang Technological University with a Bachelor of Engineering degree in May 1994 and from the National University of Singapore with a Master of Science (Electrical Engineering) degree in July 1999.

Mr. Phua's present directorships and principal commitments comprise directorships in the Group's subsidiaries, PowerSource Philippines Distribution Power Holdings Inc (Philippines), Meridian Edge Pte Ltd and TEE International Limited. Mr. Phua's past directorships in the last three years include the Group's subsidiaries that have been struck off, CMTE Technology Sdn Bhd (Malaysia) (struck off on 2 September 2020) and Nexfrontier Solutions Pte Ltd (struck off 4 May 2021).

BOARD OF DIRECTORS

PROFESSOR SIOW YUEN KHONG ALEX
Independent Director

Professor Siow was appointed an Independent Director of the Company on 18 February 2020. He currently serves as member of the Audit Committee, member of the Nominating Committee and Chairman of the Remuneration Committee.

Professor Siow is currently Professor (Practice) in the School of Computing, National University of Singapore (NUS). Professor Siow started his career as a Structural Engineer in the HDB in 1981 and was appointed the Chief Information Officer in 1989. In 2003, Professor Siow joined the private sector and became the Senior Vice-President in StarHub Ltd. He held various portfolios including Head, Business Market, CIO and Head, Enterprise Risk Management. In 2013, he joined Accenture as Managing Director, Health and Public Service and in 2015, he joined NUS.

Professor Siow is a member of Temasek Polytechnic Board of Governors, a member of the Board of Trustees of Singapore University of Social Sciences and a board member of Thye Hua Kwan Ang Mo Kio Hospital. He is also the Chairman of the Board of Directors of Toffs Technologies Pte Ltd and Executive Chairman of DART Consulting and Training Pte Ltd. He is Managing Director of Alex Siow & Associates and director of 4P Consulting Pte Ltd.

Professor Siow graduated with a Bachelor of Engineering (Civil) degree from University of Applied Science, Stuttgart in July 1979 and a Master of Science (Engineering) (Construction Management) degree from the University of Birmingham in December 1986. He had also attended the Senior Management Programme at INSEAD, France in 1995.

Professor Siow's present directorships and principal commitments include Toffs Technologies Pte Ltd, Ang Mo Kio Thye Hua Kwan Hospital, Wesan Future Design Pte Ltd, Dart Consulting and Training Pte Ltd, Alex Siow & Associates, Red Alpha Cybersecurity Pte Ltd, CloudRoc Pte Ltd, KSC Consultants Pte Ltd, Findjobs Pte Ltd, Thye Hua Kwan Moral Charities Ltd and TEE International Limited. Professor Siow's past directorships in the last three years include Nexty Pte Ltd, Hashedlen Sdn Bhd, Temasek Polytechnic and Temasek Polytechnic School of Informatics and IT.

KEY MANAGEMENT

MR. HENRY CHIA YOKE HENG

Executive Director, PBT Engineering Pte. Ltd.

Mr. Chia joined the Group in 2004. He was appointed as Company Director of PBT Engineering Pte. Ltd. in 2015.

Mr. Chia leads and drives the construction and management of Asset Enhancement Initiatives (AEI) and Mission Critical projects. With more than 20 years of experience in the Building and Construction field, Mr. Chia has successfully completed AEI and mission critical projects for commercial, retail, industrial, healthcare, institution of higher-learning, aviation, transportation and infrastructure developments.

Mr. Chia holds a Master of Science (Building Sciences) from National University of Singapore and Bachelor (Honours) of Engineering (Civil Engineering).

MR. LIM CHIN KHUANG

Managing Director, Environmental Business

Mr. Lim joined the Group in May 2019 and oversees the waste management business. Mr. Lim is responsible for formulating and executing the growth strategies of TEE Environmental. Prior to joining the Group, Mr. Lim held the position of Senior Vice President of SembWaste Pte Ltd and Sembcorp Environment Pte Ltd. Mr. Lim's career with Sembcorp Environment Pte Ltd spanned over 17 years and was overall in charge of its waste management business from 2011 to 2019. He also previously held management positions in Keppel Logistics Pte Ltd and The Westin Hotels Singapore.

Mr. Lim holds a Master of Management from Macquarie University.

MS. FONG MENG HUI

Group Financial Controller

Ms Fong joined the Group in August 2018 and oversees the full spectrum of accounts and finance related activities of the Group.

She has over 10 years of international broad-based external and internal audits, accounting and financial as well as management experience in various industries in Singapore and overseas.

Ms Fong is a Fellow of Chartered Certified Accountant (FCCA, UK), Certified Internal Auditor (CIA) and Chartered Accountant of Singapore (CA Singapore). She also holds a First-Class Bachelor of Applied Accounting (Honours) from Oxford Brookes University, United Kingdom.

MR. SIMON ZHAO GANG

Senior Manager, Corporate Finance

Mr. Zhao joined the Group in January 2018 and assists with corporate development.

He has over 14 years of working experience in Corporate Business Management for listed companies in the area of business development, investment, projects management, and corporate actions, etc.

Mr.Zhao holds a Bachelor of Applied Accounting (Honours) from Oxford Brookes University, United Kingdom.

SUSTAINABILITY REPORT

TEE International Limited

Sustainability Report
FY2022

Contents

SUSTAINABILITY REPORT

1 BOARD STATEMENT

This report marks the Group's fifth year of sustainability reporting. The Board believes this report clearly presents the Company's environmental, social and governance performance plans. This report details how TEE International Limited and its subsidiaries, as the Group, manage our material ESG impacts to create a positive value for our stakeholders. The Board has emphasised that management will continue to be evaluated by its success in executing the Company's strategic plan to meet stakeholders' and the Board's expectations, including being agile in responding to changing circumstances while respecting the commitments in this report.

The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Committee, which is chaired by the Group Chief Executive and Managing Director and key executives across business functions and business segments in the Group. The Board reviewed and discussed the final text of this report before it adopted a formal resolution approving the report.

Although the gradual recovery from the impact of COVID-19 is underway, at TEE, we are still re-inventing the way we work while maintaining safety precautions in line with the local health advisories. We continue to pay close attention to the development of this virus and the advisories from the health authorities to ensure the health and safety of all our employees remain our top priority.

During this challenging period, we are trying our best to utilise our resources, provide our employees with the best protections and welfare, and ensure fair employment. This is crucial in order to overcome the challenges faced during and post pandemic so as to provide the best to our employees, customers and all the relevant stakeholder's interest benefits can be protected.

The Group conducted our first materiality analysis and published our inaugural sustainability report in 2018. This year, we have continued to report on the material topics and further aligned them to our three Sustainability Focus Areas: Our Business, Our Environment and Our People.

Our values and principles continue to guide us, providing a balanced consideration of the economy, environment, and people.

2. ABOUT THIS REPORT

TEE's International Limited ("TEE" or "the Company" and together with our subsidiaries, the "Group") is proud to present our fifth annual Sustainability Report for FY2022.

REPORTING FRAMEWORK

The report is prepared with reference to the Global Reporting Initiative ("GRI") Standards.

We have chosen GRI as the sustainability reporting framework as it is internationally recognised and widely adopted, enabling us to achieve a comprehensive and comparable disclosure of environmental, social and governance performance.

REPORTING SCOPE AND PERIOD

This Report is the Group's fifth sustainability report, which covers the Group's sustainability performance for the financial year ended 30 September 2022.

The scope of the Group's sustainability report includes the headquarters TEE, as well as the following infrastructure entities:

- TEE Infrastructure Private Limited ("TEE Infra");
- TEE Environmental Pte. Ltd. ("TEE Environmental");
- TEE Recycling Pte. Ltd. ("TEE Recycling");
- Envotek Engineering Pte. Ltd. ("Envotek")

Together with our engineering and construction entity:

- PBT Engineering Pte. Ltd. ("PBT Engineering").

With the exception of employee headcount, which includes our operations in Hong Kong, Malaysia and Thailand, the boundary for all data reported covers operations in Singapore only.

SUSTAINABILITY REPORT

REPORT ACCESSIBILITY

In order to reduce our environmental footprint, we shall not provide hard copies of this report.

The report will be publicly accessible through the Company's website: https://www.teeintl.com/investor-relations and on SGXNET.

FEEDBACK

Our Sustainability Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and our business. Feedback from the Company's stakeholders is imperative to our Group's continued improvement and growth.
We value your interest in our report and welcome questions, comments and suggestions at IR@teeintl.com.

REPORT REVIEW AND ASSURANCE

The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure the accuracy of data and information.

The Company has leveraged internal verification mechanisms to ensure data quality and accuracy within this report. Hence, there is no independent external assurance for this report.

3. SUPPORT THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The United Nations Sustainable Development Goals ("UN SDGs") provide a shared roadmap for governments, private sectors and civil society organizations to address the most pressing social and environmental issues faced by our society today.

The UN SDGs aim to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.

Source: Image from United Nations (https://sdgs.un.org/goals)

At TEE, we are committed to playing our part in supporting 17 global goals. In FY2022, we mapped the 17 goals over our material topics and decided to focus on the following goals in our sustainable business strategy.

SUSTAINABILITY REPORT

OUR BUSINESS LOCATION

Our HQ Address
25 Bukit Batok Street 22, TEE Building
Singapore 659591

Our Subsidiary Location
41 Defu Lane 1
Singapore 539494

4. BUSINESS MEMBERSHIP

Membership Association

Associations	Award Date/Expire Date
Environmental Management Association of Singapore (EMAS)	May 2022 / April 2023
Waste Management & Recycling Association of Singapore (WMRAS)	June 2022 / May 2023

***The above membership information only covers Tee Environmental Pte. Ltd.**

Relevant Certifications

Name of the Certification	Award Date/Expire Date	Awarded Business Sector
ISO 9001: 2015 Quality Management System	22 May 2021 / 21 May 2024	Engineering and Construction
	21 December 2021 / 20 December 2024	Infrastructure
ISO 14001:2015 Environmental Management System	29 May 2021 / 28 May 2024	Engineering and Construction
	21 December 2021 / 20 December 2024	Infrastructure
ISO 45001: 2018 Health & Safety Management System	21 May 2021 / 20 May 2024	Engineering and Construction
	21 December 2021 / 20 December 2024	Infrastructure
Fire Safety Certificate	17 November 2011 / No expire date	Infrastructure

5. OUR VALUES

Vision
We aim to be among the best and the preferred choice in the industry.

Mission
We strive to be a leading Integrated Engineering, Real Estate and Infrastructure Group recognised for our quality and value-added services, cost competitiveness, and backed by people with a devotion to quality service delivery and the tenacity to face challenges.

Core Values & Guiding Principles
To be passionate in everything we do to hold firmly to our purpose or undertakings despite obstacles or setbacks.

- Professionalism
  Operate with a "Can Do" attitude and take ownership of our actions and everything we do.

- Achieve
  To achieve excellence through continuous learning and encourage personal development for every individual.

- Service
  Offering the best service to our clients, suppliers, colleagues, partners, and communities.

- Safety
  Ensuring the safety of the people and to promote safety, health, environmental, and legal awareness.

- Integrity
  Being reliable, trustworthy and honourable in what we say and do.

- Openness
  To operate in the spirit of mutual trust and openness, giving due respect to self and others to maintain teamwork and growth.

- Nurture
  To empower individuals, create opportunities for all to grow and excel and promote a happy, healthy and balanced work-life.

6. OUR REPORTING PRINCIPLES

According to GRI 2021-Foundation, we follow the 8 reporting principle in preparing our Sustainability Report.

Accurancy	Balance	Clarity	Comparability
Completeness	Sustainability Context	Timeliness	Verifiability

SUSTAINABILITY REPORT

7. OUR GOVERNANCE STRUCTURE

The Board provides leadership, determines and sets the Group's corporate strategies and objectives, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

It also monitors and evaluates the Group's operations and financial performance, establishes targets for the management of the Company and monitors the achievement of these targets.

The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal control to safeguard shareholders' interests and the Group's assets.

Here is the detail of our Board Directors:

NAME	GENDER	AGE	BOARD OF DIRECTORS
Yeo Kian Wee Andy	Male	51	Independent Non-Executive Chairman
Phua Cher Chuan	Male	53	Group Chief Executive Managing Director
Teo Yi Dar[1]	Male	51	Non-Executive Director Non-Independent Director
Siow Yuen Khong	Male	68	Independent Director
Hong Chee Wai[2]	Male	54	Independent Director

[1] Mr. Teo Yi-Dar resigned as Non-Independent Non-Executive Director on 26 September 2022
[2] Mr. Hoon Chee Wai resigned as Independent Director ("ID") on 30 November 2022

The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Committee, which is chaired by the Group Chief Executive and Managing Director and key executives across business functions and business segments in the Group.

SUSTAINABILITY REPORT

8. STAKEHOLDER ENGAGEMENT

The sustainability committee continues to engage the different business segments, vendors, contractors, and employees to understand emerging issues and concerns further.

Key Stakeholders	Significance to TEE Group	Topics of Interest	Engagement Channels
EMPLOYEES	Our people are one of our most valuable assets. The well-being and capabilities of our employees ensure their continual contributions to the success of all aspects of our businesses.	• Internal and external training • Staff appraisal • Onboarding and orientation • Ongoing sharing sessions and dialogues • Management feedback sessions	• Benefits and remuneration • Career progression • Training and development • Employee well-being and welfare
CUSTOMERS (Engineering and Construction Business)	The Engineering and Construction business delivers a full suite of high-value engineering solutions on a timely basis without compromising on quality. Fulfilling customers' requirements while adhering to various regulatory requirements is of utmost importance.	• Ongoing dialogues and meetings • Feedback form for analysis of performance	• Project management • Ability to meet requirements • Timeline and execution • Work Quality
CUSTOMERS (Infrastructure Business)	TEE Infrastructure's environmental division offers a full suite of waste management solutions by customers' requirements. We do so while striving to be more environmentally friendly.	• Customer service hotline • Ongoing engagement with clients	• Service management • Ability to meet requirements • Execution and quality of service
SUPPLIERS & VENDORS	In line with our goal of delivering quality products and services to our customers, we work with reliable contractors with good track records to ensure our projects are delivered promptly without compromising on quality.	• Regular project progress updates • Project meetings	• Company financial strength • Payment terms
GOVERNMENT & REGULATORS	Being a Mainboard listed company on the SGX-ST, we are required to comply with the requirements of the listing rules of SGX-ST as well as the Securities and Futures Act. Relevant permits and licences are obtained from the relevant authorities such as the Building and Construction Authority ("BCA"), Ministry of Manpower ("MOM") and National Environment Agency ("NEA").	• Announcements via SGXNet • Ongoing engagement with clients • Annual Report • Sustainability Report • Attending seminars and training conducted by regulatory bodies • Direct engagement with authorities • Newsletter updates	• Compliance with laws and regulations as mandated by the relevant authorities • Anti-corruption and bribery

SUSTAINABILITY REPORT

Key Stakeholders	Significance to TEE Group	Topics of Interest	Engagement Channels
SHAREHOLDERS & INVESTORS	We view our shareholders as our utmost supporters as we continue to grow the Group. We fully understand the need to address their concerns and share timely and accurate information about TEE Group with our shareholders to enable a transparent assessment of TEE Group's financial performance and state of affairs. This is in accordance to our Investor Relations policy.	• General Meetings • Announcements via SGXNet • Annual Report • Investor Relations team • Company website • Media releases	• Group business strategy and developments • Financial performance • Dividend policy • Risk management • Operational efficiency • Regulatory compliance • Corporate Governance
SOCIETY	The Group strives to have a positive impact on the community. We are dedicated to being model corporate citizen who positively contributes to the community and encourages the spirit of volunteerism.	• Corporate Social Responsibility (CSR) programme • Community service events	• Charitable contribution • Volunteering activities
MEDIA & ANALYST	In line with our proactive investor and media relations approach, TEE Group regularly engages the media and analysts to keep them updated on our various corporate activities while gaining different perspectives on our business performance.	• Interviews • Press releases • Face-to-face meetings	• Company performance • Valuation and stock performance • Corporate Governance
STRATEGIC PARTNERS	Our strategic partners help complement our capabilities to provide our customers with the best services and products.	• Ongoing meetings and dialogues • Business reviews	• Financial performance • Track records and reputation

9. REPORTING APPROACH AND MATERIAL TOPIC IDENTIFICATION

At the Group, sustainability is embedded in our business model. We place a strong emphasis on high standards of corporate governance and stringent risk management practices. We are integrating sustainability best practices in our business guides us in formulating our business strategy and how it impacts our people, environment and communities.

We follow the following four steps in determining our material topics.

Scoping	Understand the organisation's context and conduct scoping and gap analysis based on TEE's operational activities;
Identify	Identify the actual and potential impacts based on the operation activities and business location;
Assess	Assess the significance of the impacts based on the stakeholder's feedback, management concerns, strategy, and operation activities;
Prioritise	Prioritise the most significant impacts for reporting.

SUSTAINABILITY REPORT

The Group conducted our first materiality analysis and published our inaugural sustainability report in 2018. In FP2021, we have reviewed our material topics to ensure that we are responding appropriately to emerging concerns or legislation and to identify improvement opportunities. There are no changes to the Group's material topics and Sustainability Focus Areas for FY2022. We continue to use GRI standards as a reference to report on our selected material topics. We have provided further insight into our emissions use by including data on emission intensity this year.

	Relevant GRI Indicators	Material Topics	**Relevant UN SDGs**
Our Business	GRI 201-1	Economic Performance	
	GRI 204-1	Procurement Practices	
	GRI 205-3	Anti-Corruption	
Our Environment	GRI 302-1 GRI 305-1 GRI 305-2 GRI 305-4	Energy & Emissions	
	GRI 303-1	Water	
	GRI 306-2	Effluents & Waste	
Our People	GRI 401-1	Employment	
	GRI 405-1	Diversity & Equal Opportunity	
	GRI 404-1	Training & Education	
	GRI 403-2	Occupational Health & Safety	

10. OUR BUSINESS

Key Material Topics		**Relevant UN SDGs**
GRI 201-1 GRI 204-1 GRI 205-3	Economic Performance Procurement Practices Anti-Corruption	

As an established integrated engineering and infrastructure group, we strive to deliver quality and value-added services to our customers. With an expansive network of businesses under the Engineering and Infrastructure arms and various scales of operations and exposure, we recognise the importance of maintaining stringent ethical work practices.

Due to the labour-intensive nature of our businesses, as well as exposure to environmental impacts, TEE is committed to conducting our business sustainably and ethically. We condemn any form of bribery and our whistleblowing channel allows reporting of any non-compliance or breach of conduct in confidence.

SUSTAINABILITY REPORT

Business Conduct Policies

Economic Performance (GRI 201-1)

Our Approach
The Group believes in integrating sustainable practices as part of our business strategy in driving long-term growth. We are committed to high standards of business ethics, a nurturing and safe working environment to boost our employee productivity and morale in delivering quality service to our customers. Our sustainability agenda also guides our business strategy in maintaining sustainable economic value for our stakeholders while investing in our people's development and giving back to our communities. TEE is committed to strengthening our economic value to our shareholders while investing in our people and communities.

Our Performance
In FY2022, we have generated an economic value of S$83.6 million and distributed S$84.2 million in the form of operating costs, employee wages and benefits, payments to providers of capital, taxes and community investments.

[1] Revenue
[2] Comprises operating costs, employee wages and benefits, payments to providers of capital, payments to taxes and community investments

Procurement & Practices (GRI 204-1)

Our Approach
TEE partners with various vendors, contractors and suppliers on delivering quality and value-added services. Thus, maintaining a good working relationship with our partners is vital. We adopt a stringent selection process and only work with vendors with an excellent track record of health and safety standards, compliance to local regulations and certification bodies. High levels of service efficiency without jeopardizing on health, safety and environmental standards are prerequisites in our selection process. Where possible, TEE works with local vendors for the projects.

Our Performance
TEE has a predominantly local supply chain; approximately 95 percent of our approximately 800 suppliers providing products and services are from the local market. Examples of products procured are equipment, hardware, rental of equipment, fabrication work; while services procured refer to supply and installation services, consultancy services, testing and commissioning services, and calibration services etc.

Anti-Corruption (GRI 205-3)

Our Approach
The Group believes good governance is crucial as it helps guide our businesses to be conducted fairly and ethically, governed by internal controls and risk management practices. We take a strong stand towards issues like bribery and corruption and prohibit any form of bribery. In addition, our whistleblowing policy allows suspected breaches of conduct or conflicts of interest to be reported seamlessly and anonymously. More information on our internal controls systems and whistleblowing policy are respectively set out in Provisions 9.1, 9.2 and 10.1 of the Corporate Governance Report. All new employees at the Group undergo a briefing to encourage them to be familiarized with the Group's code of conduct.

Our Performance
There was no confirmed incident of corruption across our Group in FY2022.

Whistle-Blowing Policy
TEE International Limited ("TEE") has a whistleblowing policy in place which encourages employees and vendors to report malpractices and misconduct in the workplace. TEE will protect employees and vendors who have acted in good faith from victimization by their colleagues or employees of TEE. TEE will treat all information received confidentially and protect all whistle-blowers' identities and interests. Anonymous disclosures will be accepted and anonymity honoured.

The policy allows a single, confidential line to report concerns about possible improprieties to the Audit Committee (AC) in good faith and confidence. The policy defines the processes clearly to ensure independent investigation of such matters and appropriate follow-up action and provides assurance that staff will be protected from reprisals.

SUSTAINABILITY REPORT

Reports can be lodged in writing via any of the following:

i. By email to the Whistle Blowing Receiving Officers at e-mail address: whistleblow@teeintl.com; or

ii. By mail for the attention to the Audit Committee of the Company at the following address: 25 Bukit Batok Street 22, TEE Building, Singapore 659591.

Communication of Critical Concerns

At TEE, we value clear and transparent communications with both its internal and external stakeholders, whereby all staff members are aware of TEE's objectives and strategies for achieving the objectives.

We are committed to providing timely, accurate, consistent and complete disclosure of information using appropriate language. This includes electronic communication and personal/one-to-one communications; and ensuring communications are complete, fair, accurate, timely and comprehensive;

Compliance with Laws and Regulations

TEE is committed to complying with relevant laws and regulations as we operate in highly regulated industries. Besides establishing whistleblowing and anti-corruption policies, we also have a legal policy that states the Group's commitment to conduct business with integrity, fairness, impartiality, ethically and adequately.

We monitor our existing customers and vendors periodically.

Our compliance guidelines and policy requirements are aligned with industry standards and requirements. Also, we focus on our community responsibilities as corporate citizens. We take these responsibilities very seriously, including paying our fair share of corporate income taxes and social contributions. Our commitment to these responsibilities is also embodied in our corporate culture. Tax payments to the relevant authorities are in accordance with applicable anti-corruption laws and regulations, rules and regulations.

We are pleased to report that there was no reported incidence of non-compliance with the local anti-corruption laws, rules and regulations across the Group in FY2022. We aim to maintain zero violation of the laws, rules and regulations for FY2023 and beyond.

11. OUR ENVIRONMENT

Key Material Topics	Relevant UN SDGs
GRI 302-1, GRI 305-1, GRI 305-2, GRI 305-4 Energy & Emissions GRI 303-1 Water GRI 306-2 Effluents & Waste GRI 401-1 Environment Compliance	

The Group's objective for Our Environment is to improve our assets' operational performance whilst actively reducing our operations' environmental impact. The most significant environmental impact arises from our operations' energy, emissions and water consumption. As such, the most significant impact we can have on reducing these emissions is improving our operations' energy efficiency.

SUSTAINABILITY REPORT

Energy & Emissions (GRI 302-1, GRI 305-1, GRI 305-2, 305-4)

Our Approach

Our asset managers monitor consumption and set energy improvement targets at businesses and sites where we have operational control. We recognize the energy usage levels used at our sites, which is mainly contributed by the environmental business, TEE Environmental, which is held under the infrastructure business. Our subsidiaries, PBT Engineering and TEE Environmental are ISO 14001:2015 certified. The purpose of ISO 14001 aims to provide organisations with a framework to protect the environment and respond to changing environmental conditions. It will enable PBT Engineering to improve our environmental management continually.

Our Performance

In FY2022, we have seen a 5% decrease in the overall amount of energy consumed compared with 12 months pro-rated energy consumed in FP2021. Our total energy consumed in FY2022 (12 months) was 52.05 TJ compared to 72.8 TJ in FP2021 (16 months). Similarly, our overall Scope 1 and Scope 2 carbon emissions for the Group has also decreased from 4,661 tCO2 in 12 months pro-rated FP2021 to 3,929 tCO2 in FY2022. This decrease is primarily attributed to the lower fuel consumption from reduced trucks usage in our TEE Infrastructure business.

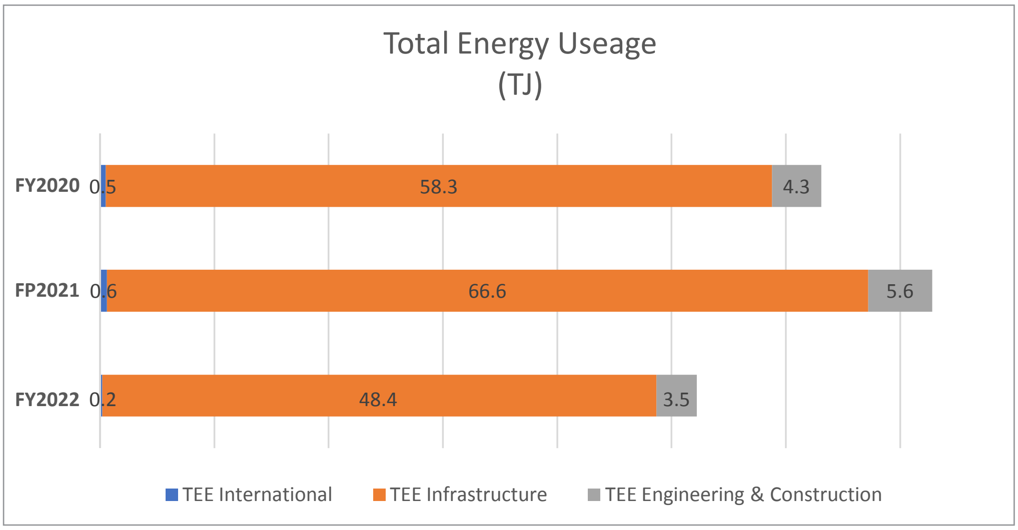
Energy Consumption for the Group

	FY2022			FP2021						FY2020		
	1 Oct 2021 - 30 Sep 2022 (12 months)			1 June 2021 – 30 September 2021 (4 months)			1 June 2020 – 31 May 2021 (12 months)			1 June 2019 – 31 May 2020 (12 months)		
Business Entity	**Fuel**	**Electrical**	**Total**	**Fuel**	**Electricity**	**Total**	**Fuel**	**Electricity**	**Total**	**Fuel**	**Electricity**	**Total**
	(TJ)	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**	**(TJ)**
TEE International	–	0.19	0.19	–	0.1	0.1	–	0.5	0.5	–	0.5	0.5
TEE Infrastructure	47.33	1.02	48.35	16.4	0.1	16.5	49.6	0.5	50.1	56.9	1.4	58.3
TEE Engineering & Construction	1.26	2.25	3.51	0.2	1.8	2	3	0.6	3.6	2.5	1.9	4.3
TOTAL	**48.59**	**3.46**	**52.05**	**16.6**	**2.1**	**18.6**	**52.6**	**1.6**	**54.2**	**59.3**	**3.8**	**63.1**

SUSTAINABILITY REPORT

Overall Performance (TJ)

	TEE International	TEE Infrastructure	TEE Engineering & Construction	**TOTAL**
FY2022	0.2	48.4	3.5	52.1
FP2021	0.6	66.6	5.6	72.8
FY2020	0.5	58.3	4.3	63.1

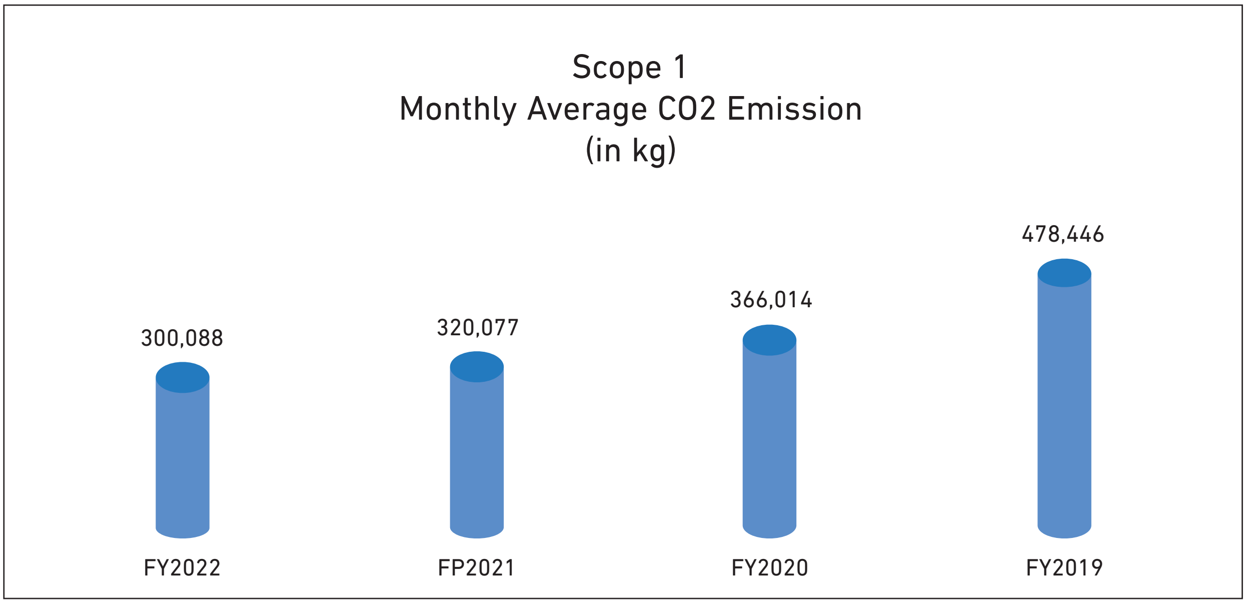


Emissions for the Group

SCOPE 1 (kg CO_2)

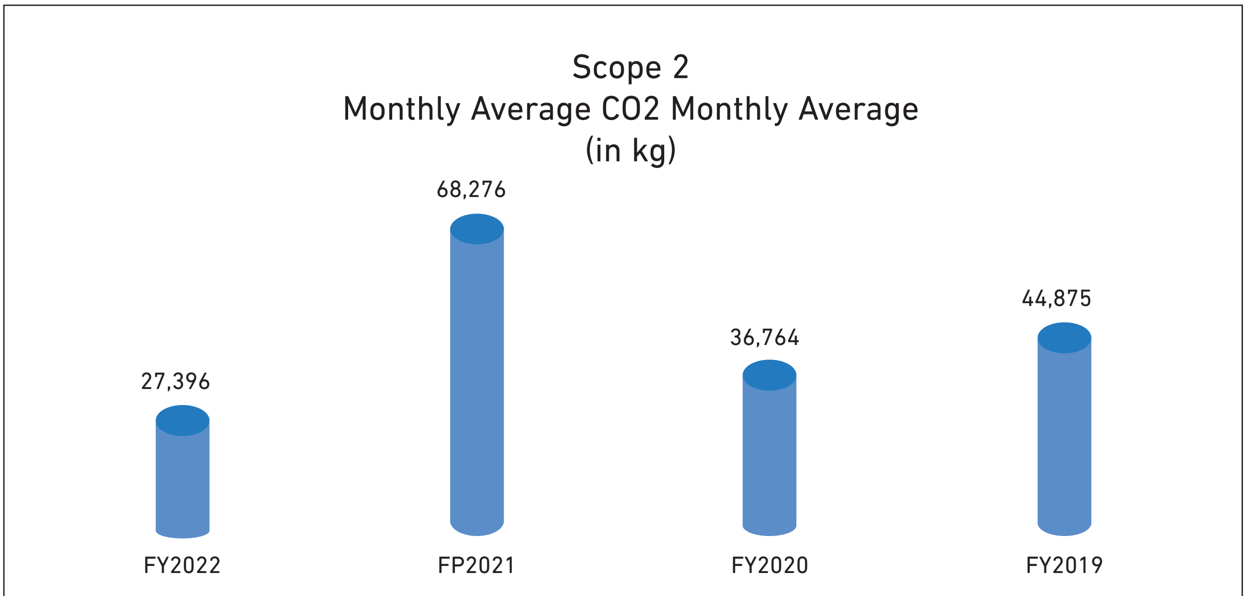
Business Entity	**FY2022**	**FP2021**		**FY2020**	**FY2019**
	1 Oct 2021 - 30 Sep 2022 (12 months)	**1 June 2021 – 30 September 2021 (4 months)**	**1 June 2020 – 31 May 2021 (12 months)**	**1 June 2019 – 31 May 2020 (12 months)**	**1 June 2018 – 31 May 2019 (12 months)**
TEE International	–	–	–	–	–
TEE Infrastructure	**3,507,409**	**1,213,153**	**3,675,322**	**4,212,282**	**5,581,828**
TEE Engineering & Construction	**93,647**	**14,827**	**217,929**	**179,880**	**159,523**
Total	**3,601,057**	**1,227,979**	**3,893,252**	**4,392,162**	**5,741,351**

SUSTAINABILITY REPORT



SCOPE 2 (kg CO_2)

Business Entity	FY2022	FP2021		FY2020	FY2019
	1 Oct 2021 - 30 Sep 2022 (12 months)	1 June 2021 – 30 September 2021 (4 months)	1 June 2020 – 31 May 2021 (12 months)	1 June 2019 – 31 May 2020 (12 months)	1 June 2018 – 31 May 2019 (12 months)
TEE International	21,875	12,903	56,802	57,758	69,915
TEE Infrastructure	53,116	16,814	58,729	164,935	135,901
TEE Engineering & Construction	253,758	212,361	734,814	218,475	332,685
Total	328,749	242,078	850,345	441,168	538,501



SUSTAINABILITY REPORT

Total emissions for the Group (kg CO_2)

	FY2022	FP2021		FY2020	FY2019
	1 Oct 2021 - 30 Sep 2022 (12 months)	1 June 2021 – 30 September 2021 (4 months)	1 June 2020 – 31 May 2021 (12 months)	1 June 2019 – 31 May 2020 (12 months)	1 June 2018 – 31 May 2019 (12 months)
SCOPE 1 (t CO_2)	3,601	1,228	3,893	4,392	5,741
SCOPE 2 (t CO_2)	328	242	850	441	539
Total	**3,929**	**1,470**	**4,744**	**4,833**	**6,280**

Water (GRI 303-1)

Our Approach

Water is essential for the Group's day-to-day operations in the offices and other site locations. As some of our business operations use substantial amounts of water, management of water usage is a priority for the Company. In addition to the use of water-efficient taps installed at the office premises, we are also looking at ways to optimize the use of water for the environmental business held under TEE Infrastructure, which contributes to the bulk of the Group's overall water consumption.

Our Performance

We have consumed a total of 27,721 m^3 of water in FY2022. This is slightly lower by 1.4% than what was consumed in 12 months pro-rated FP2021 consumption.

Water consumption for the Group (m^3)

Business Entity	FY2022	FP2021		FY2020	FY2019
	1 Oct 2021 - 30 Sep 2022 (12 months)	1 June 2021 – 30 September 2021 (4 months)	1 June 2020 – 31 May 2021 (12 months)	1 June 2019 – 31 May 2020 (12 months)	1 June 2018 – 31 May 2019 (12 months)
TEE International	249	109	443	577	652
TEE Infrastructure	5,233	626	4,874	6,960	4,217
TEE Engineering & Construction	22,239	6,249	25,174	2,881	1,925
Total	27,721	6,984	30,490	10,418	6,795

SUSTAINABILITY REPORT

Effluents & Waste (GRI 306-2)

Our Approach

Pollution prevention and resource conservation are essential towards sustainable development. The Group has implemented several "green" initiatives from paper recycling, circulating "Go Green" awareness emails to conserving energy and minimizing electrical wastage by equipping our office with light sensors.

TEE Environmental is in the waste management and recycling business. As such, the reporting of this section focuses primarily on what TEE has recycled from the Company's business activities.

Our Performance

As part of our environmental business operations in Singapore, we have recycled approximately 3,160 tonnes of plastic, metal, paper and word waste and incinerated 13,899 tonnes of general waste.

For the period 1 Oct 2021 - 30 September 2022

Waste Type	Method of Disposal	TOTAL (tonnes)
General Waste	Incineration	13,899
Wood	Recycled	2,731
Plastics	Recycled	152
Metals	Recycled	194
Paper	Recycled	83

Environment Compliance

Our Approach

The Group conducts all aspects of our business in a manner that ensures compliance with environmental law. As TEE believes in environmental protection and stewardship, all employees go through environmentally friendly measures, briefings, courses and training and are encouraged to put it to good use in their respective departments to foster awareness and responsibility. At TEE, we recognise that a material breach of any environmental laws or regulations could significantly impact irreversible reputational damage or lead to other costly liabilities. We adhere to the highest governance practices standards, ensuring compliance with all applicable laws and regulations.

Our Performance

A robust monitoring structure is in place for our construction projects to ensure that the noise levels are within the permissible levels. Creating walled enclosures around the construction projects and alternative construction methods such as avoidance of impact piling, or specially quieter equipment and installation of mufflers are used to reduce the noise levels during construction. We have not received any significant fines or regulatory sanctions. We strive to be vigilant of our practices to ensure zero incidence of non- compliance. Moving forward, the business unit heads will continue to closely monitor our business operations and activities to ensure compliance with laws and regulations.

SUSTAINABILITY REPORT

12. OUR PEOPLE

Key Material Topics		Relevant UN SDGs
GRI 401-1 GRI 405-1 GRI 404-1 GRI 403-2	Employment Diversity & Equal Opportunity Training & Education Occupational Health & Safety	

Our employees are our biggest asset and are crucial for the long-term success of The Group. Boosting a nurturing all-inclusive and safe working environment with opportunities for development all play a part in keeping our employees engaged. As the nature of the work at TEE's different business segments involves manual work in high-risk areas, upholding a stringent health and safety working culture is the priority.

TEE engages our employees through the following management approach.

<u>Organisation Environment & Culture</u>
We believe our success today is built upon a cohesive work environment and a culture committed to developing human capital. The basis of a cohesive environment starts with upholding fair employment practices across TEE Group.

<u>Aligning our People towards business performance, productivity</u>
Continual development and aligning our people towards performance and productivity are key in building the foundation for our business success. We adopt a comprehensive approach to making consistent operational reviews, ongoing workforce training and adopting best practices.

<u>Talent Management & Succession Planning</u>
To lay the foundations for long-term growth, it is critical that leadership renewal and succession planning are built into the development of human capital as a whole. This involves defining key leadership positions and requirements, identifying high-potential candidates, assessing each candidate's readiness for new leadership roles and providing training & development.

<u>Engaging our People</u>
Communication is an essential activity of conveying information and exchanging ideas. Staff interactions are constantly encouraged and enhanced for effective two-way communication between management and staff and to build a conducive working environment.

<u>Benefits & Wellness for our People</u>
The well-being of the employees and emphasis on healthy lifestyle and work-life harmony is underpinned by team spirit, physical health and energy of each individual. With happier and healthier employees, the Company believe that productivity will increase eventually, improving the business profits.

Employment (GRI 401-1)

Our Approach
People are central to the Group's business model. We highly regard our people's expertise, experiences and capabilities as they are crucial to our long-term growth. The Group continues to keep our employees engaged by boosting employee morale and reducing our turnover rate. The Group is committed to fair employment practices and only hires based on merit without unfair biasness. We are guided by our Code of Business Conduct, which promotes equal opportunity.

Our Performance
The Human Resource ("HR") function at TEE manages the overall HR matters across the Group. At the end of FY2022, our total employee headcount was 305, comprising 99% permanent full-time employees and 1% term contract employees.

Every employee in the Group receives regular performance and career development reviews, which illustrates our resolve to manage and develop our human capital skills. After the review process, employees undergo training courses pertaining to their job requirements to ensure greater efficiency and effectiveness in their performance. As part of the Group's leadership renewal process, TEE identifies and appraises high-potential candidates by assessing each candidate's readiness for new leadership roles to take on.

SUSTAINABILITY REPORT

New employee hire and turnover rate, by age group
(GRI 401-1, GRI 405-1, GRI 2-7, GRI 2-8)

For the period 1 October 2021 – 30 September 2022

		No. of New Hires	Hiring Rate (%)	Employee Turnover	Rate of Employee Turnover (%)
By Age Group	Under 30 years old	21	24.42%	37	15.55%
	30-50 years old	43	50.00%	81	34.03%
	Over 50 years old	22	25.58%	120	50.42%
By Gender	Male	62	72.09%	197	82.77%
	Female	24	27.91%	41	17.23%

New hires and Employee Turnover

Gender	No. of new Hires	Employee Turnover
Male	62	197
Female	24	41

Diversity & Equal Opportunity (GRI 405-1)

Our Approach
The Group encourages an inclusive working environment that supports diversity in all aspects. We hire based on merit and do not tolerate discrimination or biasness. We believe employees will flourish in a nurturing, open and diverse environment where their perspectives and ideas can be inter-exchanged. We ensure fair opportunities provide long-term career development, embracing diversity and valuing all cultures.

Our Performance
Our 305 employees comprise 7 different nationalities. We recognise the need to

(a) respect cultural diversity as part of our inclusive approach to promoting employee involvement;

(b) provide training opportunities in soft and technical skills, especially for female employees; and

(c) ensuring health-related support to help employees increase their productivity, thus reducing absenteeism rates, and promoting women's empowerment.

Due to the nature of work in the TEE's Infrastructure and TEE's Engineering & Construction business segments, the proportion of males in the company is significantly larger than the females and is approximately in the ratio of 3:1 respectively.

SUSTAINABILITY REPORT

Total Headcount by Gender (GRI 2-7)
For the period 1 October 2021 - 30 September 2022

Gender	FY2022
Male	230
Female	75
Total	305

Nationality	Permanent	Term Contract	Total
Singaporean	108	2	110
Malaysian	77	0	77
Burmese	8	0	8
Filipino	2	0	2
Indian	55	0	55
Bangladeshi	32	0	32
Chinese	21	0	21
Total	**303**	**2**	**305**

Total Headcount by Employee Type (GRI 2-8)

Gender	Permanent	Temporary
Male	230	0
Female	73	2

Gender	Full Time	Part-Time
Male	156	3
Female	141	5

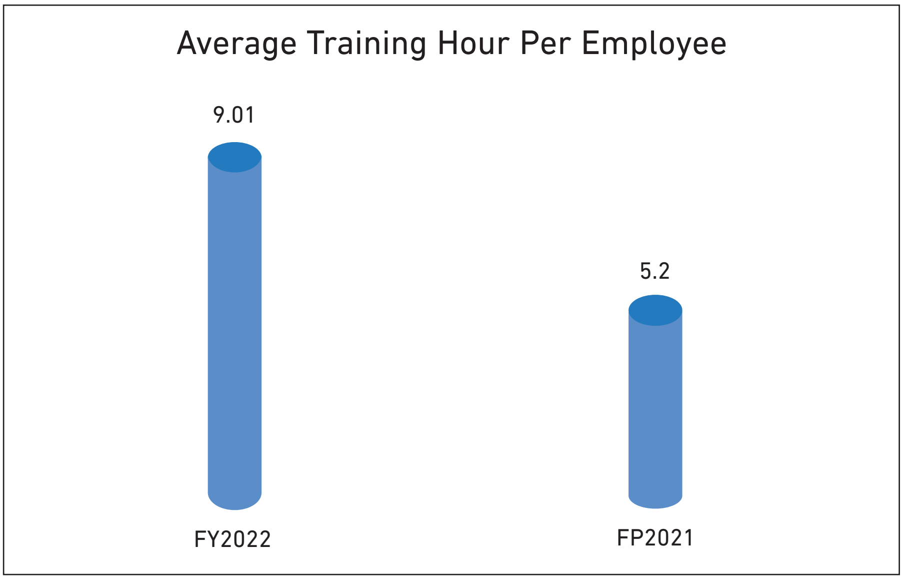
Training & Education (GRI 404-1 and GRI 404-3)

Our Approach
In line with our people-centred approach, our training programmes are essential to our investment strategy. This will promote the alignment between business goals and people-related objectives by focusing on key areas such as people development, learning programmes and internal mobility.

Our Performance
Our employees have achieved 2,747 training hours in FY2022, which is 45 hours more than FP2021, which is an average of 5.2 hours per person. Examples of training that our employees have attended in FY2022 include soft skills courses such as presentation and communication skills, leadership training, related technical skills, GST and Tax Updates, and legal and regulatory-related training. As health and safety is important for all our employees, various types of health and safety training were also provided to different categories of employees.

SUSTAINABILITY REPORT

Average Training hours per Employee (Hour)



Average hours of training per year per employee, by category

Employee Category	FY2022	FP2021
Senior Management	6.28	18.1
Managerial	2.08	14.7
Executive	3.73	10.9
Non-Executive	0.57	0.6
Site Operation	3.09	46.7
Non-traditional/Skilled Workers	12.05	8.6
Average	9.01	5.2

Average hours of training per year per employee, by gender

Employee Gender	FY2022 Hour/Employee	FP2021 Hour/Employee
Male	9.21	12.8
Female	8.40	1.7

Employee Performance and Career Development Review
For the period 1 October 2021 - 30 September 2022

Gender	No. of Staff who received performance & career development review	Percentage of Staff who received performance & career development
Male	244	53.39%
Female	75	16.41%

SUSTAINABILITY REPORT

Occupational Health & Safety (GRI 403-2)

Our Approach
Occupational safety within the Group and the value chain is a top priority at TEE. As our operations grow in different markets, the safety of our employees is also becoming increasingly important for us to manage. We remain focused on our long-term objective of "zero accidents." To achieve this, we are continuously improving our workplace safety by providing awareness, training and investing in enhancing technical safety.

TEE operates within a Quality, Environmental, Health and Safety Management framework. Under this framework, our subsidiaries, PBT have been awarded ISO 9001: 2015, ISO 14001: 2015 and SS506: Part 1 certification, while TEE Environmental and TEE Recycling have been awarded ISO45001 for our compliance with the high standards of workplace safety and health. TEE also achieved the bizSAFE Star award as a recognition for our efforts in improving workplace safety and health through implementing workplace safety practices and conducting health programmes. We also adopt a comprehensive approach to the education and inculcation of the right mindset in safety culture, starting from the top management and extending it to all levels of our workforce. This way, we seek to motivate more employee involvement and commitment to ensure a safe and healthy working environment.

Our Performance
Across the Group, there were 3 reportable cases in FY2022 from our contractors. We will continuously work towards our goal of zero accidents through careful root cause analysis of the accidents and implementing the appropriate corrective actions.

Our Employee

Work-related injuries – Employees	Total Work Hour		Number of Occurrence		Rate (per 1,000,000 hours worked)	
	FP2021	**FY2022**	FP2021	**FY2022**	FP2021	**FY2022**
Fatalities as a result of work-related injury	42,840	**46400**	0	**0**	0	**0**
High-consequence work-related injuries (major injury) (excluding fatalities)			0	**0**	0	**0**
Recordable work-related injuries			0	**0**	0	**0**

Contractors

Work-related injuries – Contractors	Total Work Hour		Number of Occurrence		Rate (per 1,000,000 hours worked)	
	FP2021	**FY2022**	FP2021	**FY2022**	FP2021	**FY2022**
Fatalities as a result of work-related injury	1,676,336	**907,384**	0	**0**	0	**0**
High-consequence work-related injuries (major injury) (excluding fatalities)			0	**0**	0	**0**
Recordable work-related injuries			2	**3**	2.98	**4.29**

SUSTAINABILITY REPORT

Recordable Work-related injuries – Contractor – FY2022			
Type of Work-related injury	**Number of occurrences**	**Hazard**	**Mechanism of injury**
Sprain	1	Slip	Over-Stretch
Cuts	2	Cuts	Sharp Objects

Our Community (GRI 413-2)

The Group is committed to managing our impact on the community responsibly and better mitigate the environmental and social impacts of our businesses, key community investments and programmes are designed in consultation with local communities.

We care deeply about serving and giving back to the community and seek to be a model corporate citizen. Corporate Social Responsibility (CSR) is an integral part of the Company's core values. It strongly advocates employee volunteerism and supports employees in their charitable endeavour. As part of its social outreach programme, the CSR Committee plans and organizes events and activities as part of the community services for charity bodies. We did not, however, schedule any social and community outreach initiatives in FY2022 due to the ongoing COVID-19 pandemic and the need to ensure the health and safety of our employees as well as those we reach out to.

SUSTAINABILITY REPORT

GRI Content Index

Statement of Use Tee Holdings Limited has reported the information cited in this GRI content index for the period from 1 October 2021-30 September 2022 with reference to the GRI standards.
GRI 1 used GRI 1: Foundation 2021

Disclosure	Location Page No.
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2-1 Organizational details	16 & 18
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2-3 Reporting period, frequency and contact point	16 & 17
2-4 Restatements of information	N.A
2-5 External assurance	N.A
2-6 Activities, value chain and other business relationships	Annual Report
2-7 Employees	32
2-8 Workers who are not employees	32
2-9 Governance structure and composition	Annual Report and Page 7
2-10 Nomination and selection of the highest governance body	Annual Report
2-11 Chair of the highest governance body	Annual Report
2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report
2-13 Delegation of responsibility for managing impacts	Annual Report
2-14 Role of the highest governance body in sustainability reporting	Annual Report
2-15 Conflicts of interest	24
2-16 Communication of critical concerns	25
2-17 Collective knowledge of the highest governance body	Annual Report
2-18 Evaluation of the performance of the highest governance body	Annual Report
2-19 Remuneration policies	Annual Report
2-20 Process to determine remuneration	Annual Report
2-21 Annual total compensation ratio	Annual Report

SUSTAINABILITY REPORT

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2-24 Embedding policy commitments	23-36
2-25 Processes to remediate negative impacts	25-30
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2-27 Compliance with laws and regulations	25
2-28 Membership associations	18
2-29 Approach to stakeholder engagement	21-22
2-30 Collective bargaining agreements	N.A
GRI 3: Material Topics	
3-1 Process to determine material topics	22
3-2 List of material topics	23
3-3 Management of material topics	24-36
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201-1 Direct economic value generated and distributed	24
GRI 204 Procurement Practice	
204-1 Proportion of spending on local suppliers	24
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GRI 303 Water and Effluents	
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306-2 Management of significant waste-related impacts	30

SUSTAINABILITY REPORT

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305-1 Direct (Scope 1) GHG Emission	27
305-2 Energy indirect (Scope 2) GHG Emission	28
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401-1 New employee hires and employee turnover	32
GRI 403 Occupational Health and Safety	
403-9 Work-related injuries	35
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404-1 Average hours of training per year per employee	33-34
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GRI 405 Diversity and Equal Opportunity	
405-1 Diversity of governance bodies and employees	20
GRI 413 Local Communities	
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CORPORATE GOVERNANCE REPORT

TEE International Limited (the "**Company**") and its subsidiaries (the "**Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency, to protect shareholders' interests and enhance shareholders' value as advocated by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company adopts practices based on the Code of Corporate Governance 2018 issued on 6 August 2018 by the Monetary Authority of Singapore (the "**Code**"). This report describes the Group's corporate governance practices that were in place throughout the 12-month financial year ended 30 September 2022 ("**FY2022**"), with specific reference made to the principles and provisions as set out in the Code and Mainboard Listing Manual of SGX-ST (the "**Listing Manual**"), where applicable.

The Company has provided the rationale for each area where it has not complied with the Code, and in such cases the Company would re-assess its deviation from the relevant guidelines and implement the recommended procedures as and when it deems it appropriate to do so.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

<u>Provision</u> **<u>Corporate Governance Practices of the Company</u>**

1.1 *Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*

The Company is headed by an effective Board, comprising individuals with experienced and diversified background and collectively leads and works with Management to achieve long-term success of the Company and Management remains accountable to the Board.

The Board assumes responsibility for setting strategic direction, establishing pertinent policies, improving the existing corporate governance practises and overseeing proper management of the Group. Apart from its statutory responsibilities, the Board also extends the following roles:

- Providing entrepreneurial leadership;
- Approving the Group's policies, strategies and financial plans;
- Reviewing the Group's financial and management performance;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Overseeing the business of the Group and monitoring the performance of the Company's management;
- Approving annual budget, acquisitions and disposal of assets, investments and divestment proposals;
- Approving nominations for the Board by the Nominating Committee and endorsing the appointments of the key executives and senior management ("**key management**");
- Reviewing recommendations made by the Audit Committee on the appointment, re-appointment or removal of external auditors;
- Reviewing recommendations made by the Remuneration Committee and approving the remuneration packages for the Board and key management;
- Considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- Identifying key stakeholder groups and recognise that their perceptions affect the Company's reputation.

CORPORATE GOVERNANCE REPORT

The Directors are fiduciaries who collectively and individually exercise due diligence and independent judgment, as well as act in good faith in the best interests of the Group at all times. As provided for in the Company's Constitution, where a Director has a conflict of interest in a particular matter, he is required to declare his interest to the Board, recuse himself/herself from the discussions and abstain from voting on the matter.

The Board is committed to high ethical standards and integrity of action and has adopted a code of conduct and ethics which requires compliance from every Director and sets the appropriate tone from the top in respect of the desired organisational culture, and ensures proper accountability within the Company.

1.2 *Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.*

Upon appointment, each director receives a formal letter of appointment and will be provided with relevant information on his/her duties and responsibilities as a director, the Company's annual reports, corporate governance processes as well as relevant statutory and regulatory compliance issues. Newly appointed directors will receive comprehensive induction to ensure they are familiar with the Group's structure, businesses and operations, strategic direction and policies. The Group Chief Executive ("**GCE**") and senior management executives will brief newly appointed directors. Through this, the new director gets acquainted with key management which facilitates their board interaction and allow them to have independent access to key management. Directors who have no prior experience as a director of an SGX-ST listed company will also undergo training to understand the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Manual of the SGX-ST.

The Board is also updated regularly on risk management and corporate governance practises, insider trading and key changes in the relevant regulatory requirements and financial reporting standards, enabling them to properly discharge their duties as Board or Board Committee members.

As part of the Company's continuing education for all directors, the Company Secretary circulates to the Board announcements, articles, reports and press releases, such as those issued by the SGX-ST, Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and Monetary Authority of Singapore which are relevant to the Group's businesses and compliance to the applicable laws, rules and regulations and accounting standards which are currently in force.

Directors are informed by the Company Secretary or Management on any relevant conferences, courses and seminars conducted by, inter alia, Singapore Exchange Limited ("**SGX**"), ACRA, Singapore Institute of Directors, local professional firms and consultants. All training courses attended by the Directors are funded by the Company.

1.3 *The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.*

The Group has adopted a set of internal guidelines setting forth matters that require the approval of the Board. Under these guidelines, matters that require Board's approval includes:

- appointment and/or resignation of directors and key management
- adoption of group policies matters as specified under the Chapter 9 (Interested Person Transactions) of SGX-ST
- investments
- material acquisitions and disposals of assets
- corporate/financial restructurings
- commitments to term loans and lines of credit from banks and financial institutions
- unbudgeted capital expenditures
- announcement of the Group's quarterly, half year and full year results and the release of the Annual Report
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution

CORPORATE GOVERNANCE REPORT

Matters that require the Board's approval are approved unanimously or by majority vote.

The Company has established guidelines and a Delegation of Authority matrix setting clear directions on matters including thresholds for certain operational matters relating to the Group's subsidiaries that require Board approval.

The Board has adopted and documented a set of internal controls which sets out financial approval limits for capital expenditure, investments, bankers' guarantees and bank signatories' arrangements.

Apart from matters that require Board approval, the Board delegates authority for transactions below certain prescribed threshold limits to the Board Committees and specific members of the key management to optimise operational efficiency.

1.4 *Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.*

To ensure that specific issues are reviewed in-depth and in a timely manner, the Board has delegated certain functions to various Board Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). The Board Committees are each constituted with clear written terms of reference setting out their compositions, authorities and duties that have been approved by the Board. While the Board Committees review and approve certain matters, the Board Committees report to the Board with their decisions or their recommendations to the Board with the Board retaining overall oversight. Minutes of the Board Committee meetings are made available to all Board members, if requested and in the absence of any conflict.

1.5 *Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.*

The dates of meetings of the Board and the Board Committees as well as the annual general meeting ("**AGM**") are scheduled one year in advance in consultation with the Directors. The Board meets on a quarterly basis during each financial year and at other times as appropriate, to approve the release of the Group's financial results as well as to consider and resolve major financial and business matters of the Group. Besides the scheduled Board and Board Committee meetings, ad-hoc meetings are convened when required to deliberate and address any significant issues that may arise in between any scheduled meetings.

The Board and Board Committees may also make decisions by way of circular resolutions in writing. To facilitate effective management, the day-to-day management of The Group's businesses and affairs are entrusted to the executive directors and key management.

The Company's Constitution provides for the Board to convene meetings via telephone or, video conferencing.

Please also refer to Provision 4.5 below for further information regarding directors with multiple board representations.

CORPORATE GOVERNANCE REPORT

The Directors' attendance at the Board's, the Board Committees' and general meetings of the Company held in FY2022 is as below:

Name of Director	Board of Directors' Meeting		Board Committee Meetings					
			AC Meeting		NC Meeting		RC Meeting	
	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended
Prof. Siow Yuen Khong Alex	13	13	5	5	1	1	1	1
Mr. Teo Yi-Dar[1]	13	13	5	5	1	1	1	1
Mr. Hoon Chee Wai[2]	13	11	5	5	1	1	1	1
Mr. Andy Yeo Kian Wee	13	13	5	5	1	1	1	1
Mr. Phua Cher Chuan	13	12	5	5	1	1	1	1

Name of Director	AGM		EGM	
	No. of meetings held*	No. of meetings attended	No. of meetings held	No. of meetings attended
Prof. Siow Yuen Khong Alex	1	1	1	1
Mr. Teo Yi-Dar[1]	1	1	1	1
Mr. Hoon Chee Wai[2]	1	1	1	1
Mr. Andy Yeo Kian Wee	1	1	1	1
Mr. Phua Cher Chuan	1	1	1	1

Notes:

* Number of meetings held during FY2022.

1 Mr. Teo Yi-Dar resigned as Non Independent Non Executive Director on 26 September 2022

2 Mr. Hoon Chee Wai resigned as Independent Director ("ID") on 30 November 2022

1.6 *Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.*

Members of the Board are provided with management financial statements and any other information on material events and transactions with adequate explanations provided prior to each meeting and in a timely manner. The Executive Directors also update the Board at each meeting on the Group's business and strategic developments. This enables Directors to have a comprehensive understanding of the issues to make informed decisions. Matters of a sensitive nature or urgent issues that call for meetings may be convened and, in such instances, the meeting materials may be tabled during the meeting. Requests for information by the Board are promptly responded by Management. In view of the Group's disclaimer of opinion on its financial period ended 30 September 2021 ("**FP2021**") audited financial statements, the Company is required to release its results on a quarterly basis. In between Board meetings, other important matters concerning the Group are also submitted to the Board for approval by way of circulating resolutions in writing and electronic communications.

Where relevant, the business unit head or key management (or anyone who has submitted proposal for discussion at a Board meeting for approval) will be invited to attend and brief the Board on issues pertaining to the proposal.

Minutes of Board Committee meetings are also be tabled at the Board meetings to keep all directors informed of matters discussed at each Board Committee meeting.

CORPORATE GOVERNANCE REPORT

1.7 *Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.*

The Board has separate and independent access to Management and the Company Secretary vis-à-vis electronic mail, telephone and face-to-face meetings and may request for any additional information needed at any time to enable them to make informed decisions. Key management, the Company's auditors and external consultants are invited to attend Board and Board Committees meetings to update and provide independent professional advice on specific issues, if required.

If required, Directors can seek independent professional advice, at the Company's expense, concerning all aspects of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

The Company Secretaries or their representative attends all Board meetings and Board Committee meetings when requested to do so and is responsible in ensuring that board procedures are observed and that the relevant rules and regulations have been duly complied with.

The appointment and removal of the Company Secretaries is a matter that has to be decided by the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision **Corporate Governance Practices of the Company**

2.1 *An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.*

As at the date of this report, the Board comprises three Directors, one of whom is an Executive Director ("**ED**") and two of whom are Independent (Non-Executive) Directors ("**IDs**").

The composition of the Board is as follows:

Independent Non-Executive Chairman
Mr. Yeo Kian Wee Andy

Executive Director
Mr. Phua Cher Chuan (GCE and Managing Director, "**GCE and MD**")

Independent Non-Executive Directors
Prof. Siow Yuen Khong Alex

During FY2022, the Board also comprised two other directors, Mr. Teo Yi Dar and Mr. Hoon Chee Wai, who resigned as directors of the Company on 26 September 2022 and 30 November 2022, respectively.

The NC reviews the independence of each ID annually by taking into consideration the existence of relationships or circumstances, including those provided in the Code. Each ID is required to complete a Confirmation of Independence form drawn up based on the Principle 2 of the Code for the NC's review and recommendation to the Board.

For FY2022, the NC has determined Prof. Siow Yuen Khong Alex, Mr. Hoon Chee Wai and Mr. Yeo Kian Wee Andy to be independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect the directors' judgement. Each of these directors have also confirmed their independence. Mr Teo Yi-Dar is not independent by virtue of them representing the interests of the controlling shareholder of the Company. The Board concurred with the views of the NC. Each of the Directors abstained from the deliberation of his own independence.

None of the IDs have served on the Board beyond nine years from the date of their first appointment.

CORPORATE GOVERNANCE REPORT

2.2 *Independent directors make up a majority of the Board where the Chairman is not independent.*
2.3 *Non-executive directors make up a majority of the Board.*

The Board currently comprises three members of which two are IDs and one is an executive director. As such, the Company has complied with Provision 2.2 and Provision 2.3 of the Code.

2.4 *The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*

The Board is of the opinion that its present size and composition represents a well-balanced mix of expertise and experience and is appropriate for effective decision making, taking into account the nature and the scope of operations of the Group. Notwithstanding this, in view of the resignations of Mr. Teo Yi-Dar and Mr. Hoon Chee Wai from the Board, the Company is currently in the process of identifying suitable candidate(s) to be appointed to the Board. In doing so, the Company and the Board will be mindful of and shall take into consideration the measures set out in the Board Diversify Policy.

The Board recognises the importance and value of board diversity and is made up of a team of high calibre leaders whose extensive experience, knowledge and expertise combine will contribute to the effective decision-making and direction for the Group. Collectively, there is an appropriate balance and diversity of skills, experience, gender and knowledge of the Board. The Board possesses the core competencies and have vast experience in the Group's core businesses and industry, finance, audit, tax, legal knowledge, management and strategic capability.

The Board has put in place a Board Diversity Policy and is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. Nonetheless, the Board would take into consideration the following measures:

- Gender diversity: The Company does not set any specific target for female directors in the Board but will continue to work towards having female directors on the Board, whenever possible. The Company shall in any case endeavour to ensure that, where appropriate and possible, female candidates are included for consideration when identifying candidates to be appointed as new directors.
- Age diversity: The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if the opportunity arises.
- Ethnic diversity: The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if the opportunity arises.

The NC is responsible for ensuring that the Board Diversity Policy is implemented in an effective and practical manner.

The profiles of the directors are set out in the"**Board of Directors**"section on pages 12 to 13 in this Annual Report.

Directors are free to hold open discussions on important matters such as the Group's financial performance and the Group's strategy and make decisions collectively during the Board meetings.

2.5 *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*

The IDs meet for discussions, where warranted, without the presence of Management or the executive directors to review any matters that must be raised privately and provides feedback to the Board as appropriate.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision	**Corporate Governance Practices of the Company**
3.1	*The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.* The Chairman and GCE and MD are not related to each other. There is a clear division of responsibilities of the Chairman and GCE and MD to ensure an appropriate balance of power and authority to increase accountability and greater capacity of the Board for independent decision-making. Mr. Yeo Kian Wee Andy, the Chairman, is responsible for, amongst others, ensuring that the Board engages in open discussions on strategic, business and planning issues and approving the agenda for the Board. He is also responsible for exercising control over the quantity, quality and timeliness of the flow of information between the Company's management and the Board and ensuring compliance with the Group's guidelines on corporate governance. The Chairman also provides close oversight, advice and guidance to the GCE and MD and the key management. The Chairman also sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, promoting a culture of openness and debate at the Board and facilitates the effective contributions of non-executive directors in particular. At shareholders' meetings, the Chairman also ensures constructive dialogue between the shareholders, directors and management. Mr. Phua Cher Chuan has oversight of the overall management of the Group and is responsible for the development of the Group which includes (i) the formulation of the overall business and corporate policies and strategies of the Group; (ii) oversight of the day-to-day management of the business and operations of the Group; and (iii) leading the Group's business development strategies and efforts. The roles and responsibilities of the elected Chairman of the meetings and the GCE and MD are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has autonomous powers of decision-making.
3.2	*The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.* The separation of the roles and responsibilities of an elected Chairman of the meetings and the GCE and MD, is set out in writing, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management to facilitate robust and constructive discussions on the Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.
3.3	*The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.* As the roles of the elected Chairman of the meetings and the GCE and MD are held by separate individuals who are not related to each other, and the Chairman elected at the board meetings is an Independent Director, there is no need for the appointment of a lead independent Director.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions	**Corporate Governance Practices of the Company**
4.1	*The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:*

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any)

4.2 *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*

The NC currently comprises the following members, all of whom are Independent Directors:

Mr. Yeo Kian Wee Andy (Chairman)
Prof. Siow Yuen Khong Alex

Mr. Hoon Chee Wai resigned as an independent director with effect from 30 November 2022. The Company is in the process of identifying a suitable candidate to be appointed as an independent director and member of the NC. Thereafter, the Company will reconstitute the Board Committees accordingly.

For the period under review, the NC held 1 meeting and the NC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NC performs the following functions as provided in its Terms of References ("**TOR**"):

- To develop and maintain a formal and transparent process and make recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board generally;
- To review and make recommendations to the Board on the Board structure, size and composition having regard to the scope and nature of the operations (the requirements of the business) and the core competencies of the directors as a group;
- To review, assess and recommend nominee(s) or candidate(s) for appointment or re-election to the Board, having regard to their qualifications, competency, and independence;
- Annual evaluation of the effectiveness of the Board as a whole, taking into account the scope and nature of the operations of the Group, to assess and determine the appropriate size and structure for the Board;
- Annual evaluation of the effectiveness of the Board Committees;
- Recommend to the Board nomination of directors to fill up any vacancies in the Board or the various Board Committees;
- Review and recommend to the Board the directors who are retiring by rotation to be put forward for re-election at the AGM, having regard to the director's contribution and performance including, if applicable, as an independent director;
- Review annually, through formal assessment, whether a director is independent;
- Ensure that, where the director has multiple directorships, he is able to devote sufficient time and attention to the affairs of the Group so as to carry out his duties;
- Review board succession plans for directors and key management; and
- Review training and professional development program for the Board.

CORPORATE GOVERNANCE REPORT

4.3 *The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.*

The Board has a formal and transparent process for the appointment and re-appointment of Directors. The NC reviews and makes recommendations to the Board on all Board and Board Committee appointments. All appointments are made based on merit and subject to approval by the Board.

In selecting new directors to be appointed, the NC reviews the needs of the Board by taking into account the scope and nature of the operations of the Group:

- Based on the results of the Board performance evaluation ("**performance evaluation**") which are completed by the Board annually, the NC is able to evaluate whether the composition (includes the directors' skills, expertise, gender and experiences) and size of the Board are adequate. It also assesses whether additional competencies are required in the area where the appointment of new directors is concerned;
- In sourcing new directors, recommendations from directors, business associates and professional bodies are considered;
- After assessing their suitability, potential candidates are then short-listed by the NC and thereafter, interviews are set up with the short-listed candidates to further assess before a decision is made; and
- The most suitable candidate is subsequently appointed to the Board

<u>Retirement and Re-election of Directors</u>

All Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST. Pursuant to Article 89 of the Company's Constitution, one-third of the Board of Directors are subject to retirement from office by rotation and eligible for re-election at the Company's AGM. In addition, Article 88 of the Company's Constitution provides that newly-appointed Directors are required to retire and may submit themselves for re-election at the next AGM of the Company.

Each member of the Board and NC shall abstain from any discussion and decision in respect of his/her own re-nomination as director.

Mr. Phua Cher Chuan will retire by rotation under Article 89 of the Company's Constitution at the Company's forthcoming AGM scheduled to be held on 30 January 2023 ("**2023 AGM**") and, being eligible, has offered himself for re-election at the 2023 AGM. Mr. Phua Cher Chuan will, upon re-election as director of the Company, remain as a member of the Board.

Mr. Phua Cher Chuan has abstained from any discussion and decision in respect of his own re-nomination as director. After assessing their respective contributions and performance, the NC is recommending Mr. Phua Cher Chuan for re-election at the 2023 AGM.

Detailed information on directors nominated for re-election required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found on page 65.

The dates of initial appointment and last re-election of each director are set out below:

Name of Director	Age	Position	Date of Initial Appointment	Date of last Re-appointment / Re-election
Prof. Siow Yuen Khong Alex	68	Independent Director	18 February 2020	28 January 2022
Mr. Yeo Kian Wee Andy	51	Independent Director	29 December 2020	28 January 2022
Mr. Phua Cher Chuan	53	GCE and MD	24 June 2021	28 January 2022

CORPORATE GOVERNANCE REPORT

4.4 *The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.*

The NC determines annually, and as and when circumstances require, based on a Director's Independence Checklist ("**Checklist**") completed, if a director is independent, having regard to the circumstances or independence criteria set forth in provision 2.1 of the Code and each Independent Director has completed a Confirmation of Independence form ("**Confirmation**") to confirm his independence based on the guidelines as set out in the Code. The NC has reviewed the Confirmations and has determined that each Independent Director remains independent. The Board is in accordance with the NC's determination.

4.5 *The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.*

The Board is cognisant of the fact that each Director needs to be able to devote sufficient time and attention to adequately perform and discharge his or her duties and responsibilities.

All Directors are required to declare their board representations and any changes thereof to the Company. The NC annually reviews such listed company board representations and principal commitments and considers whether it would allow the Director to carry out his/her duty to the Company.

The NC is of the view that multiple listed company board representations will not affect the director's ability to carry out their duties as directors of the Company and therefore, it would not be necessary to prescribe a maximum number of listed company board presentations a director may hold. Looking at the attendance of the directors at the Board and Board Committee meetings for FY2022, the NC is satisfied that each director has contributed and devoted sufficient time and attention to the Company's affairs to adequately and competently carry out his or her duties as a director of the Company. The Board concurs with the view of the NC.

Information on the directorships or chairmanships held over the preceding three years in other listed companies as well as other principal commitments of each respective Director is set out in pages 12 to 13 of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions **Corporate Governance Practices of the Company**

5.1 *The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.*

5.2 *The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.*

The NC has adopted a formal system of evaluating the Board and Board Committees, annually. A Board performance evaluation was carried out and the assessment parameters include evaluation of the Board's composition, size and diversity, Board processes and procedures, Board accountability, evaluation and succession planning.

The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole.

CORPORATE GOVERNANCE REPORT

For the period under review, the NC also conducted Board Committee Performance Evaluation exercises for each of the AC, NC and RC to assess the efficiency and effectiveness of the Board Committees in assisting the Board based on the assessment criteria which include amongst others, the Board Committees' composition and size, sufficient expertise and useful recommendations in assisting the Board for better decision-making, the interaction among committee members, reporting to the Board and record of minutes.

For the period under review, there was also an Individual Director Assessment to evaluate each director's performance and contribution to the proper guidance, diligent oversight and able leadership, and the support that he/she lends to Management in steering the Group. Factors which were taken into account include adequacy of preparation for Board meetings, participation in Board discussion and ability to make informed business decisions, amongst others. Additionally, the process to the re-nomination of Directors for the current year takes into account their attendances, commitment of time and contributions made at meetings of Board and Board Committees as well as general meetings.

In the process of assessing the effectiveness of the Board, the contribution, experience and expertise of each Director is vital.

All assessments were done via questionnaires with the results collated and the findings analysed and discussed by the NC and reported to the Board.

Following the review for FY2022, the Board is satisfied that the Board and Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board.

The NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process, if the need arises. No external facilitator was engaged to conduct the annual evaluation exercise for FY2022.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision **Corporate Governance Practices of the Company**

6.1 *The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:*

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The primary responsibilities of the RC are as follows:

- Recommend to the Board a framework for remunerating the Board, both executive and non-executive directors and key management;
- Review all matters relating to remuneration of the Board and key management; employees related to directors, CEO or controlling shareholders of the Company; and
- Administers the TEE International Employee Share Option Scheme 2016 ("**TEE ESOS 2016**") and the TEE International Performance Share Plan 2016 ("**TEE PSP 2016**").

CORPORATE GOVERNANCE REPORT

6.2 *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

The RC currently comprises the following members, all of whom are Independent Directors:

Prof. Siow Yuen Khong Alex (Chairman)
Mr. Yeo Kian Wee Andy

Mr. Hoon Chee Wai resigned as an independent director with effect from 30 November 2022. The Company is in the process of identifying a suitable candidate to be appointed as an independent director and member of the RC. Thereafter, the Company will reconstitute the Board Committees accordingly.

For the period under review, the RC held 1 meeting and the RC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

No Director will be involved in deciding his/her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

6.3 *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

The RC reviews the Group's obligations arising in the event of termination of the executive directors' and key management's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Company does not use any contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. However, the service contracts of all the executive directors of the Company have the provisions, which allow the Company to defer part of the performance incentive bonus of the executive directors for the relevant financial year and payable, subject to there being no losses incurred in the next two consecutive financial years.

The RC's recommendations are submitted for endorsement by the entire Board.

6.4 *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

In deliberating on remuneration matters, the RC takes into consideration industry practices and norms in compensation in addition to The Group's relative performance to the industries it operates in as well as the employment conditions within those industries and the performance of the individuals.

The Company's Constitution governs the terms of the directors' appointment here are safeguards in place to ensure that no one individual director represents a considerable concentration of power. The RC has full authority to engage any external professional adviser on matters relating to remuneration, if the need arises.

The RC did not require the services of an external remuneration consultant during FY2022.

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision	Corporate Governance Practices of the Company
7.1	*A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.*
7.3	*Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.*

The remuneration policy adopted by the Group comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component pay-outs depend on both the staff's individual performance and each company's performance within the Group.

The variable component pay-outs of the executive directors and key management were assessed based on meeting the predetermined key performance indicators or service conditions and involvement of the personnel in the assignment or project as well as their roles and responsibilities over the performance period. In setting remuneration packages, the Group also takes into account the remuneration and employment conditions within the same industry and in comparable companies.

The long-term incentives comprising the TEE ESOS 2016 and TEE PSP 2016 (collectively, the "**Schemes**"), which were adopted at the extraordinary general meeting of the Company held on 27 September 2016.

The Group believes that with the implementation of the Schemes, the Group will be able to structure a more competitive remuneration package to attract, retain and incentivise employees and directors whose contributions are essential to the long term growth, well-being and prosperity of the Group, and at the same time, give such employees and directors an opportunity to have a direct interest in the Company and to foster an ownership culture within the Company and the Group which promotes greater commitment and aligns the interests of employees and directors with the interests of the shareholders.

While the TEE ESOS 2016 grants options to employees of the Group in general, TEE PSP 2016 is designed to reward key employees who are in the best position to drive the growth of the Company through superior performance, with fully- paid shares, at the sole discretion of the Company based on specific or medium-term performance targets or time-based service conditions, or a combination of both. Awards granted under the TEE PSP 2016 will vest only after the satisfaction of the prescribed service conditions as may be decided by the RC (together with the GCE and MD) for the time being, or such other committee comprising directors duly authorised and appointed by the Board to administer the TEE PSP 2016 (Plan Committee) at the relevant point in time and/or according to the extent to which the key employees achieve their performance target(s) over set performance periods, as determined by the Plan Committee.

The aggregate number of shares to be issued under the Schemes and any other share-based schemes of the Company is capped at 15% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of grant or award.

The aggregate number of shares over which options and awards may be granted and awarded under the TEE ESOS 2016 and TEE PSP 2016 to associates of controlling shareholders shall not exceed 25% of the total number of shares available under TEE ESOS 2016 and TEE PSP 2016, respectively. The options and awards may be granted under TEE ESOS 2016 and TEE PSP 2016 to each associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the TEE ESOS 2016 and TEE PSP 2016.

No option has been granted under the TEE ESOS 2016 and no shares have been awarded under the TEE PSP 2016 since the commencement of the Schemes till the end of FY2022.

CORPORATE GOVERNANCE REPORT

7.2 *The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.*

The RC takes into account industry norms and standards, contribution in terms of effort, time spent and responsibilities of each director when determining the remuneration of the Non-Executive Directors. Directors'fees are subject to shareholders'approval at the AGM. The Non-Executive Directors do not have any service contracts with the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision **Corporate Governance Practices of the Company**

8.1 *The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The remuneration of each director, the GCE and the three key management personnel has been disclosed in the respective bands. The Company discloses the remuneration paid to each Director and the GCE using a band of S$250,000. The RC believes that the remuneration framework enables the Company to motivate employees and, to attract and retain talents to achieve its business targets and execute its strategic objectives. In making available the remuneration of the key management personnel in bands of S$250,000, and disclosing precisely the aggregate remuneration of the key management personnel, the Company provides a macro perspective of the total remuneration without compromising the Group's business interests, and at the same time, minimises competitive pressures which would arise from more detailed disclosures.

The breakdown of the level and mix of remuneration paid or payable to each director of the Company (in percentage terms) for FY2022 is set out below:

Remuneration bands & Name of Director of the Company	Directors' Fees %[a]	Attendance Fees %[a]	Salaries %[b]	Bonuses %[b]	Payment & Other Benefits %
S$250,000 to below S$500,000					
Mr. Phua Cher Chuan	3.1	–	92.6	4.3	–
Below S$100,000					
Prof. Siow Yuen Khong Alex	100	–	–	–	–
Mr. Teo Yi-Dar	–	–	–	–	–
Mr. Hoon Chee Wai	100	–	–	–	–
Mr. Andy Yeo Kian Wee	100	–	–	–	–

Notes:

[a] The directors' fees of S$220,000 were approved at the last AGM held on 28 January 2022. The directors' fees payable for Mr. Phua Cher Chuan, Mr Siow Yuen Khong Alex, Mr Yeo Kian Wee Andy and Mr Hoon Chee Wai were S$10,500, S$64,500, S$63,000 and S$67,500 for FY2022 respectively.

[b] The salaries and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

CORPORATE GOVERNANCE REPORT

The aggregate remuneration of the 3 key management personnel in FY2022 is S$ 991,272.25. The percentage breakdown of the fixed and variable components for each individual is set out below.

Remuneration Band	**Salaries %[a]**	**Bonuses %[a]**	**Payment & Other Benefits %**
S$250,000 to below S$500,000			
2 Key Management	79.7	20.3	–
S$100,000 to below S$250,000			
1 Key Management	100	–	–
Total Remuneration	S$991,272.25		

[a] The salaries and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

8.2 *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*

There was no employee who is a substantial shareholder of the Company. During FY2022, there were no employees of the Group who are family members of a director or a substantial shareholder of the Company whose *remuneration* exceeded S$100,000.

8.3 *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

All forms of remuneration and other payments and benefits to directors and key management personnel of the Group are disclosed in Provisions 8.1 and 8.2. The Company has share incentive schemes known as the TEE ESOS 2016 and TEE PSP 2016. Further details of the schemes, including the key terms of the schemes, are set out in Provisions 7.1 and 7.3.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision **Corporate Governance Practices of the Company**

9.1 *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

The Board has the overall responsibility for the governance of risks and the overall internal control framework and ensures that the Group has the capabilities to manage and control the risks in both new and existing businesses. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being. Currently, the AC and the Board assume responsibility for the risk management function.

The Company usually appoints an external accounting firm as the internal auditors of the Group to perform internal audit work under an internal audit plan. The external accounting firm must be a suitable and qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors report directly to the chairman of the Audit Committee on all internal audit matters. However, for FY2022, the Company did not engage any internal auditor due to its current circumstances, the Group's financial position and limited financial resources.

CORPORATE GOVERNANCE REPORT

In addition, the Company's external auditors carry out, in the course of their statutory audit, a review of the effectiveness of the internal financial controls to the extent of their scope as laid out in the audit plan. The external auditors, during the conduct of their normal audit procedures, may also report on any matters relating to the internal controls. Any non-compliance or recommendation for improvement will be reported to the AC. The Management will follow up on the auditors' recommendations as part of its role in the review of the Company's internal controls systems.

9.2 *The Board requires and discloses in the company's annual report that it has received assurance from:*

(a) the CEO and the Chief Financial Controller ("CFC") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The AC has reviewed reports submitted by external auditors relating to the effectiveness of the Group's internal controls including the adequacy and effectiveness of the Group's financial, human resources, operational, compliance and relevant communications as part of their audit for FY2022. The Management has received the recommendations of FKT as set out in FKT's management letter points arising from the FY2022 audit conducted by FKT. The AC has also noted and considered FKT's management letter points and has discussed the same with the Management to address them.

As part of the Board's commitment to ensure strong internal controls and high standards of corporate governance, the Board has reviewed the established policies and procedures of the Company and enhanced its existing policies and procedures.

The Board has received assurances on a quarterly basis from the GCE and MD, the former Group Chief Financial Controller ("**CFC**"), and Financial Controllers ("**Controllers**") that (i) the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems are in adequate and effective.

In view of the above steps and actions taken and based on the framework of risk management and internal controls established and maintained, the work performed by the previous internal auditors and the external auditors and the reviews performed by the Company's management and the above assurance from the GCE and MD, former Group Chief Financial Officer, and Controllers, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing key financial, operational, compliance, information technology and risk management objectives, and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business environment during FY2022. The Company has complied with Rule 1207(10) of the Listing Manual of SGX-ST.

The Board acknowledges that it is responsible for the overall internal control and risk management framework, but recognises that all internal control and risk management systems contain inherent limitations and that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board notes that all internal control systems can provide only reasonable and not absolute assurance against the occurrence of material misstatement or loss, poor judgment in decision making, human error, fraud or other irregularities.

Notwithstanding this, the Board remains committed to improve the Group's internal controls and will not hesitate to take whatever actions necessary to ensure the adequacy and effectiveness of the Group's internal controls and risk management systems.

CORPORATE GOVERNANCE REPORT

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision	**Corporate Governance Practices of the Company**
10.1	*The duties of the AC include:*

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFC on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has explicit authority to investigate any matter within its terms of reference and execution of its corporate governance responsibilities within the established Board references. It has full access to, and the co-operation of Company's management and full discretion to invite any director or key management to attend its meetings. Each member of the AC shall abstain from voting any resolution in respect of matters which he is interested in.

The AC performs the following functions as provided in its TOR:

- Reviews and oversees the external audit function, including the external audit plan, the nature and scope of the audit and fees prior to audit commencement.
- Considers the appointment and re-appointment of the external auditor and approve the remuneration and terms of engagement of the external auditor.
- Reviews the audit representation report or letter (particularly in relation to non-standard issues) and the external auditor's management letter to assess whether it is based on a good understanding of the Company's business, and monitor the Management's response to the recommendations made.
- Convene meetings with the external auditors to discuss matters that the AC or external auditors believe should be discussed privately.
- Ensures that both external auditors and internal auditors have direct and unrestricted access to the Chairman of the AC and the Chairman of the Board.
- Reviews the quarterly and annual financial statements of the Group to ensure the integrity of the said financial statements before submission to the Board for approval, focusing, in particular, on the accuracy, completeness and consistency of financial information, significant adjustments resulting from the audit or significant financial reporting issues and judgements, reviewing the relevance and consistency of the accounting standards used by the Company and the Group, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements.

CORPORATE GOVERNANCE REPORT

- Reviews any formal announcements relating to the Company's financial performance.
- Review and discuss with external auditors any suspected fraud, irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position and the management's response.
- Reviews the role and effectiveness of the Company's internal audit function, including the internal audit plan and results of the internal audit procedures and conducts internal quality assurance review of the internal audit function at least annually.
- Ensures co-ordination between the internal and external auditors and Management.
- Approves the hiring, removal, evaluation and compensation of the Head of the internal audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced
- Reviews the adequacy of the Group's internal controls, including financial, operational compliance and information technology controls and risk management policies and systems.
- Reviews the Company's overall risk management and internal controls and reviews the assurance provided by the CEO and CFC that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances.
- Reviews Interested Person Transactions ("**IPTs**") to ensure that the current procedures for monitoring of IPTs have been complied with and that the IPTs are on normal commercial terms and not prejudicial to the interests of the Company's minority shareholders.

The AC also undertakes:

- Such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- Such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time.

M/s Foo Kon Tan LLP ("**FKT**") was appointed as the Group's auditors since 13 July 2020.

In performing its functions, the AC also confirms that:

1. the Company has complied with Listing Rule 712 in that FKT is registered with the Accounting and Corporate Regulatory Authority and is satisfied that the resources and experience of FKT, the audit engagement partner and the team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

2. the Company has complied with Listing Rule 715 in relation to the appointment of the same auditing firm based in Singapore to audit the financial statements of the Company, all of its Singapore-incorporated subsidiaries and joint venture; and

3. the Company has complied with Listing Rule 716 in relation to the appointment of the different auditing firms to audit the financial statements of some of the Group's local and overseas subsidiaries and associates the AC, with the concurrence of the Board, is satisfied that the appointment of different auditing firms will not compromise the standard and effectiveness of the audit of the Company. The names of the auditing firms are disclosed in Notes 14 to 15 of the Notes to Financial Statements in the Annual Report.

CORPORATE GOVERNANCE REPORT

The AC also conducts regular reviews of the nature, extent and costs of all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors. This is to strike a balance of the maintenance of their objectivity and their ability to provide value-for-money services.

Having reviewed the amount of non-audit related work which comprised tax services rendered to the Group by the external auditor, FKT, the amount of audit and non-audit fees payable to FKT, as disclosed in Note 38 of the Notes to Financial Statements in the Annual Report, the AC was satisfied that the nature and extent of such services provided will not prejudice the independence and objectivity of the external auditor. The AC has accordingly recommended their re-appointment to the Board for shareholders' approval at the 2023 AGM.

The Company has a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters. The details of the whistle-blowing policy are made available to all employees at the Company's corporate website at http://www.teeintl.com.

All whistle-blower complaints are to be reported to the AC, the Chairman of the Company (if any) and the GCE and MD either in person, via phone calls, fax, or in writing (letter or email). All whistle-blower complaints would be reviewed by the AC at its quarterly meetings to ensure thorough investigation and adequate follow-up. On an on-going basis to bring awareness of this policy, the whistle-blowing policy is covered during staff's training or periodic communication to all staff. In addition, new staff who joined the Company will also be informed of the availability of such policy which can be downloaded from staff electronic-portal. The AC ensures that all whistle-blower complaints are reviewed thoroughly and satisfactorily dealt with.

10.2 *The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.*

The AC currently comprises two independent directors as follows:

Mr. Yeo Kian Wee Andy
Prof. Siow Yuen Khong Alex

Mr. Hoon Chee Wai resigned as an independent director with effect from 30 November 2022. The Company is in the process of choosing a suitable candidate to be appointed as an independent director and member of the AC. Thereafter, the Company will reconstitute the Board Committees accordingly and appoint a new AC Chairman.

All the AC members are independent from business and management relationships. The IDs are independent.

One of the members of the AC has sufficient accounting and related financial management expertise. All the members of the AC are suitably qualified to discharge the AC's responsibilities.

The AC also takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with briefings provided by professionals or external consultants as necessary.

10.3 *The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.*

None of the Audit Committee members is a former partner or director of the Group's existing audit firm.

CORPORATE GOVERNANCE REPORT

10.4 *The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.*

The Company has established and maintains on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. In addition, the Company's external auditors carry out, in the course of their statutory audit, a review of the effectiveness of the internal financial controls to the extent of their scope as laid out in the audit plan. The external auditors, during the conduct of their normal audit procedures, may also report on any matters relating to the internal controls. Any non-compliance or recommendation for improvement will be reported to the AC. The management will follow up on the auditors' recommendations as part of its role in the review of the Company's internal controls systems.

The AC also decides on the appointment, termination and remuneration of the internal auditors. During the periods when the Company had internal auditors, the internal auditors plan their internal audit schedules in consultation with the Management, but remain independent of the Management in its operations. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC and have appropriate standing within the Company. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit.

The Company did not engage any internal auditor for FY2022 due to its current circumstances, the Group's financial position and limited financial resources. Notwithstanding this, to ensure adequacy of the internal audit function, the AC meets on a regular basis to review this function. During FY2022, the AC had reviewed the audit plans and findings of the external auditors which included a review on the accounting and internal controls system of the Group. The AC will ensure that the Group follows up on the external auditors' recommendations, where raised, during the audit process. On this basis, the AC is generally satisfied with the adequacy of the current arrangement and will continue to assess the adequacy and effectiveness of the internal audit function regularly, at least on an annual basis.

10.5 *The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.*

The AC has adequate resources, including independent access to the external consultants and external auditor. During the period, the AC has held separate meetings with the external auditor without the presence of the Company's management to discuss and review, *inter alia*, and the external auditor's reports on reasonableness of the financial reporting process, review of key audit matters, review the adequacy of audit arrangements with particular emphasis on the observation and recommendations of the external auditor, the scope and quality of their audits and the independence and objectivity of the external auditor. Any changes to accounting standards and issues which have a direct impact on the financial statements would be raised by the external auditor and keep the AC members abreast of such changes.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision	Corporate Governance Practices of the Company
11.1	*The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.* The Board considers it to be crucial that the notices of general meetings are distributed on time to the shareholders prior to such general meetings as the notices set out the agendas that will be discussed, some of which may be of interest to the shareholders. Such notices are contained in annual reports or circulars sent to all shareholders and posted onto the SGXNet and the Company's website. Shareholders are encouraged to attend the general meetings and are provided the opportunity to actively participate and vote at the meetings. The Company supports active shareholders' participation at AGMs and other general meetings and views such general meetings as important engagement sessions with shareholders. Shareholders who are unable to attend may appoint proxies to attend the general meetings on their behalf if they wish. Shareholders are informed of the rules, including voting procedures that govern the general meetings of shareholders. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote on behalf of the shareholders. Relevant intermediaries, as defined in Section 181 of the Companies Act 1967 (the "**Companies Act**"), such as banks, capital market services license holders which provide custodial services for securities and the Central Provident Fund Board are allowed to appoint more than two (2) proxies to attend, speak and vote at the shareholders' meeting. Under the alternative arrangements for conducting general meetings during the Safe Management Period in the Covid-19 situation ("**Alternative Meeting Arrangements**"), only the Chairman of the meeting can be appointed as the sole proxy by shareholders to attend, speak and vote on their behalf at the forthcoming AGM.
11.2	*The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.* The Company does not practice "bundling" of resolutions at general meetings. Each substantial issue is proposed as a separate resolution and full information is provided for each of this item in the agenda for the meetings.
11.3	*All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.* The Chairman of the meeting presides over the general meetings and is accompanied by fellow Board members, the Chairman of the AC, NC and RC respectively, the company secretary or her representative as well as other key management. The Company's external auditor, FKT, also attends to address any relevant queries from the shareholders at the general meetings. The attendance of the Directors attending the general meetings in FY2022 is set out in page 43.

CORPORATE GOVERNANCE REPORT

11.4 *The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.*

Pursuant to the Company's Constitution, a poll may be demanded by the Chairman of the general meeting or by at least two (2) members or any member present in person or by proxy representing not less than one-tenth of the total voting rights of all members having the rights to vote at the meeting. For greater transparency in the voting process and better reflect shareholders' interests, the Company conducts electronic poll voting for all the resolutions proposed at the Company's general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. The detailed voting results, including the total number of votes cast for or against each resolution tabled and the respective percentages, will be announced to SGX-ST via SGXNET on the same day after the conclusion of the meetings.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

11.5 *The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.*

The minutes of the general meetings are prepared by the Company Secretary, and include substantial comments or queries from shareholders and responses from the Board members and the Company's management. Minutes of these meetings are published on the Company's corporate website as soon as practicable. Under the Alternative Meeting Arrangements, Minutes of a general meeting will be published via the Company's website and SGXNET within one month from the date of the general meeting.

11.6 *The company has a dividend policy and communicates it to shareholders*

The Group does not have a formal dividend policy. The form, frequency, and amount of any proposed dividend will take into consideration The Group's operating results, financial position, committed capital expenditure, working capital requirements and any other relevant considerations the Board deem appropriate.

As the Group incurred a net loss for continuing operations in FY2022, no dividend has been proposed by the Board for this financial year.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions **Corporate Governance Practices of the Company**

12.1 *The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.*

The Company acknowledges the importance of open and fair communication with stakeholders and has taken efforts to maintain a high standard of transparency and is committed to issue announcements of pertinent and price and trade sensitive transactions through SGXNET on a timely basis. The Group also continues to keep shareholders and stakeholders informed of the Group's corporate activities including any changes in the Group or its business that is likely to materially affect the price or value of its shares.

Disclosure of the information by the Company is made on a timely basis through communication channels such as corporate announcements through the SGXNET, the publication of the Annual Report and the holding of the general meetings. All material information is also updated on the Company's corporate website at http://www.teeintl.com, which serves as a one-stop source for shareholders and stakeholders alike. The retail and institutional investors may subscribe to the Company's email alert service, which will allow the subscribers to automatically receive all the announcements or press releases that have been released by the Company via SGXNET. The release of timely information is in line with the Company's corporate governance practices, as it enables potential investors and shareholders alike to make informed investment decisions.

CORPORATE GOVERNANCE REPORT

12.2 *The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.*

12.3 *The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.*

The Company has taken steps to solicit and understand the views of the shareholders by proactively engaging shareholders and investors through face-to-face meetings, email communication, webpage and conference calls.

The Company does not practice selective disclosure of material information. All materials on the quarterly and full-year financial statements, corporate announcements and shareholder reports are issued promptly and within the prescribed periods. Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders. The notice of general meetings is announced via SGXNET to the shareholders. The Annual Report is also available to all shareholders on the Company's corporate website or upon request. The Group has an investor relations ("**IR**") function that manages communications with all stakeholders, as well as to attend to and ensure their queries and concerns are promptly addressed by the relevant key management. TEE is committed to delivering timely, transparent, and consistent disclosures to its shareholders, the financial community and the public. The Company's IR function falls under the TEE's corporate office.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision **Corporate Governance Practices of the Company**

13.1 *The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has adopted a Code of Conduct, which establishes processes and actions to be take in the event of any reportable conduct and establishes the business conduct expected of all employees as well as the Company's stance to avoid conflict of interests with stakeholders.

13.2 *The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.*

13.3 *The company maintains a current corporate website to communicate and engage with stakeholders.*

In order to create sustainable value for stakeholders and to address sustainability challenges and opportunities which the Company may face, the Company regularly engages with various stakeholders, including employees, suppliers, customers and the regulators and shareholders to gather feedback on the concerns and expectations most important to them. The information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2022 will also be set out in the Company's Annual Report and Sustainability Report. The Company also maintains its corporate website which may be accessed by stakeholders at: https://www.teeintl.com/.

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

In line with Rule 1207(19) of the Listing Manual of SGX-ST, the Company has adopted its own internal securities trading policy (compliance code), with regards to dealing in the Company's securities. Directors, Company's management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited from dealing in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's results for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full-year results and ending on the day of the announcement, or when they are in possession of unpublished price-sensitive information on the Group.

They are also advised to observe insider-trading laws at all times even when dealing in securities within the permitted trading period. In addition, they are discouraged from dealing in the Company's securities on short-term considerations.

When the Company is involved in any major corporate exercise such as investment or divestment that could be price-sensitive in relation to the Company's securities, directors, Company's management and officers of the Group involved are advised not to deal in the Company's securities.

The Company has adhered to its policy for securities transactions for FY2022.

MATERIAL CONTRACTS

Other than as disclosed under Interested Person Transactions, pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, no material contract involving the interests of the GCE and MD, any director or controlling shareholder has been entered into by the Company or its subsidiaries since the end of the previous financial year and no such contract subsisted at the end of the financial year under review.

INTERESTED PERSON TRANSACTIONS

The Group has in consultation with the IA and AC, enhanced and strengthened its Related Party Transactions ("**RPT**") and IPT policy in respect of any transactions with related parties and interested persons. The enhanced RPT and IPT policy serves as a guide to ensure that (i) all RPTs / IPTs are conducted in a manner that will protect the Group from any conflict of interest which may arise between the Group and its Related Party / Interested Person as defined in the SGX Listing Manual and the Companies Act; and (ii) there is proper oversight, approvals and disclosure of transactions between the Company and any of its Related Parties as defined in the Listing Manual of the SGX-St and Singapore Financial Reporting Standards ("**FRS**"). The requirements and disclosures of RPT and IPT, which are governed by Chapter 9 of the Listing Manual of the SGX-ST, FRS 24 and Sections 162 and 163 of the Companies Act are clearly set out in the RPT and IPT policy.

The Group's RPT and IPT policy requires all such transactions related parties and interested persons to be at arm's length, that the transactions are not prejudicial to the interests of the shareholders and reviewed by the AC during the quarterly and full year meetings. The Board of Directors provides oversight for the RPT and IPT policy and it is subjected to review by the AC, as appropriate, to ensure the effectiveness of the policy. The AC will discuss any revision that may be required, and recommend any such revision to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

The following disclosures have been made in compliance with Rule 907 of the Listing Manual of SGX-ST. The aggregate values of all interested person transactions during the financial year (excluding transactions less than S$100,000) in FY2022 are as follows:

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 53.39% of the issued share capital of the Company. 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 2023, or any date as may be agreed between TGL and the Company.

[2] Under Rule 909(3) of the Listing Rule, in the case of borrowing 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.

The AC confirms that the said transactions were within the threshold limits set out under Chapter 9 of the Listing Manual of SGXST and no announcement or shareholders' approval was, therefore, required. The transactions have been conducted on an arm's length basis.

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr Phua Cher Chuan**
Date of Appointment	24 June 2021
Date of last re-appointment (if applicable)	28 January 2022
Age	53
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Phua Cher Chuan as the Group Chief Executive and Managing Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Phua Cher Chuan Kevin's qualifications, expertise, past experiences.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Chief Executive and Managing Director
Professional qualifications	Bachelor of Engineering degree from Nanyang Technological University Master of Science (Electrical Engineering) degree from National University of Singapore
Working experience and occupation(s) during the past 10 years	2011 to present - Executive Director of TEE International Limited 2014 to 2017 - Executive Director and CEO of CMC Infocomm Limited
Shareholding interest in the listed issuer and its subsidiaries	3,864
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes/No)	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	None

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	Mr Phua Cher Chuan
Past (for the last 5 years)	1. YINDA INFOCOMM LIMITED 2. YINDA TECHNOLOGY SINGAPORE PTE. LTD. 3. CMTE TECHNOLOGY SDN BHD (MALAYSIA) 4. NEXFRONTIER SOLUTIONS PTE LTD 5. TEE MANAGEMENT PTE LTD 6. TEE GA PTE. LTD. 7. TEE TECHNOLOGY PTE. LTD. 8. TEEGREEN AGRICULTURE PTE. LTD.
Present	1. TEE INFRASTRUCTURE PRIVATE LIMITED 2. TEE WATER PTE. LTD. 3. TEE SOLAR PTE. LTD. 4. G3 ENVIRONMENTAL PRIVATE LIMITED 5. ARROW WASTE MANAGEMENT PTE. LTD. 6. TEE ENVIRONMENTAL PTE. LTD. 7. ENVOTEK ENGINEERING PTE. LTD. 8. TEE RECYCLING PTE. LTD. 9. POWERSOURCE PHILIPPINES DISTRIBUTION POWER HOLDINGS INC (PHILIPPINES) 10. TEE INDUSTRIAL PTE. LTD. 11. TEE INTERNATIONAL LIMITED 12. PBT ENGINEERING PTE LTD 13. TRANS EQUATORIAL ENGINEERING PTE. LTD. 14. MERIDIAN EDGE PTE LTD
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr Phua Cher Chuan**
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	As announced on 16 December 2021, the Company had commenced the winding up process of the Company's wholly- owned subsidiary, Trans Equatorial Engineering Pte. Ltd. ("**Trans Equatorial**") by way of creditors' voluntary liquidation ("**Trans CVL**"). Mr. Phua was appointed a director of Trans Equatorial just prior to the commencement of the Trans CVL proceedings in order to facilitate and assist the appointed liquidators with the Trans CVL process. As announced on 5 December 2022, Arrow Waste Management Pte. Ltd. ("**AWM**") was placed into liquidation by way of creditors' voluntary liquidation ("**AWM CVL**"). Further to the announcement on 28 December 2020 containing the Company's responses to queries from the Singapore Stock Exchange Securities Trading Limited, the Company has no further plans for AWM and has been considering the winding up of AWM for some time.
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

INFORMATION ON DIRECTORS NOMINATED AND RE-ELECTED

Name of Director	**Mr Phua Cher Chuan**
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 and statement of financial position of the Company as at 30 September 2022.

The ability of the Group and the Company to continue in operation in the foreseeable future and to meet their financial obligations as and when they fall due is dependent on the matters set out in Note 1(c) to the financial statements.

The directors consider that different possibilities regarding the future exist and that the differing outcomes can cause the financial position as at 30 September 2022, together with the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 September 2022, to be very different from what is currently presented in the financial statements. The directors also consider that there are no practical means available to resolve such difficulties, due to the effect of the differing outcomes, in the preparation of these financial statements. Accordingly, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of shareholders and other stakeholders who may use these financial statements. Further details on the basis of preparation of these financial statements are set out in Note 2 to the financial statements.

In the opinion of the directors:

(a) having regard to and taking into consideration the matters disclosed in the financial statements, in particular Note 1(c) to the financial statements, the consolidated financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, subject to the matters referred to in Note 1(c) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr. Yeo Kian Wee Andy
Mr. Phua Cher Chuan
Prof. Siow Yuen Khong Alex

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Act except as follows:

	Shareholdings registered in name of directors			**Shareholdings in which directors are deemed to have interests**		
Name of directors and company in which interests are held	**At 1.10.2021**	**At 30.9.2022**	**At 21.10.2022**	**At 1.10.2021**	**At 30.9.2022**	**At 21.10.2022**
The Company			**Ordinary shares**			
Mr. Phua Cher Chuan	3,864	3,864	3,864	–	–	–

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option was granted to take up unissued shares of the Company or any corporation in the Group.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

5 AUDIT COMMITTEE

The Audit Committee of the Company consisting of all independent directors, was chaired by Mr. Hoon Chee Wai (resigned on 30 November 2022), and includes Mr Yeo Kian Wee Andy and Prof. Siow Yuen Khong Alex, both of whom are independent directors.

The Audit Committee reviews the Group's internal controls on behalf of the Board of Directors and performs the functions specified in Section 201B of the Act.

The number of Audit Committee Meetings held is disclosed in Corporate Governance Report and the Audit Committee performed, inter alia, the following functions:

(a) reviewed the overall scope of work of the external auditor and the assistance and co-operation accorded to them by management;

(b) reviewed the results of the external auditor' examination of the consolidated financial statements of the Group and the statement of financial position of the Company and evaluation of the Group's system of internal accounting controls;

(c) reviewed the announcements of results as well as related press releases of the Group;

(d) reviewed the effectiveness and adequacy of the internal control policies and procedures in addressing the financial, operational and compliance risks of the Group including recommendations from external auditor on improving the internal controls of the Company and the Group;

(e) considered and recommended the appointment or re-appointment of the external auditor;

(f) reviewed the independence and objectivity of the external auditor where non-audit services are provided by them;

(g) met with the external auditor without the presence of management;

(h) reviewed interested person transactions; and

(i) reviewed any potential conflict of interest.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditor has unrestricted access to the Audit Committee.

DIRECTORS' STATEMENT

6 INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Mr. Phua Cher Chuan

....
Mr. Yeo Kian Wee Andy

Dated: 13 January 2023

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 2022, 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

We expressed a disclaimer of opinion in our independent auditor's report dated 13 January 2022 in respect of the financial statements for the financial period from 1 June 2020 to 30 September 2021 ("FP2021"). Consequently, our opinion on the current year financial statements for the year ended 30 September 2022 ("FY2022") is modified because of the possible effect of the comparability of the current year's figures and the corresponding figures, as well as the impact on the FY2022 financial statements.

We list the matters arising from the audit qualification in FP2021 and provide an update on these matters as follows:

(i) Unauthorised Remittances

Unauthorised Remittances totalling $6.55 million were made in FY2019. These Unauthorised Remittances have been repaid to the Group in prior years. The Commercial Affairs Department of the Singapore Police Force ("CAD") has started an investigation and had requested further information from the Company. There are no further updates on the CAD investigation that could provide new information or findings to conclude on this.

(ii) Opening Balances

The financial statements for FP2021 of a significant subsidiary, Trans Equatorial Engineering Pte Ltd, were not audited as the said subsidiary is insolvent and has been placed in liquidation. We are unable to perform and complete our procedures to obtain sufficient and appropriate audit evidence over the financial statements of the Group and the accompanying disclosures for FP2021. We were not able to determine whether any adjustments might be necessary to the amounts and disclosures shown in FP2021 financial statements. These have an impact on the opening balances as at 1 October 2021. As the opening balances as at 1 October 2021 form the basis for determining the financial performance, changes in equity and cash flows of the Group for FY2022, we are unable to determine whether adjustments are required to FY2022 financial statements.

(iii) Contingent Liabilities

Various claims had been made in the prior years and in the current year against the Company and the Group in the Engineering & Construction segment for liquidated damages, defects, and/or under guarantees for the performance of contracts.

The outcome of the claims, and counterclaims, cannot be determined with reasonable certainty. We are unable to obtain sufficient appropriate audit evidence on the completeness of the liabilities and contingent liabilities arising from these claims, or to quantify if the provision for defects liability, contract assets and cost of sales are appropriately stated in the accompanying financial statements, and consequently, whether the going concern basis of preparation of financial statements is appropriate.

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)

B. 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 approximately $24,367,000 from continuing operations for FY2022.

- The Group's and the Company's total liabilities exceeded their total assets by $137,045,000 and $146,413,000, respectively, as at 30 September 2022. The Group's and the Company's current liabilities exceeded their current assets by $154,504,000 and $150,435,000, respectively, as at 30 September 2022.

- The bank facility agreements of a subsidiary, PBT Engineering Pte Ltd, include financial covenants which require the subsidiary to meet certain key financial ratios. Since prior financial period, the subsidiary did not fulfil the minimum threshold required for the consolidated net worth and the debt-to-equity ratio. Due to the breaches, the banks had requested for immediate repayments of the outstanding loans amounted to $7,955,000. These were repaid during the year and all facilities granted to the said subsidiary were withdrawn by the banks thereafter.

- Numerous claims have been made against the Group and the Company, the outcome of which cannot be determined with reasonable certainty. Refer to "Contingent liabilities" above.

The Group's and the Company's ability to continue as going concerns is dependent mainly on the successful implementation of the restructuring plan, 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 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.

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

Management was unable to provide sufficient information for us to complete the audit on certain financial statements' captions over the recoverability of the carrying value of contract assets, completeness and accuracy of liabilities and provisions, and/or to reconcile various evidence mainly for project related items concerning contract assets, trade payables, provisions, write back of costs previously certified in prior years, revenue and costs of sale of a significant subsidiary, PBT Engineering Pte Ltd, as disclosed in Note 12(a) and Note 45 to the financial statements.

As stated in (A)(ii) "Opening balances" above, the financial statements of Trans Equatorial were not audited as the said subsidiary has been placed in liquidation on 12 January 2022. Accordingly, we are unable to perform and complete our procedures to obtain sufficient and appropriate audit evidence over the components making up Trans's contribution of $94,134,000 to profit for the year.

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.

INDEPENDENT AUDITOR'S REPORT
to the Members of TEE International Limited

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

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, 13 January 2023

STATEMENTS OF FINANCIAL POSITION
30 September 2022

		Group		Company	
		30 September 2022	30 September 2021	**30 September 2022**	30 September 2021
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and bank balances	6	**5,967**	7,756	**280**	236
Fixed deposits	7	**6,038**	4,440	**–**	–
Trade receivables	8	**4,304**	15,435	**–**	–
Other receivables	9	**1,473**	3,365	**11,960**	14,340
Inventories	10	**45**	87	**–**	–
Contract assets	11	**267**	19,558	**–**	–
		18,094	50,641	**12,240**	14,576
Non-current assets held for sale	12	**14,212**	20,205	**18**	20,205
Total current assets		**32,306**	70,846	**12,258**	34,781
Non-current assets					
Other receivables	9	**157**	240	**–**	–
Financial asset at fair value through other comprehensive income	13	**–**	400	**–**	–
Investment in associate	14	**4,927**	5,001	**–**	–
Investment in subsidiaries	15	**–**	–	**3,957**	11,455
Intangible asset	16	**–**	–	**–**	–
Property, plant and equipment	17	**24,278**	25,728	**82**	26
Investment properties	18	**–**	9,396	**–**	–
Deferred tax assets	19	**447**	60	**–**	9
Total non-current assets		**29,809**	40,825	**4,039**	11,490
Total assets		**62,115**	111,671	**16,297**	46,271

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

30 September 2022

		Group		Company	
		30 September 2022	30 September 2021	**30 September 2022**	30 September 2021
	Note	**$'000**	$'000	**$'000**	$'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	20	**–**	17,129	**–**	–
Trade payables	21	**1,717**	141,205	**79**	59
Other payables	22	**44,995**	26,901	**63,373**	63,569
Contract liabilities	23	**2**	1,102	**–**	–
Provisions	24	**489**	53,886	**–**	–
Current portion of lease liabilities	25	**510**	1,377	**65**	–
Current portion of long-term borrowings	26	**651**	23,452	**–**	12,797
Financial guarantee liabilities	27	**98,617**	–	**98,617**	75,868
Income tax payable		**704**	3,574	**559**	570
		147,685	268,626	**162,693**	152,863
Liabilities associated with non-current assets held for sale	12	**39,125**	2,572	**–**	2,572
		186,810	271,198	**162,693**	155,435
Non-current liabilities					
Lease liabilities	25	**2,160**	10,857	**17**	–
Long-term borrowings	26	**10,087**	10,732	**–**	–
Other payables	22	**–**	41	**–**	–
Deferred tax liabilities	19	**103**	120	**–**	–
Total non-current liabilities		**12,350**	21,750	**17**	–
Capital, reserves and non-controlling interests					
Share capital	28	**73,194**	73,194	**73,194**	73,194
Treasury shares	29	**(269)**	(269)	**(269)**	(269)
Currency translation reserve	30	**(844)**	395	**–**	–
Capital reserve	31	**–**	–	**(274)**	(274)
Accumulated losses		**(209,391)**	(253,079)	**(219,064)**	(181,815)
Equity attributable to owners of the Company		**(137,310)**	(179,759)	**(146,413)**	(109,164)
Non-controlling interests		**265**	(1,518)	**–**	–
Net equity		**(137,045)**	(181,277)	**(146,413)**	(109,164)
Total liabilities and equity		**62,115**	111,671	**16,297**	46,271

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2022

Group	Note	Year ended 30 September 2022 $'000	Financial period from 1 June 2020 to 30 September 2021 ("FP2021") Re-presented $'000
Continuing operations			
Revenue	32	**30,413**	42,668
Cost of sales		**(24,849)**	(34,715)
Gross profit		**5,564**	7,953
Other operating income	33	**918**	3,808
Administrative expenses		**(6,164)**	(9,548)
Other operating expenses	34	**(23,866)**	(10,015)
Share of results of associates	14	**380**	946
Finance costs	35	**(1,250)**	(1,558)
Impairment loss on financial assets and contract assets		**(181)**	(164)
Impairment loss on financial assets written back		**–**	51
Loss before tax		**(24,599)**	(8,527)
Income tax credit	36	**232**	69
Loss for the year/period from continuing operations		**(24,367)**	(8,458)
Profit/(loss) for the year/period from discontinued operations, net of tax	37	**68,838**	(191,281)
Profit/(loss) for the year/period	38	**44,471**	(199,739)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**303**	89
Foreign currency translation differences of associate		**(454)**	(675)
Foreign currency translation differences realised on disposal of subsidiaries recycled to profit or loss		**(1,083)**	101
Foreign currency translation differences realised on disposal of associate recycled to profit or loss		**–**	298
Other comprehensive loss for the year/period, at nil tax		**(1,234)**	(187)
Total comprehensive income/(loss) for the year/period		**43,237**	(199,926)
Profit/(loss) attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax		**(25,413)**	(10,110)
Profit/(loss) from discontinued operations, net of tax		**69,101**	(191,606)
		43,688	(201,716)
Non-controlling interests			
Income from continuing operations, net of tax		**1,046**	1,652
(Loss)/income from discontinued operations, net of tax		**(263)**	325
		783	1,977
Profit/(loss) for the year/period		**44,471**	(199,739)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**42,449**	(201,926)
Non-controlling interests		**788**	2,000
		43,237	(199,926)
Profit/(loss) per share			
From continuing and discontinued operations			
- Basic (cents)	39	**6.75**	(31.18)
- Diluted (cents)	39	**6.75**	(31.18)
From continuing operations			
- Basic (cents)	39	**(3.93)**	(1.56)
- Diluted (cents)	39	**(3.93)**	(1.56)
From discontinued operations			
- Basic (cents)	39	**10.68**	(29.62)
- Diluted (cents)	39	**10.68**	(29.62)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2022

	Attributable to equity owners of the Company						
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Accumulated losses $'000	Equity attributable to Owners of the Company $'000	Non-controlling interests $'000	Total $'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 translation differences	–	–	66	–	66	23	89
Foreign currency translation differences of associate	–	–	(675)	–	(675)	–	(675)
Foreign currency translation differences realised on disposal of subsidiary recycled to profit or loss	–	–	101	–	101	–	101
Foreign currency translation differences 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 financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2022

	Attributable to equity owners of the Company						
	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Accumulated losses $'000	Equity attributable to Owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 October 2021	**73,194**	**(269)**	**395**	**(253,079)**	**(179,759)**	**(1,518)**	**(181,277)**
Total comprehensive (loss)/income for the year:							
Income for the year	–	–	–	43,688	43,688	783	44,471
Foreign currency translation differences	–	–	298	–	298	5	303
Foreign currency translation differences of associate	–	–	(454)	–	(454)	–	(454)
Foreign currency translation differences 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	–	–	(1,239)	–	(1,239)	5	(1,234)
Total comprehensive (loss)/income for the year	–	–	(1,239)	43,688	42,449	788	43,237
De-recognition of subsidiaries upon loss of control (Note 44)	–	–	–	–	–	995	995
Balance at 30 September 2022	**73,194**	**(269)**	**(844)**	**(209,391)**	**(137,310)**	**265**	**(137,045)**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2022

Group	Note	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 Re-presented $'000
Operating activities			
Loss before tax from continuing operations		**(24,599)**	(8,527)
Profit/(loss) before tax from discontinued operations		**68,802**	(190,712)
Adjustments for:			
Share of results of associates	14	**(380)**	(949)
Depreciation of property, plant and equipment	38	**2,529**	4,749
Allowance for doubtful other receivables	38	**17,786**	–
Allowance for doubtful other receivables written back	38	**–**	(51)
Allowance for impairment loss on contract assets	38	**4,824**	–
Allowance for doubtful trade receivables	38	**74**	7,084
Amortisation of deferred commission expenses	38	**9**	418
Amortisation of financial guarantee liabilities	33	**–**	(75)
Amortisation of intangible asset	34	**–**	310
Amortisation of issuance costs on notes payable	38	**–**	39
Changes in fair value of investment properties	34	**820**	4,332
Changes in fair value of non-current assets held for sale	34	**115**	–
Gain on pretermination of leases	33	**(15)**	(862)
Gain on disposal of non-current assets held for sale	33	**(9)**	–
Gain on disposal of property, plant and equipment	33	**(153)**	(147)
Gain on de-recognition of subsidiaries upon loss of control	37	**(90,442)**	–
Loss on disposal of a subsidiary	34	**–**	470
Loss on disposal of an associate	34	**–**	1,324
Gain on disposal of financial assets at FVTPL	33	**–**	(545)
Loss on disposal of financial assets at FVTOCI	34	**22**	–
Impairment loss on property, plant and equipment	34	**84**	2,482
Contract assets (write back)/written off	34,38	**(18)**	55,751
Due from former subsidiaries written off	34	**23,621**	2,072
Property, plant and equipment written off	34	**22**	1
Provision for onerous contracts	24	**–**	1,051
Provision for maintenance costs	24	**–**	556
Provision of performance bonds	24	**–**	23,242
Provision for liquidated damages	24	**–**	24,393
Provision for potential back charges from customers	24	**–**	4,422
Provision for maintenance costs written back	24	**(229)**	–
Trade receivables written off	34	**–**	2,119
Other receivables written off	34	**8**	31
Unrealised currency translation loss/(gain)		**189**	(30)
Interest income	33	**(26)**	(30)
Interest expense	35	**1,733**	3,486
Operating cash flows before movements in working capital		**4,767**	(63,596)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 September 2022

Group	Note	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 Re-presented $'000
Operating activities (cont'd)			
Trade receivables		**6,635**	8,956
Other receivables		**933**	2,424
Inventories		**42**	(10)
Contract assets		**5,285**	68,278
Trade payables		**(3,746)**	(6,184)
Other payables		**(684)**	(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		**12,782**	4,345
Income tax paid		**(123)**	(655)
Net cash generated from operating activities		**12,659**	3,690
Investing activities			
Placement of fixed deposits		**(3,030)**	–
Proceeds on disposal of property, plant and equipment		**221**	455
Purchase of property, plant and equipment	A	**(618)**	(399)
Net proceeds from disposal of non-current assets held for sale	12	**17,637**	–
Net cash outflow from the disposal of a subsidiary	43	**–**	(11)
Net cash outflow on de-recognition of subsidiaries upon loss of control	44	**(1,361)**	–
Proceeds from disposal of an associate		**–**	3,519
Proceeds from disposal of other investment		**–**	627
Return on capital from investment in joint venture		**–**	129
Repayment of advances by directors of subsidiaries		**141**	182
Repayment of loan by associate		**–**	12
Repayment for payable for acquisition of subsidiary		**(38)**	–
Repayment of finance lease receivables		**10**	13
Interest received		**26**	60
Net cash generated from investing activities		**12,988**	4,587
Financing activities			
Drawdown of bank loans		**–**	26,989
Repayment of bank loans		**(2,677)**	(67,865)
Drawdown of long-term borrowings		**–**	5,000
Repayment of long-term borrowings		**(18,446)**	(2,141)
Repayment of amounts due to associate		**–**	(31)
Repayment to former immediate holding company of a subsidiary		**(168)**	(8,454)
Repayment of loan to former intermediate holding company of a subsidiary		**(1,744)**	(256)
Repayment of amounts due to former subsidiary		**(1,230)**	–
Decrease/(increase) in fixed deposits pledged		**1,432**	(825)
Repayment of principal portion of lease liabilities		**(897)**	(3,778)
Repayment of loan to non-controlling interest		**–**	(1,996)
Loan from a controlling shareholder		**–**	2,968

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2022

Group	Note	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 Re-presented $'000
Financing activities (cont'd)			
Loan from director and investor of a subsidiary classified as held for sale		**300**	–
Loan from third parties		**100**	601
Loans from former intermediate holding company of a subsidiary		**–**	2,000
Payment to former immediate holding company of a subsidiary	26	**(678)**	–
Interest paid		**(1,632)**	(4,019)
Net cash used in financing activities		**(25,640)**	(51,807)
Net increase/(decrease) in cash and cash equivalents		**7**	(43,530)
Cash and cash equivalents at beginning of period/year		**7,053**	50,570
Effect of foreign exchange rate changes		**–**	13
Cash and cash equivalents at end of year/period	6	**7,060**	7,053

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,889,000 (2021 - $1,163,000) of which $475,000 (2021 - $NIL) related to provision for restoration costs and $796,000 (2021 - $764,000) was acquired under lease arrangements. The cash outflow on acquisition of property, plant and equipment amounted to $618,000 (2021 - $399,000).

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

1 GENERAL

(a) 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 financial statements are expressed in Singapore dollars.

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

(b) The principal activities of the Company are investment holding and property investment and development. The principal activities of its associate and subsidiaries are disclosed in Notes 14 and 15, respectively.

(c) As at 30 September 2022, the Group's and the Company's current liabilities exceeded their current assets by \$154,504,000 (2021 - \$200,352,000) and \$150,435,000 (2021 - \$120,654,000), respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and a former subsidiary, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries.

<u>Proposed Restructuring Exercise</u>

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"). 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. Announcements on material developments in this regard were made subsequently and the Company will continue to make further announcements on future material developments.

On 21 September 2022, the Company, together with TEE Infra, filed an extension of the Moratoria under Section 64(7) and/or Section 65(5) of the IRDA (the "Extension Applications") and 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.

To strengthen its financial position, the Group, together with RSM was in discussions with various unrelated interested parties to raise equity funds. On 18 August 2022, the Company 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 \$7.5 million in new ordinary shares in the Company; and

(b) Subscription by the Subscriber of \$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.

Furthermore, the Company is also proposing a right issue to raise \$3.5 million, bringing the total of equity fund to \$18.5 million to be raised. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

1 GENERAL (CONT'D)

Proposed Restructuring Exercise (Cont'd)

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 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 granted and extended the moratorium to PBT Engineering by a period of three month from 1 January 2023.

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 (1) exercise oversight over the entire restructuring process; (2) exercise oversight over the utilisation of assets and cash; and (3) provide a report to the Court and the creditors every 2 months to update on the restructuring process.

On 16 December 2021, the Group 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 from RSM as provisional liquidators.

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.

There is no other material development in relation to the CVL as at the date of this financial statements.

Following the winding-up of Trans Equatorial by way of creditors' voluntary liquidation (the "CVL") on 13 January 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 the claimant from the assets of TEE E&C (M).

The Company will continue to work with RSM and its legal advisors on the restructuring plan which includes raising equity funds, restructuring of the debts under PBT Engineering and the Company as well as disposal of non-core assets.

The financial statements of the Group and the Company have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operation at least for a period of twelve months from the reporting date. This means that the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue in operation in the foreseeable future. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the balance sheet.

In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

The amount of assets and liabilities currently recorded in the accounting records of the Company and its subsidiaries, including amounts recoverable from or payable to group companies, are based on claims and payables which have arisen in the ordinary course of business. It is currently difficult to assess and estimate, with any degree of certainty, the amounts at which the assets will ultimately be realised or recovered, and the amounts at which liabilities should be recorded, owing to the uncertainties caused by the current difficult operating conditions and the ongoing restructuring of the Group.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

1 GENERAL (CONT'D)

Proposed Restructuring Exercise (Cont'd)

The directors have considered that different possibilities regarding the future exist and that the differing outcomes can cause the financial statements as at 30 September 2022 to be very different from what is currently presented in these financial statements. The directors also consider that there are no practical means available to resolve such difficulties in the preparation of these financial statements for the financial year under review. In this respect, the directors are of the opinion that, notwithstanding these difficulties, the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of all stakeholders who may read these financial statements.

(d) The consolidated financial statements of the Group for the financial year ended 30 September 2022 and statement of financial position of the Company as at 30 September 2022 were authorised for issue by the Board of Directors on the date of the directors' statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION (CONT'D)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

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 year are included in the 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BUSINESS COMBINATIONS (CONT'D)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement year adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement year adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held-for-sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement year is the year from the date of the acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter year, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Amortised cost and effective interest method (Cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting years, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "other operating income" (Note 33).

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "other operating expenses" line item. Fair value is determined in the manner described in Note 4.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends from equity instruments are recognised in profit or loss in accordance with SFRS(I) 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend income is included in the "other operating income" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Equity instruments designated as at FVTOCI (Cont'd)

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see Note 13).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost or measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income" or "other operating expenses" line item.

For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the currency translation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, loan receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets and contract assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For a lease receivable, the cash flows used for determining the credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 Leases.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial Assets (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (Cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other operating income" or "other operating expenses" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss. Fair value is determined in the manner described in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (Cont'd)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter year, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income" or "other operating expense" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate ("IBR") specific to the lessee. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the years that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES (CONT'D)

(a) The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

The Group remeasures the lease liability (with a corresponding adjustment to the related ROU asset or to profit or loss if the carrying amount of the ROU asset has already been reduced to zero whenever:

(i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

(ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

(iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use ("ROU") asset

The ROU asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

Depreciation on ROU assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter of period of lease term and useful life of the underlying asset as set out in the accounting policies for "Property, plant and equipment".

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets (except for those which meets the definition of an investment property) are presented within Property, plant and equipment in the statement of financial position.

A ROU asset which meets the definition of an investment property is presented within "Investment properties" in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES (CONT'D)

(b) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other operating income" in profit or loss.

(c) Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

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 a 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:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase cost and other incidental cost in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

DEFERRED EXPENSES - Deferred commission expenses are payable to estate agents only when buyers are secured. These direct and incremental costs recoverable as a result of securing a specifically identifiable contract with a buyer are deferred and recognised as "contract costs" in the statements of financial position. Such assets are expensed as and when the related revenue is recognised.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

The projected cost of dismantlement, removal or restoration is also recgonised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets (excluding freehold land) over their estimated useful lives, using the straight-line method, on the following bases:

Buildings on freehold land	-	2.5% to 4%
Leasehold land and building	-	2.7%
Leasehold improvements	-	20%
Leased premises	-	over remaining year of lease
Computers	-	25% to 100%
Renovation	-	20% to over remaining year of lease for restoration cost
Motor vehicles	-	10% to 100%
Machinery and tools	-	15% to 100%
Office furniture and equipment	-	15% to 20%

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held-for-sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ASSOCIATES (CONT'D)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the year in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held-for-sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

RELATED PARTIES - A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group and Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

RELATED PARTIES (CONT'D)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is part, provides key management personnel services to the Company or the parent of the Company.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the years necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Construction engineering contracts
- Sale of goods
- Revenue from services rendered
- Interest income
- Dividend income
- Rental income from investment properties

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.

<u>Construction engineering contracts</u>

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.

<u>Sale of goods</u>

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.

<u>Rendering of services</u>

The Group provides waste and recycling management services. Such services are recognised as a performance obligation satisfied over time, when control of services are transferred to customers. This generally occurs when the waste is collected and processed.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION (CONT'D)

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental and related service income from investment properties

The Group leases out its investment properties under operating lease and recognised rental income proportionately over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method.

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

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

RETIREMENT BENEFIT OBLIGATIONS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting year.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interest in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences as they are expected to reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX (CONT'D)

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities for the investment properties that are measured using the fair value model, the carrying amount of such properties is presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting year. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity under the header of currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (CONT'D)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) and of borrowings are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS - Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand, cash at banks, fixed deposits, cash held in escrow, less pledged fixed deposits and bank overdrafts that form an integral part of cash management, and are subject to an insignificant risk of changes in value.

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on information that is provided internally to the Group Chief Executive, who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group Chief Executive to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

(a) Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgements in applying the entity's accounting policies (Cont'd)

(i) Going concern assumption

The Group incurred a net loss from continuing operations of $24,367,000 (FP2021 Re-presented - $8,458,000) for the financial year, and as at 30 September 2022, the Group's and the Company's current liabilities exceeded their current assets by $154,504,000 (2021 - $200,352,000) and $150,435,000 (2021 - $120,654,000), respectively. At the Company level, the net current liabilities are due mainly to payables to certain subsidiaries and a former subsidiary, and provision for corporate guarantees issued to counterparties for performance bonds and claims made against certain former subsidiaries. These factors give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

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

Based on the aforementioned, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the Group's proposed funds raising and debt restructuring plans. 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 these financial statements. It should therefore be noted that the going concern assumption is premised upon, inter alia, (i) the successful completion of the Subscription Agreement, (ii) the successful completion of the proposed restructuring exercise, (iii) the continuing availability of the existing facilities and financing to the Group for the next twelve months and (iv) the sufficiency of cash flows generated from the Group's operating activities.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

(ii) 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 years after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below:

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(i) Revenue recognition

As described in Note 2, the Group recognises revenue either at a point in time or over time, depending on the contractual terms. Revenue from construction engineering contracts are recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

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

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

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

(ii) 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's and the Company's trade and other receivables are disclosed in Note 8 and Note 9, respectively, to the financial statements.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Contract assets arising from construction engineering contracts (Cont'd)

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.

The carrying amount of the Group's contract assets are disclosed in Note 11.

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

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

The recoverable amounts of these asstes are reviewed at the end of each reporting year 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.

The carrying amounts of the Group's and the Company's investment in associate and the Company's investment in subsidiaries are disclosed in Notes 14 and 15, respectively, and the Group's property, plant and equipment in Note 17.

(v) Estimation of incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses the IBR to measure lease liabilities. The IBR is defined as the rate of the interest that the lessee would have to pay to borrow over a similar security the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The Group and the Company estimate the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield where available, and then making certain lessee specific adjustments such as Group entity's credit rating.

The carrying amount of the Group's and the Company's lease liabilities and ROU assets are disclosed in Note 25 and Note 40, respectively. If the incremental borrowing rate had been 50 basis point higher/lower with all other variables held constant, the Group's and the Company's ROU assets and lease liabilities would have been approximately lower/higher by $117,000 (2021 - $339,000) and $114,000 (2021 - $339,000), respectively.

(vi) Estimation of provisions made on various claims

In conjunction with the proposed restructuring exercises as disclosed in Note 1(c) to the financial statements, 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's and the Company's various provisions and financial guarantee liabilities are disclosed in Note 24 and Note 27, respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year/period:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets				
Amortised cost	**17,464**	29,385	**12,210**	14,543
At fair value through other comprehensive income	**–**	400	**–**	–
Financial liabilities				
Amortised cost	**59,797**	230,571	**63,455**	76,673
Financial guarantee liabilities at amortised cost	**98,617**	–	**98,617**	75,868

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

Financial liabilities at amortised cost consist of bank loans and overdrafts, trade payables excluding GST payables, other payables, lease liabilities and long-term borrowings.

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

There are no financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements at 30 September 2022 and 30 September 2021.

(c) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, cash flow interest rate risk and fair value risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) *Financial risk management policies and objectives (Cont'd)*

Foreign exchange risk management

Foreign exchange risk refers to the risk exposed by the Group as a result of fluctuations in foreign exchange rates. The Group's transactions are mainly in Singapore dollars, which is its functional currency.

The Group has a number of investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. The Group did not designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

At the end of the reporting year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		**Assets**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Group				
Thai Baht	**53**	366	**–**	–
United States Dollar	**–**	–	**–**	2
Company				
United States Dollar	**–**	–	**–**	2

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where they gave rise to an impact on the Group's profit or loss.

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, loss for the year/period will (increase)/decrease by:

	Thai Baht impact		**United States Dollar impact**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Profit or loss	**5**	37	**–**	–

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, the effect on profit or loss will be vice-versa.

NOTES TO THE FINANCIAL STATEMENTS

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Interest rate risk management

The Group has exposure to interest rate risk through the impact of floating interest rate on cash and bank balances and borrowings. The Group obtained financing through bank loans and overdrafts, finance leases and long-term borrowings. Details of the Group's interest rate exposure is disclosed in the respective notes to the financial statements.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting year in the case of instruments that have floating rates. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 30 September 2022 would increase/decrease by $54,000 (2021 - $207,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's loss for the year ended 30 September 2022 would increase/decrease by $NIL (2021 - $64,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 September 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed below. The related loss allowance is disclosed in the respective notes to the financial statements.

In order to minimise credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) *Financial risk management policies and objectives (Cont'd)*

Credit risk management (Cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
Group						
30 September 2022						
Trade receivables	8	**(i)**	**Lifetime ECL (simplified approach)**	**4,631**	**(327)**	**4,304**
Other receivables	9	**Performing**	**12-month ECL**	**1,155**	**–**	**1,155**
Other receivables	9	**In default**	**Lifetime ECL**	**212**	**(212)**	**–**
Contract assets	11	**(i)**	**Lifetime ECL (simplified approach)**	**267**	**–**	**267**
30 September 2021						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	21,741	(7,275)	14,466
Other receivables	9	Performing	12-month ECL	2,723	–	2,723
Other receivables	9	In default	Lifetime ECL	109	(109)	–
Contract assets	11	(i)	Lifetime ECL (simplified approach)	19,558	–	19,558
Company						
30 September 2022						
Other receivables	9	**Performing**	**12-month ECL**	**30,418**	**(18,488)**	**11,930**
30 September 2021						
Other receivables	9	Performing	12-month ECL	50,456	(36,149)	14,307

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Further details on the loss allowance for these assets are disclosed in respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Credit risk management (Cont'd)

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above and investments in these instruments, where the counterparties have minimum BBB- credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The review of customer credit limit is conducted annually.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting year to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and contract assets. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset as shown on the statement of financial position.

In addition, the Group and the Company are exposed to credit risk in relation to financial guarantees given to banks and third parties. The Group's and the Company's maximum exposure in this respect is the maximum amount the Group and the Company could have to pay if the guarantee is called on.

The maximum amount that the Group and the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee are $98,617,000 and $98,617,000 (2021 - $NIL and $127,828,000), respectively. Based on the expectations at the end of the reporting period, the Group and the Company consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffered credit losses.

Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Liquidity and interest risk analysis (Cont'd)

Non-derivative financial liabilities (Cont'd)

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
30 September 2022						
Non-interest bearing	**–**	**45,026**	**–**	**–**	**–**	**45,026**
Lease liabilities (fixed rate)	**3.81**	**599**	**794**	**2,373**	**(1,096)**	**2,670**
Variable interest rate instruments	**4.45**	**1,129**	**4,709**	**9,622**	**(4,722)**	**10,738**
Fixed interest rate instruments	**7.00**	**1,459**	**–**	**–**	**(96)**	**1,363**
Financial guarantee liabilities	**–**	**98,617**	**–**	**–**	**–**	**98,617**
Total		**146,830**	**5,503**	**11,995**	**(5,914)**	**158,414**
30 September 2021						
Non-interest bearing	–	164,873	41	–	–	164,914
Lease liabilities (fixed rate)	4.90	1,883	6,990	6,001	(2,640)	12,234
Variable interest rate instruments	3.17	31,942	4,283	10,103	(5,015)	41,313
Fixed interest rate instruments	3.14	12,554	–	–	(444)	12,110
Total		211,252	11,314	16,104	(8,099)	230,571
Company						
30 September 2022						
Non-interest bearing	**–**	**63,373**	**–**	**–**	**–**	**63,373**
Lease liabilities (fixed rate)	**4.31**	**67**	**17**	**–**	**(2)**	**82**
Financial guarantee liabilities	**–**	**98,617**	**–**	**–**	**–**	**98,617**
		162,057	**17**	**–**	**(2)**	**162,072**
30 September 2021						
Non-interest bearing	–	63,876	–	–	–	63,876
Variable interest rate instruments	2.50	13,163	–	–	(366)	12,797
Financial guarantee liabilities	–	127,828	–	–	(51,960)	75,868
		204,867	–	–	(52,326)	152,541

The earliest year that the guarantee could be called is within 1 year (2021 - 1 year) from the end of the reporting period. The Group and the Company consider that it is more likely than not that no amount will be payable under the arrangement, unless stated otherwise in other notes.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Liquidity and interest risk analysis (Cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different year. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
30 September 2022						
Non-interest bearing	**–**	**11,269**	**157**	**–**	**–**	**11,426**
Fixed interest rate instruments	**1.52**	**6,109**	**–**	**–**	**(71)**	**6,038**
		17,378	**157**	**–**	**(71)**	**17,464**
30 September 2021						
Non-interest bearing	–	25,620	640	–	–	26,260
Fixed interest rate instruments	0.41	3,534	–	–	(9)	3,525
		29,154	640	–	(9)	29,785
Company						
30 September 2022						
Non-interest bearing	**–**	**12,210**	**–**	**–**	**–**	**12,210**
30 September 2021						
Non-interest bearing	–	14,543	–	–	–	14,543

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of the other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (Cont'd)

Fair value of financial assets and financial liabilities (Cont'd)

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings and lease liabilities as disclosed in respective notes to the financial statements and equity attributable to owners of the Company, comprising of share capital, reserves and accumulated losses. The Group is required to maintain the required gearing in order to comply with covenants in loan agreements with banks and financial institutions.

Management also ensures that the Group maintains certain security ratios of outstanding term loans over the value of the properties in order to comply with the loan covenants imposed by banks and financial institutions.

The Group monitors capital using debt ratio as follows:

Group	**30 September 2022 $'000**	30 September 2021 $'000
Total debts	**13,408**	65,812
Total assets	**62,115**	111,671
Total equity	**(137,045)**	(181,277)
Debt-to-total assets ratio (times)	**0.22**	0.59
Debt-to-total equity ratio (times)	**NM***	NM*

* Not meaningful

As at 30 September 2022, the Group's net equity is a deficit of $137,045,000. The management reviewed the Group's overall strategy with regards to capital management and appointed RSM as financial consultant to 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 since previous financial period. The Company also announced that it intends to propose a scheme of arrangement with its creditors. Please refer to Note 1(c) of financial statements for proposed restructuring exercise.

See Note 26 for bank covenants.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than disclosed elsewhere in these financial statements, significant related party transactions are as follows:

Group	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 $'000
(a) Associates		
Financial guarantee income	**–**	75
(b) Company in which a director has significant financial interest		
Rental expenses	**–**	28

(c) Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

Group	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 $'000
Short-term benefits	**1,529**	2,886
Post-employment benefits	**63**	130
	1,592	3,016
Comprise amounts paid to:		
Directors of the Company	**631**	1,158
Directors of subsidiaries	**727**	1,298
Other key management personnel	**234**	560
	1,592	3,016

The remuneration of directors and other members of key management are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

NOTES TO THE FINANCIAL STATEMENTS

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6 CASH AND BANK BALANCES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cash at banks	**5,938**	7,719	**280**	236
Cash on hand	**29**	37	**–**	–
	5,967	7,756	**280**	236
Cash at bank in disposal group held-for-sale (Note 12(a))	**1,093**	–	**–**	–
Less:				
Bank overdrafts (Note 20)	**–**	(703)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**7,060**	7,053	**280**	236

Group and Company

Included in cash at banks is an amount of $170,000 (2021 - $NIL) being restricted cash in nature as the usage of such cash is restricted for certain purposes.

Group

For the purpose of the consolidated statement of cash flows, cash and cash equivalents as at the end of the financial year comprise cash at banks, cash on hand, less bank overdrafts.

7 FIXED DEPOSITS

	2022	2021
Group	**$'000**	$'000
Fixed deposits	**6,038**	4,440
Less:		
Amounts receivable within 12 months (shown under current assets)	**(6,038)**	(4,440)
Amounts receivable after 12 months	**–**	–

Fixed deposits bear average effective interest rate of 1.93% (2021 - 0.25%) per annum and for a tenure of approximately 291 days (2021 - 365 days). The fixed deposits of $3,008,000 (2021 - $4,440,000) are pledged as security for certain bank facilities.

Unpledged fixed deposits are recallable on demand by the Group without incurring any significant penalties and interest costs.

NOTES TO THE FINANCIAL STATEMENTS

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8 TRADE RECEIVABLES

Group	2022 $'000	2021 $'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 (Note 38)	(74)	(7,084)
- De-recognition of subsidiaries upon loss of control	7,010	–
- Foreign currency exchange adjustment	–	1
- Reclassification to disposal group	12	–
- At end of year/period	(327)	(7,275)
Trade receivables - net	4,304	15,435

The credit period granted to customers is generally 14 to 45 days (2021 - 14 to 45 days). No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting year. The Group has ten (2021 - ten) customers making up $1,808,000 (2021 - $7,673,000) which accounted for 42.0% (2021 - 49.7%) of the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

9 OTHER RECEIVABLES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Amounts due from subsidiaries (a)	**–**	–	**27,117**	47,807
Interest receivable				
- Subsidiaries	**–**	–	**2,466**	2,581
Amount due from former subsidiary (a)	**103**	–	**103**	–
Deferred commission expenses (b)	**26**	35	**–**	–
Lease receivables (c)	**167**	177	**–**	–
Prepayments	**268**	669	**30**	33
Deposits (d)	**307**	2,091	**54**	63
Advances to directors of subsidiaries (e)	**–**	206	**–**	–
Amount due from former immediate holding company of a subsidiary (f)	**678**	–	**678**	–
Accrued rental income	**53**	71	**–**	–
Grant receivable	**128**	107	**–**	–
Outside parties	**112**	358	**–**	5
	1,842	3,714	**30,448**	50,489
Less: Allowance for impairment				
- At beginning of year/period	**(109)**	(1,233)	**(36,149)**	(29,369)
- Foreign currency exchange adjustment	**(3)**	–	**–**	–
- Allowance for the year/period (Note 38)	**(17,786)**	–	**(7,246)**	(8,942)
- Amount utilised	**–**	1,073	**24,872**	2,134
- Written back (Note 38)	**–**	51	**35**	28
- De-recognition of subsidiaries	**2,274**	–	**–**	–
- Reclassification to disposal group	**15,412**	–	**–**	–
- At end of year/period	**(212)**	(109)	**(18,488)**	(36,149)
Other receivables – net	**1,630**	3,605	**11,960**	14,340
Amounts receivable within 12 months (shown under current assets)	**(1,473)**	(3,365)	**(11,960)**	(14,340)
Amounts receivable after 12 months	**157**	240	**–**	–

Other receivables are recoverable on demand or within 12 months. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

(a) Amounts due from subsidiaries and former subsidiary are unsecured, interest free and repayable on demand. Allowance has been made for estimated irrecoverable amounts by the Company of $18,488,000 (2021 - $36,149,000).

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

9 OTHER RECEIVABLES (CONT'D)

(b) Deferred commission expenses are recognised in profit or loss as and when revenue is recognised.

(c) This relates to a finance leasing arrangement in respect of a subsidiary's electric power generation system. The term of the finance lease entered into with third party is 20 years with an option granted to the lessee to purchase the asset at end of lease year at a nominal amount.

(d) Included in deposits of the Group are amount of $NIL (2021 - $1,160,000) being security deposits placed for on-going business projects.

Included in deposits of the Company is rental deposit of $17,000 (2021 - $31,000) paid to a subsidiary.

(e) Advances to directors of subsidiaries are provided under an approved employee loan scheme and are unsecured, interest-free and repayable by monthly instalment over a year of 3 years to 5 years.

(f) This relates to amount held by former immediate holding company of a subsidiary for monthly repayment of the current portion of long-term borrowings. Amount is unsecured and interest-free.

10 INVENTORIES

Group	**2022 $'000**	2021 $'000
At cost:		
Consumables	**45**	87

11 CONTRACT ASSETS

Group	**2022 $'000**	2021 $'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 (Note 38)	**(4,824)**	–
- De-recognition of subsidiary upon loss of control	**1,882**	–
- Reclassification to disposal group	**2,900**	–
- Allowance written off	**–**	957
- At end of year/period	**–**	–
Contract assets - net	**267**	19,558

As at 1 October 2021, the Group's gross contract assets related to revenue from contracts with customers amounted to $19,558,000 (1 June 2020 - $147,201,000).

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

11 CONTRACT ASSETS (CONT'D)

Contract assets relating to accrued revenue are amounts for which the Group has performed work as at end of reporting year but have not billed the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract assets relating to construction engineering contracts are balances due from customers under contract income that arise when the Group becomes entitled to invoice customers in line with achieving a series of performance–related milestones. The Group would recognise a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry.

None of the contract assets at the end of the reporting year is past due.

The decrease in contract assets is due to de-recognition of former subsidiaries upon loss of control and reclassification of assets of the disposal group classified as held for sale.

12 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Assets of disposal group classified as held for sale				
- PBT Engineering Pte. Ltd. (a)	**14,212**	–	**18**	–
Non-current assets held for sale				
- 33CNC Property (b)	**–**	20,205	**–**	20,205
	14,212	20,205	**18**	20,205
Liabilities associated with disposal group classified as held for sale				
- PBT Engineering Pte. Ltd. (a)	**39,125**	–	**–**	–
Liabilities associated with non-current assets held for sale				
- 33CNC Property (b)	**–**	2,572	**–**	2,572
	39,125	2,572	**–**	2,572

(a) PBT Engineering Pte. Ltd. ("PBT Engineering")

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") to a director of PBT Engineering and a third party for a consideration of $18,000. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

12 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

(a) PBT Engineering Pte. Ltd. (Cont'd)

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

Group	**2022** **$'000**
Assets	
Cash and cash equivalents (Note 6)	**1,093**
Trade receivables	**3,619**
Other receivables	**1,093**
Contract assets	**8,403**
Property, plant and equipment	**4**
Assets of the disposal group	**14,212**
Liabilities	
Trade payables	**36,366**
Other payables	**1,113**
Loan from director and investor	**300**
Contract liabilities	**1,238**
Provisions	**108**
Liabilities of the disposal group	**39,125**

Company	**2022** **$'000**
Details of non-current assets classified as held for sale are as follows:	
Cost of investment in subsidiary (Note 15)	**15,043**
Allowance for impairment loss (Note 15)	**(15,025)**
At fair value less costs to sell	**18**

(b) 33CNC Property

Group and Company	2021 $'000
Non-Current Assets Held for Sale	
Reclassified from investment properties (Note 18)	
- 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 (Note 25)	2,265
Long term deposit	307
	2,572

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

12 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

(b) 33CNC Property (Cont'd)

On 8 March 2021, 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").

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 and rental deposit are reclassified as "Liabilities associated with non-current assets held for sale". The sale of 33CNC Property was completed on 18 July 2022 at net consideration of $17,637,000.

13 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

Group	**2022** **$'000**	2021 $'000
Unquoted equity investment	–	400

Financial asset at FVTOCI comprises the 5% equity interest in Global Environmental Technology Company Limited ("GETCO").

The Group had designated this unquoted equity investment at FVTOCI as the Group intends to hold it for long term appreciation.

As at 30 September 2021, the unquoted equity investment was pledged for a loan from third party amounting to $366,000 (Note 22). During the financial year, the Group had transferred the investment pledged as full settlement of the loan to the third party.

The fair value of unquoted equity instrument was derived using asset-based business valuation method which use level 3 inputs.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

14 INVESTMENT IN ASSOCIATE

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Unquoted equity shares, at cost	**4,332**	4,332	**–**	–
Share of post-acquisition reserves, net of dividend received	**595**	669	**–**	–
	4,927	5,001	**–**	–
Less: Impairment:				
- At beginning of year/period	**–**	(245)	**–**	(300)
- Written off	**–**	245	**–**	300
- At end of year/period	**–**	–	**–**	–
Associates - Net	**4,927**	5,001	**–**	–

Group

On 5 February 2021, TEE Water Pte. Ltd., a wholly-owned subsidiary of the Company disposed of its 44% equity interest in an associate, Global Environmental Technology Company Limited ("GETCO") to the majority shareholder of GETCO, for a consideration of THB79,925,120 ($3,520,000 equivalent). A loss on disposal of $1,324,000 (Note 34) was included in other operating expenses.

Pursuant to the above disposal, the Group's shareholding in GETCO was reduced from 49% to 5% and GETCO ceased to be an associate of the Group. Management had designated the 5% residual holdings in GETCO as investment at fair value through other comprehensive income, which is an irrevocable option (Note 13).

Details of the Group's associate are as follows:

Name of associate/ Place of incorporation and operation	Principal activity	Proportion of effective ownership interest and voting power held 2022 %	2021 %
PowerSource Philippines Distributed Power Holdings, Inc. ("PWS") Philippines[1]	Construction, operation and maintenance of power plants	**21.05**	21.05

[1] Audited by another firm of auditors, KPMG, Philippines for equity accounting purposes for Group consolidation.

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's associate, are satisfied that this appointment would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

14 INVESTMENT IN ASSOCIATE (CONT'D)

Summarised financial information in respect of the Group's associate is set out below:

Group	2022 $'000	2021 $'000
Total assets	**72,760**	84,486
Total liabilities	**(48,097)**	(59,455)
Net assets	**24,663**	25,031
Group's share of associate's net assets	**4,927**	5,001

Group	Year ended 30 September 2022 $'000	Financial period from 1 June 2020 to 30 September 2021 $'000
Revenue	**17,941**	20,940
Profit for the year/period	**1,804**	3,456
Group's share of associates' results for the year/period (Note 36)		
- continuing operations	**380**	946
- discontinued operations (Note 37)	**–**	3
	380	949

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with SFRS(I) and includes adjustments by the Group to align with the Group's accounting policy for equity accounting purposes. Summarised and reconciliation of the financial information in respect of each of the Group's material associates and joint venture is set out below.

Summarised statement of financial position

30 September 2022	PWS $'000
Proportion of the Group's ownership interest	**21.05%**
Current assets	**14,812**
Non-current assets	**57,948**
Current liabilities	**(9,302)**
Non-current liabilities	**(38,795)**
Net assets	**24,663**
Attributable to NCI	**(1,257)**
Attributable to investee's shareholders	**23,406**
Group's share of net assets	**4,927**
Carrying amount of the Group's interest in associate	**4,927**

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

14 INVESTMENT IN ASSOCIATE (CONT'D)

Summarised statement of profit or loss and comprehensive income

Year ended 30 September 2022	**PWS** **$'000**
Revenue	17,941
Profit for the year	1,804
Dividends received from associates during the year	–

Summarised statement of financial position

	Associates		**Joint Venture**	
30 September 2021	**PWS** **$'000**	**GETCO** **$'000**	**TEE-HC Engineering** **$'000**	**Total** **$'000**
Proportion of the Group's ownership interest	21.05%	–	–	
Current assets	17,884	–	–	17,884
Non-current assets	66,602	–	–	66,602
Current liabilities	(8,234)	–	–	(8,234)
Non-current liabilities	(51,221)	–	–	(51,221)
Net assets	25,031	–	–	25,031
Attributable to NCI	(1,273)			(1,273)
Attributable to investee's shareholders	23,758	–	–	23,758
Group's share of net assets	5,001	–	–	5,001
Carrying amount of the Group's interest in associate and joint venture	5,001	–	–	5,001

Summarised statement of profit or loss and comprehensive income

	Associates		**Joint Venture**	
Financial period from 1 June 2020 to 30 September 2021	**PWS** **$'000**	**GETCO** **$'000**	**TEE-HC Engineering** **$'000**	**Total** **$'000**
Revenue	14,008	6,932	–	20,940
Profit for the year	2,816	634	6	3,456
Dividends received from associates and joint venture during the period	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

15 INVESTMENT IN SUBSIDIARIES

Company	2022 $'000	2021 $'000
Unquoted equity shares, at cost	**27,137**	49,108
Reclassified to non-current assets held for sale [Note 12(a)]	**(15,043)**	–
	12,094	49,108
Allowance for impairment loss		
At beginning of year/period	**(37,653)**	(5,787)
Allowance for the year/period	**(7,480)**	(33,266)
Allowance utilised	**21,971**	1,400
Reclassified to non-current assets held for sale [Note 12(a)]	**15,025**	–
At end of year/period	**(8,137)**	(37,653)
Net	**3,957**	11,455

The Company assesses the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised an impairment loss of $7,480,000 (2021 - $33,266,000) which was to write down the carrying values of certain subsidiaries to their recoverable amounts as these investments are no longer represented by net assets of the investees. The recoverable amounts of these investments had been determined based on respective subsidiaries' revalued net assets as at end of reporting year which is classified under level 3 of the fair value hierarchy.

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 2022 %	2021 %
TEE Industrial Pte. Ltd. Singapore [1][2]	Operating an Industrial building for rental	**100.00**	100.00
PBT Engineering Pte. Ltd. Singapore [1][3]	Provision of addition, alteration and upgrading of existing buildings, mechanical and electrical engineering services	**100.00**	100.00
G3 Environmental Private Limited Singapore [1]	Commercial and industrial real estate management	**50.10**	50.10
Trans Equatorial Engineering Pte. Ltd. [4] Singapore	Provision of mechanical and electrical engineering services	**–**	100.00
Oscar Estate Management Co., Ltd [5][6] Thailand	Residential real estate management	**–**	73.99
TEE E&C (Malaysia) Sdn. Bhd. Malaysia [7][8]	Provision of mechanical and electrical engineering services	**–**	100.00

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

(1) Audited by Foo Kon Tan LLP

(2) Previously audited by another firm of auditors, Baker Tilly TFW LLP, Singapore

(3) Reclassified to disposal group classified as held for sale during the financial year (Note 12)

(4) Placed into creditors' voluntary liquidation ("CVL") on 12 January 2022.

(5) Previously audited by another firm of auditors, Expert Audit Office Limited

(6) The Group no longer has control over Trans Equatorial and its subsidiaries when Trans Equatorial was placed into CVL on 12 January 2022

(7) Previously audited by another firm of auditors, HLB Ler Lum Chew PLT

(8) Winding up by the High Court of Penang on 16 June 2022

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's subsidiaries, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

Information about the composition of wholly-owned and non-wholly-owned subsidiaries of the Group is as follows:

		Number of wholly-owned subsidiaries		**Number of non wholly-owned subsidiaries**	
Principal activities	**Place of incorporation and operation**	**2022**	2021	**2022**	2021
Mechanical and electrical engineering services, and asset enhancement initiatives	Singapore, Malaysia, Brunei	**1**	6	**–**	–
Infrastructure and wastewater treatment	Singapore, Thailand, Philippines	**4**	5	**4**	8

NOTES TO THE FINANCIAL STATEMENTS

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15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of non wholly-owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiary	Place of incorporation and operation	Effective equity interest and voting power held by non-controlling interest		Total comprehensive income/(loss) allocated to non-controlling interest		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
		%	%	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
G3 Environmental Private Limited and its subsidiaries	Singapore	**49.90**	49.90	**1,046**	1,670	**1,046**	1,670	**265**	(781)
Individually immaterial subsidiaries with non-controlling interest				**(258)**	330	**(263)**	307	**–**	(737)
				788	2,000	**783**	1,977	**265**	(1,518)

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15 INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information of G3 Environmental Private Limited and its subsidiaries on a 100% basis is set out below:

Group	**2022** **$'000**	2021 $'000
Current assets	**15,035**	15,430
Non-current assets	**3,981**	3,952
Current liabilities	**17,984**	20,386
Non-current liabilities	**501**	562
Equity attributable to owners of the company	**531**	(1,566)

Group	**Year ended 30 September 2022** **$'000**	Financial period from 1 June 2020 to 30 September 2021 $'000
Revenue and other income for the year/period	**29,216**	42,166
Expenses	**(27,119)**	(38,820)
Profit for the year/period	**2,097**	3,346
Net cash from operating activities	**4,128**	5,353
Net cash (used in)/from investing activities	**(3,407)**	160
Net cash used in financing activities	**(553)**	(2,718)
Net cash inflow	**168**	2,795

16 INTANGIBLE ASSET

Group	**2022** **$'000**	2021 $'000
Customer contracts		
Cost:		
At the beginning and end of the year/period	**2,233**	2,233
Accumulated amortisation:		
At the beginning of the year/period	**(2,233)**	(1,923)
Amortisation for the year/period (Note 34)	**–**	(310)
At the end of the year/period	**(2,233)**	(2,233)
Carrying amount	**–**	–

The intangible asset above has a finite useful life, over which the asset is amortised, which is 3 years.

The amortisation expense has been included in the line item "other operating expenses" in profit or loss.

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17 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building $'000	Leasehold improvements $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total $'000
Cost:									
At 1 June 2020	19,084	239	2,163	1,657	514	5,647	4,918	935	35,157
Foreign currency exchange adjustment	–	(23)	(4)	(8)	(12)	(17)	(5)	(11)	(80)
Additions	–	1	–	107	4	74	142	71	399
Additions - ROU	–	–	589	–	–	15	–	160	764
Acquisition of subsidiary (Note 42)	23,385	–	–	–	–	–	–	–	23,385
Disposals	–	–	–	(14)	–	(911)	(1,483)	(11)	(2,419)
Write-offs	(18,934)	–	(1,573)	(104)	(382)	(97)	(223)	(116)	(21,429)
Reclassification	–	–	–	56	51	–	18	(125)	–
Disposal of subsidiary	–	–	–	(45)	(14)	–	–	(4)	(63)
At 30 September 2021	23,535	217	1,175	1,649	161	4,711	3,367	899	35,714
Foreign currency exchange adjustment	–	2	–	–	1	2	(3)	1	3
Additions	–	–	–	6	475	429	129	54	1,093
Additions - ROU	–	–	693	–	–	103	–	–	796
Disposals	–	–	–	–	(26)	(961)	(281)	–	(1,268)
Write-offs	–	–	(153)	(152)	(20)	–	(102)	(77)	(504)
Write-offs – ROU	–	–	(428)	–	–	(389)	–	(66)	(883)
Reclassified to non-current assets held for sale	–	–	–	(114)	–	–	–	(44)	(158)
De-recognition of subsidiaries	–	(219)	–	(558)	(105)	(138)	(85)	(269)	(1,374)
At 30 September 2022	**23,535**	**–**	**1,287**	**831**	**486**	**3,757**	**3,025**	**498**	**33,419**

17 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land and building $'000	Leasehold improvements $'000	Leased premises $'000	Computers $'000	Renovation $'000	Motor vehicles $'000	Machinery and tools $'000	Office furniture and equipment $'000	Total $'000
Accumulated depreciation and impairment:									
At 1 June 2020	2,047	239	1,001	1,420	390	1,934	2,150	637	9,818
Foreign currency exchange adjustment	–	(24)	(3)	(8)	(10)	(19)	(4)	(11)	(79)
Depreciation	379	1	–	180	53	1,219	928	97	2,857
Depreciation - ROU	856	–	834	–	–	111	55	36	1,892
Disposals	–	–	–	(11)	–	(820)	(1,270)	(10)	(2,111)
Write-offs	(2,810)	–	(1,268)	(102)	(339)	(79)	(142)	(71)	(4,811)
Reclassification	–	–	–	54	51	(2)	(83)	(20)	–
Impairment (Note 38)	1,748	–	–	–	–	–	734	–	2,482
Disposal of subsidiary	–	–	–	(44)	(14)	–	–	(4)	(62)
At 30 September 2021	2,220	216	564	1,489	131	2,344	2,368	654	9,986
Foreign currency exchange adjustment	–	2	–	–	1	2	(3)	1	3
Depreciation	662	–	–	37	124	816	278	33	1,950
Depreciation – ROU	58	–	454	–	–	14	30	23	579
Disposals	–	–	–	–	(5)	(935)	(260)	–	(1,200)
Write-offs	–	–	(153)	(145)	(20)	–	(88)	(76)	(482)
Write-offs – ROU	–	–	(270)	–	–	(185)	–	(21)	(476)
Reclassified to non-current assets held for sale	–	–	–	(111)	–	–	–	(43)	(154)
Impairment (Note 38)	–	–	–	–	–	–	84	–	84
De-recognition of subsidiaries	–	(218)	–	(452)	(98)	(45)	(85)	(251)	(1,149)
At 30 September 2022	**2,940**	**–**	**595**	**818**	**133**	**2,011**	**2,324**	**320**	**9,141**
Carrying amount:									
At 30 September 2022	**20,595**	**–**	**692**	**13**	**353**	**1,746**	**701**	**178**	**24,278**
At 30 September 2021	21,315	1	611	160	30	2,367	999	245	25,728

Carrying amount of ROU assets classified within property, plant and equipment as at 30 September 2022 amounted to $2,534,000 (2021 - $2,870,000) [Note 40(a)].

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

17 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Right-of-use assets ("ROU") acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 40.

(b) Details of the Group's properties are as follow:

Address of properties	Tenure of properties	Term of lease	Remaining term of lease	Existing use
TEE Building 25 Bukit Batok Street 22 Singapore 659591	Leasehold	From 1 May 1992 to 30 April 2052	30 years and 7 months	Industrial and office space for providing rental

(c) Depreciation expenses has been included in the line item "cost of sales" and "administrative expenses" in profit or loss.

(d) The Group's leasehold building is pledged to bank to secure facilities granted to the Group (Note 26).

(e) The impairment loss of $84,000 (2021 - $2,482,000) represents:

(i) the write-down of certain machinery and tools in the Infrastructure segment to their recoverable amount as a result of obsolescence; and

(ii) the write down of leasehold building to its fair value less disposal costs in prior financial period.

The impairment loss on these assets is recognised within "other operating expenses" in profit or loss. The recoverable amount of property, plant and equipment is based on fair value less cost to sell, which is a fair value hierarchy Level 3 measurement.

Company	Leased premises $'000	Computers $'000	Renovation $'000	Office furniture and equipment $'000	Total $'000
Cost:					
At 1 June 2020	–	576	34	143	753
Write-offs	–	(17)	(4)	(6)	(27)
At 30 September 2021	–	559	30	137	726
Additions - ROU	129	–	–	–	129
Disposal	–	–	(27)	–	(27)
At 30 September 2022	**129**	**559**	**3**	**137**	**828**
Accumulated depreciation:					
At 1 June 2020	–	566	7	139	712
Depreciation	–	6	4	4	14
Write-offs	–	(16)	(4)	(6)	(26)
At 30 September 2021	–	556	7	137	700
Depreciation	47	3	1	–	51
Disposal	–	–	(5)	–	(5)
At 30 September 2022	**47**	**559**	**3**	**137**	**746**
Carrying amount:					
At 30 September 2022	**82**	**–**	**–**	**–**	**82**
At 30 September 2021	–	3	23	–	26

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

18 INVESTMENT PROPERTIES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
At fair value:				
At beginning of the year/period	**9,396**	34,926	**–**	23,909
Foreign currency exchange adjustments	**50**	(993)	**–**	–
Changes in fair value included in profit or loss (Note 34)	**(820)**	(4,332)	**–**	(3,704)
Reclassified to non-current assets held for sale [Note 12(b)]	**–**	(20,205)	**–**	(20,205)
De-recognition of subsidiaries upon loss of control (Note 44)	**(8,626)**	–	**–**	–
At end of the year/period	**–**	9,396	**–**	–

As at 30 September 2021, the Group's and the Company's investment properties were stated at estimated fair value based on valuation carried out by independent professional appraisers, having an appropriate recognised professional qualification and recent experience in the location and category of the property being appraised. The investment properties were pledged to a bank to secure long-term borrowings granted to the Group and the Company (Note 26).

During the financial year, the property rental income from the Group's and the Company's investment properties (before reclassification and de-recognition), which were leased out under operating leases, amounted to $2,176,000 (2021 - $5,072,000) and $1,624,000 (2021 - $2,186,000), respectively. The direct operating expenses (including repairs and maintenance) arising from the Group's and the Company's rental-generating investment properties, amounted to $214,000 (2021 - $1,648,000) and $6,000 (2021 - $426,000), respectively.

In determining the market value of the investment properties, 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 year. 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. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 30 September 2021, the fair value measurements of the Group's investment properties are classified within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

18 INVESTMENT PROPERTIES (CONT'D)

As at 30 September 2021, the investment properties held by the Group are as follows:

Name of property	Location	Description	Tenure
33 Changi North Crescent[1]	Singapore	4-storey purpose-built factory building with ancillary offices	30 years from 2006
Lat Krabang Housing Phase 4 Part 1[2]	Thailand	5-storey residential flats with 11 buildings for providing rental accommodation	9 years from 2020

[1] Reclassified to non-current assets held for sale (Note 12)

[2] De-recognised upon liquidation of Trans Equatorial (Note 44)

There were no transfers between different levels during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

	Fair value				Range	
Investment properties	**2022 $'000**	2021 $'000	**Valuation methodology**	**Significant unobservable inputs (Level 3)**	**2022**	2021
Thailand	–	9,396	Income capitalisation method	Occupancy turnover[1]	–	85.0% to 90.0%

[1] Any significant isolated increase/(decrease) in these inputs would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

19 DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group, and movements thereon during the period/year:

Deferred tax assets

Group	Provisions/ Others $'000	Tax losses $'000	Total $'000
At 1 June 2020	107	511	618
Charge to profit or loss for the period (Note 36)	(54)	(500)	(554)
Foreign currency exchange adjustment	(4)	–	(4)
At 30 September 2021	49	11	60
De-recognition of subsidiaries upon loss of control (Note 44)	(76)	–	(76)
Credit to profit or loss for the year (Note 36)	262	201	463
At 30 September 2022	**235**	**212**	**447**

Deferred tax liabilities

Group	Accelerated tax depreciation $'000	Total $'000
At 1 June 2020	178	178
Credit to profit or loss for the period (Note 36)	(58)	(58)
At 30 September 2021	120	120
Credit to profit or loss for the year (Note 36)	(17)	(17)
At 30 September 2022	103	103

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries which would be subject to withholding tax if transferred out of the country. The Group is in a position to control the timing of the transfer of these retained earnings and do not expect the retained earnings to be remitted such as to attract withholding tax in the foreseeable future. Temporary differences arising in connection with interests in associates is insignificant.

Deferred tax assets

Company	**2022 $'000**	2021 $'000
Balance at beginning of year/period	**9**	–
(Charge)/Credit to profit or loss for the year/period	**(9)**	9
Balance at end of year/period	**–**	9

Balance represents temporary difference on tax deduction relating to lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

20 BANK LOANS AND OVERDRAFTS

Group	2022 $'000	2021 $'000
Secured:		
- Bank loans	–	4,500
- Bills payable	–	10,886
	–	15,386
Unsecured:		
- Bills payable	–	1,040
- Bank overdrafts (Note 6)	–	703
	–	1,743
Total	–	17,129

The following outstanding balances are secured with the following:

Group	2022 $'000	2021 $'000
Secured with:		
Trade receivables	–	15,386

The effective interest rate on the outstanding balances as at 30 September 2021 ranged from 1.91% to 5.25% per annum. Bank loans and overdraft were repaid during the year.

21 TRADE PAYABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'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

The credit period granted by suppliers ranged from 30 to 90 days (2021 - 30 to 90 days). No interest is charged on the outstanding balance.

Retention payables are classified as current as they are expected to be settled within the Group's normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

22 OTHER PAYABLES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Amounts due to:				
- subsidiaries	**–**	–	**32,204**	57,494
- former immediate holding company of a subsidiary	**1,363**	1,531	**16**	–
- 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	**3,647**	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 (Note 42)	**–**	38	**–**	38
Loan from former intermediate holding company of a subsidiary	**–**	1,744	**–**	–
Other payables	**4,678**	6,279	**1,915**	1,694
	44,995	26,942	**63,373**	63,569
Less:				
Amounts payable within 12 months (shown under current liabilities)	**(44,995)**	(26,901)	**(63,373)**	(63,569)
Amounts payable after 12 months	**–**	41	**–**	–

Unless otherwise stated, the amounts due to subsidiaries, former subsidiary, shareholder, non-controlling shareholders, and other loans are unsecured, interest-free and repayable on demand.

The loan from non-controlling interest of $6,188,000 (2021 - $6,188,000) is for working capital loans for respective subsidiaries and are unsecured, interest-free and repayable on demand.

Loan from former intermediate holding company of a subsidiary carries a fixed interest rate of 5% per annum and repayable upon the withdrawal of fixed deposit placement matured within 12 months from reporting date. The loan was fully repaid during the financial year.

The amounts due to former immediate holding company of a subsidiary carry a fixed interest rate of 7% per annum and 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.

As at 30 September 2021, loan of $366,000 from a third party carried a fixed interest rate of 4.85% per annum, was secured by unquoted equity investment at FVTOCI (Note 13) and repayable within twelve months. During the financial year, the Group had transferred the investment pledged as full settlement of the loan to the third party.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

23 CONTRACT LIABILITIES

Group	**2022 $'000**	2021 $'000
Advance receipts from customers	**2**	1,102

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer makes advance payments prior to delivery of goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer. The decrease in advance receipts from customers was due to liabilities of PBT Engineering being included in liabilities associated with disposal group classified as held for sale.

There was no revenue recognised in the current reporting year that related to performance obligations that were satisfied in prior year.

24 PROVISIONS

Group	**2022 $'000**	2021 $'000
Provision for maintenance costs (i)	**–**	778
Provision for performance bonds (ii)	**–**	23,242
Provision for onerous contracts (iii)	**–**	1,051
Provision for liquidated damages (iv)	**–**	24,393
Provision for potential back charges from customers (v)	**–**	4,422
Provision for restoration costs (vi)	**489**	–
	489	53,886

(i) Provision for maintenance costs

Group	**2022 $'000**	2021 $'000
At beginning of the year/period	**778**	235
(Credit)/Charge to profit or loss for the year/period	**(229)**	556
Utilised	**(523)**	(13)
Derecognition of subsidiaries	**(7)**	–
Reclassification to disposal group	**(19)**	–
At end of the year/period	**–**	778

The provision for maintenance costs represents management's best estimate of the Group's liability for additional costs to be incurred for the completed projects within the warranty years granted on such completed projects. The provision for maintenance costs expense charged to profit or loss is included under cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

24 PROVISIONS (CONT'D)

(ii) Provision for performance bonds

Group	**2022** **$'000**	2021 $'000
At beginning of the year/period	**23,242**	–
Charge to profit or loss for the year/period	**–**	23,242
Derecognition of subsidiaries	**(23,242)**	–
At end of year/period	**–**	23,242

Certain subsidiaries have obtained guarantees from financial institutions to provide performance bonds to customers amounting to $8,909,000 (2021 - $37,075,000).

Provision for performance bonds as at 30 September 2021 represents management's best estimate of a subsidiary's liabilities for performance bonds called or to be called by customers in respect of construction projects undertaken by the said subsidiary.

(iii) Provision for onerous contracts

Group	**2022** **$'000**	2021 $'000
At beginning of the year/period	**1,051**	–
Charge to profit or loss for the year/period	**–**	1,051
Utilised	**(962)**	–
Reclassification to disposal group	**(89)**	–
At end of year/period	**–**	1,051

Provision for onerous contracts is in respect of remaining expected losses arising from non-cancellable construction contracts where the expected total construction costs will exceed the total construction contract revenue for certain projects.

(iv) Provision for liquidated damages

Group	**2022** **$'000**	2021 $'000
At beginning of the year/period	**24,393**	–
Charge to profit or loss for the year/period	**–**	24,393
Derecognition of subsidiaries	**(24,393)**	–
At end of year/period	**–**	24,393

Provision for liquidated damages is based on management's best estimate on the expected potential claims from customers for non-performance of construction projects undertaken by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

24 PROVISIONS (CONT'D)

(v) Provision for potential back charges from customers

Group	2022 $'000	2021 $'000
At beginning of the year/period	**4,422**	–
Charge to profit or loss for the year/period	**–**	4,422
Derecognition of subsidiaries	**(4,422)**	–
At end of year/period	**–**	4,422

Provision for potential back charges is based on management's best estimate on the expected back charges from customers on construction projects undertaken by a subsidiary.

(vi) Provision for restoration costs

Group	2022 $'000	2021 $'000
At beginning of the year/period	**–**	–
Addition	**475**	–
Unwinding of discount (Note 35)	**14**	–
At end of year/period	**489**	–

25 LEASE LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Undiscounted lease payments due:				
- Year 1	**599**	4,612	**67**	2,729
- Year 2	**462**	1,923	**17**	–
- Year 3	**133**	1,787	**–**	–
- Year 4	**102**	1,626	**–**	–
- Year 5	**97**	1,654	**–**	–
- Year 6 and onwards	**2,373**	6,001	**–**	–
	3,766	17,603	**84**	2,729
Less: Unearned interest cost	**(1,096)**	(3,104)	**(2)**	(464)
Reclassified to liabilities associated with non-current assets held for sale [Note 12(b)]	**–**	(2,265)	**–**	(2,265)
Lease liabilities	**2,670**	12,234	**82**	–
Amount shown under current liabilities	**510**	1,377	**65**	–
Amount shown under non-current liabilities	**2,160**	10,857	**17**	–
	2,670	12,234	**82**	–

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25 LEASE LIABILITIES (CONT'D)

The Group enters into leases for lease of building, leased premises, motor vehicles and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Group by entering into these contracts.

Interest expense on lease liabilities of $260,000 (2021 - $1,364,000) is recognised within "finance costs" in profit or loss (Note 35).

Lease expenses not capitalised in lease liabilities but recognised within "cost of sales and administrative expenses" in profit or loss are set out below:

Group	**Year ended 30 September 2022 $'000**	Financial period from 1 June 2020 to 30 September 2021 $'000
Short-term lease	**476**	1,012
Leases of low-value asset	**35**	14
	511	1,026

The cash outflows for all leases in the year amount to $1,668,000 (2021 - $6,168,000).

As at 30 September 2022, the Group's and the Company's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's and the Company's short-term lease expense for the year.

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

Information about the Group's leasing activities are disclosed in Note 40.

Further information about the financial risk management is disclosed in Note 4.

26 LONG-TERM BORROWINGS

	Group		**Company**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Borrowings	**10,738**	34,184	**–**	12,797
Less: Current portion due within 12 months	**(651)**	(23,452)	**–**	(12,797)
Amounts due for settlement after 12 months	**10,087**	10,732	**–**	–
Secured	**10,738**	24,184	**–**	12,797
Unsecured	**–**	10,000	**–**	–
Total	**10,738**	34,184	**–**	12,797

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

26 LONG-TERM BORROWINGS (CONT'D)

The following outstanding balances are secured with the following:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Secured with:				
Non-current assets held for sale	**–**	12,797	**–**	12,797
Leasehold building	**10,738**	11,387	**–**	–
Total	**10,738**	24,184	**–**	12,797

The Group's and the Company's long-term borrowings bear interest at rates ranging from 3.65% to 4.45% (2021 - 2.38% to 3.65%) per annum. The directors estimate the fair value of the Group's long-term borrowings to approximate the carrying amount and interest rates to approximate current market interest rates on or near the end of the reporting year.

The Group's and the Company's bank facility agreements include financial covenants. These covenants require the Group and the Company to meet certain key financial ratios.

As at 30 September 2021, The Group did not fulfil the minimum threshold required for consolidated net worth and the debt-to-equity ratio for bank borrowings amounting to $10,000,000 drawn down by two subsidiaries. These borrowings were presented as current liabilities as at prior period end. Due to the breaches, the banks are contractually entitled to request for immediate repayments of the outstanding loans. No waivers were granted by the banks. During the financial year, $5,000,000 was repaid to the banks and the remaining balance of $5,000,000 was de-recognised upon loss of control of a subsidiary (Note 44).

The Company had defaulted on loan repayment to a bank which was due on 19 February 2021. On 9 September 2021, the bank gave notice, via their solicitors, to the Company that they will be exercising their rights to take possession of the mortgaged 33CNC Property, which was classified as non-current assets held for sale as at prior period end. The sale of 33CNC Property was completed on 18 July 2022 and part of the sale proceeds was used to fully repay the loans from the bank.

26 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of (assets)/liabilities arising from financing activities

	1 June 2020 $'000	Reclassified to liabilities associated with non-current assets held for sale $'000	Financing cash flow (i) $'000	Non-cash changes: Acquisition of subsidiary $'000	Non-cash changes: Pre-termination of lease $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: New leases $'000	Non-cash changes: Finance costs (Note 35) $'000	30 September 2021 $'000
Fixed deposits pledged (Note 7)	(3,615)	–	(825)	–	–	–	–	–	(4,440)
Bank loans (Note 20)	57,302	–	(40,876)	–	–	–	–	–	16,426
Shareholder loans (Note 22)	–	–	2,968	–	–	–	–	–	2,968
Amounts due to associate	31	–	(31)	–	–	–	–	–	–
Amounts due to former immediate holding company of a subsidiary (Note 22)	–	–	(8,454)	9,985	–	–	–	–	1,531
Loan from former intermediate holding company of a subsidiary (Note 22)	–	–	1,744	–	–	–	–	–	1,744
Loan from non-controlling interest (Note 22)	8,184	–	(1,996)	–	–	–	–	–	6,188
Loan from third parties (Note 22)	–	–	601	–	–	(30)	–	–	571
Lease liabilities (Note 25)	34,105	(2,265)	(5,142)	1,885	(17,479)	(998)	764	1,364	12,234
Long-term borrowings (Note 26)	19,564	–	2,859	11,761	–	–	–	–	34,184
Accrued interest expense (Note 22)	1,112	–	(2,655)	–	–	–	–	2,122	579

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

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26 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of (assets)/liabilities arising from financing activities (Cont'd)

			Non-cash changes							
	1 October 2021 $'000	Financing cash flow [(i) below] $'000	Derecognition of subsidiaries $'000	Liabilities with subsidiary classified as held for sale $'000	Settlement via transfer of pledged asset $'000	Pre-termination of lease $'000	Foreign exchange movement $'000	New leases $'000	Finance costs (Note 35) $'000	30 September 2022 $'000
Fixed deposits pledged (Note 7)	(4,440)	1,432	–	–	–	–	–	–	–	**(3,008)**
Amount due from former immediate holding company of a subsidiary (Note 9)[(ii) below]	–	(678)	–	–	–	–	–	–	–	**(678)**
Bank loans (Note 20)	16,426	(2,677)	(13,749)	–	–	–	–	–	–	**–**
Shareholder loans (Note 22)	2,968	–	–	–	–	–	–	–	–	**2,968**
Amounts due to former immediate holding company of a subsidiary (Note 22)	1,531	(280)	–	–	–	–	–	–	112	**1,363**
Amounts due to former subsidiary (Note 22)	–	(1,230)	26,069	–	–	–	–	–	–	**24,839**
Loan from former intermediate holding company of a subsidiary (Note 22)	1,744	(1,817)	–	–	–	–	–	–	73	**–**
Loan from non-controlling interest (Note 22)	6,188	–	–	–	–	–	–	–	–	**6,188**
Loan from third parties (Note 22)	571	100	–	–	(378)	–	12	–	–	**305**
Lease liabilities (Note 25)	12,234	(1,000)	(9,198)	–	–	(422)	47	796	213	**2,670**

26 LONG-TERM BORROWINGS (CONT'D)

Reconciliation of (assets)/liabilities arising from financing activities (Cont'd)

			Non-cash changes							
	1 October 2021 $'000	Financing cash flow [(i) below] $'000	Derecognition of subsidiaries $'000	Liabilities with subsidiary classified as held for sale $'000	Settlement via share transfer $'000	Pre-termination of lease $'000	Foreign exchange movement $'000	New leases $'000	Finance costs (Note 35) $'000	30 September 2022 $'000
Lease liabilities classified as held for sale [Note 12(b)]	2,265	(157)	–	–	–	(2,155)	–	–	47	**–**
Loan from director and investor of a subsidiary classified as held for sale [Note 12(a)]	–	300	–	(300)	–	–	–	–	–	**–**
Long-term borrowings (Note 26)	34,184	(18,446)	(5,000)	–	–	–	–	–	–	**10,738**
Accrued interest expense (Note 22)	579	(1,187)	(577)	–	–	–	–	–	1,274	**89**

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) This pertains to amount held by former immediate holding company of a subsidiary for monthly repayment of long-term borrowings subsequent to financial year end. Accordingly, the cash outflow is reflected as a financing activity.

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27 FINANCIAL GUARANTEE LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial guarantee liabilities	**98,617**	–	**98,617**	75,868
Amounts shown under current liabilities	**98,617**	–	**98,617**	75,868

Financial guarantee liabilities pertain to corporate guarantee issued to counterparties for performance bonds and claims made against certain former subsidiaries.

28 SHARE CAPITAL

	2022	2021	**2022**	2021
Group and Company	**Number of ordinary shares**		**$'000**	$'000
Issued and paid up:				
At beginning and at end of year/period	**648,152,876**	648,152,876	**73,194**	73,194

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

29 TREASURY SHARES

	2022	2021	**2022**	2021
Group and Company	**Number of ordinary shares**		**$'000**	$'000
Issued and paid up:				
At beginning and at end of year/period	**1,270,400**	1,270,400	**269**	269

In 2017, the Company acquired 1,270,400 of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $269,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

The Company intends to transfer the treasury shares for the purposes of an employees' share scheme or as consideration for the acquisition of shares in or assets of another company or assets of a person.

30 CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

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31 CAPITAL RESERVE

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
At beginning and end of the year/period	**–**	–	**(274)**	(274)

The capital reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

32 REVENUE

	Continuing operations		Discontinued operations		Total	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Corporate and others:						
Rental income	**1,853**	2,329	**–**	–	**1,853**	2,329
Sales of goods	**–**	5	**–**	–	**–**	5
Engineering and Construction:						
Construction engineering contracts	**–**	–	**52,554**	75,564	**52,554**	75,564
Infrastructure:						
Rental and related services income	**15**	24	**644**	3,421	**659**	3,445
Sale of goods	**2,906**	3,001	**–**	–	**2,906**	3,001
Waste and recycling management services	**25,639**	37,309	**–**	–	**25,639**	37,309
Total	**30,413**	42,668	**53,198**	78,985	**83,611**	121,653

Revenue from construction engineering contracts (discontinued operations) is derived after deducting provision for liquidated damages of $NIL (2021 - $24,393,000) [Note 24(iv)].

	Continuing operations		Discontinued operations		Total	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Timing of revenue recognition from contract with customers, excluding rental income						
At a point in time:						
Sale of goods	**2,906**	3,006	**–**	–	**2,906**	3,006
Short-term construction engineering services	**–**	–	**254**	3,833	**254**	3,833
Over time:						
Construction engineering contracts	**–**	–	**52,300**	71,731	**52,300**	71,731
Waste and recycling management services	**25,639**	37,309	**–**	–	**25,639**	37,309
Services income	**–**	–	**92**	535	**92**	535
Total	**28,545**	40,315	**52,646**	76,099	**81,191**	116,414

Revenue from construction engineering contracts recognised over time is based on the percentage of completion basis.

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33 OTHER OPERATING INCOME

Group	Continuing operations 2022 $'000	Continuing operations FP2021 Re-presented $'000	Discontinued operations 2022 $'000	Discontinued operations FP2021 Re-presented $'000	Total 2022 $'000	Total FP2021 $'000
Interest income arising from:						
Fixed deposits	**8**	–	**–**	–	**8**	–
Others	**16**	13	**2**	17	**18**	30
	24	13	**2**	17	**26**	30
Amortisation of financial guarantee liabilities	**–**	75	**–**	–	**–**	75
Gain on disposal of financial assets at FVTPL	**–**	545	**–**	–	**–**	545
Gain/(loss) on disposal of plant and equipment	**137**	166	**16**	(19)	**153**	147
Gain on pretermination of lease	**–**	862	**15**	–	**15**	862
Gain on disposal of non-current asset held for sale	**9**	–	**–**	–	**9**	–
Government grants	**472**	1,722	**259**	4,516	**731**	6,238
Management fees income	**–**	–	**16**	116	**16**	116
Service fees income	**–**	83	**–**	7	**–**	90
Rebate from purchaser	**–**	100	**–**	–	**–**	100
Others	**276**	242	**43**	76	**319**	318
Total	**918**	3,808	**351**	4,713	**1,269**	8,521

Included in government grants are:

(i) Job Support Scheme ("JSS") grant of $128,000 (2021 - $2,946,000) from the Singapore Government to help employers to retain their local employees during the year of economic uncertainty as a result of COVID-19. JSS grant income is allocated over the year of uncertainty to match the related staff costs for which the grant is intended to compensate;

(ii) Construction Restart Booster of $Nil (2021 - $1,381,000), a temporary scheme introduced in the Construction Support Package announced on 27 June 2020, to help construction firms to defray costs in procuring additional material/equipment to comply with COVID – Safe Worksite requirements to ensure works resume safely; and

(iii) Safe Management Officer ("SMO") Support of $9,000 (2021 - $Nil), a temporary scheme introduced in the Construction Support Package announced on 27 June 2020, to support main contractors required by Building and Construction Authority to have one SMO per construction project as part of Covid-Safe Worksite requirements.

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34 OTHER OPERATING EXPENSES

	Continuing operations		**Discontinued operations**		**Total**	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Amortisation of intangible asset (Note 16)	**–**	310	**–**	–	**–**	310
Change in fair value of investment properties (Note 18)	**–**	3,705	**820**	627	**820**	4,332
Change in fair value of non-current asset held for sale	**115**	–	**–**	–	**115**	–
Impairment loss on property, plant and equipment (Note 17)	**84**	2,482	**–**	–	**84**	2,482
Loss on disposal of subsidiary (Note 43)	**–**	–	**–**	470	**–**	470
Loss on disposal of associate (Note 14)	**–**	1,324	**–**	–	**–**	1,324
Loss on disposal of financial asset at FVTOCI	**22**	–	**–**	–	**22**	–
Net foreign currency exchange adjustment loss/(gain)	**9**	(202)	**116**	553	**125**	351
Property, plant and equipment written off	**15**	1	**7**	–	**22**	1
Trade receivables written off	**–**	–	**–**	2,119	**–**	2,119
Other receivables written off	**–**	31	**8**	–	**8**	31
Due from former subsidiaries written off	**23,621**	2,072	**–**	–	**23,621**	2,072
Contract assets written off	**–**	–	**–**	55,751	**–**	55,751
Others	**–**	292	**46**	–	**46**	292
Total	**23,866**	10,015	**997**	59,520	**24,863**	69,535

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35 FINANCE COSTS

	Continuing operations		Discontinued operations		Total	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Interest on borrowings and bank overdrafts	**1,080**	785	**379**	1,337	**1,459**	2,122
Interest on lease liabilities (Note 25)	**156**	773	**104**	591	**260**	1,364
Unwinding of discount on provision for restoration cost (Note 24)	**14**	–	**–**	–	**14**	–
Total	**1,250**	1,558	**483**	1,928	**1,733**	3,486

36 INCOME TAX (CREDIT)/EXPENSE

	Continuing operations		Discontinued operations		Total	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Current:						
- Profit for the year/period	**272**	168	**–**	8	**272**	176
- Adjustment in respect of prior years	**(52)**	(199)	**(13)**	–	**(65)**	(199)
- Withholding tax expenses	**1**	27	**4**	–	**5**	27
Deferred:						
- (Credit)/Charge for the year/period	**(453)**	(65)	**(27)**	561	**(480)**	496
	(232)	(69)	**(36)**	569	**(268)**	500

Domestic income tax is calculated at 17% (2021 - 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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36 INCOME TAX EXPENSE (CONT'D)

The total charge for the year can be reconciled to the accounting loss as follows:

Group	**2022** **$'000**	FP2021 Re-presented $'000
(Loss)/Profit before tax		
- Continuing operations	**(24,599)**	(8,527)
- Discontinued operations	**68,802**	(190,712)
Less:		
Share of results of associates and joint venture (Note 14)	**(380)**	(949)
	43,823	(200,188)
Tax at the domestic income tax rate of 17% (2021 - 17%)	**7,450**	(34,032)
Non-taxable income[(i)]	**(15,454)**	(667)
Non-deductible expenses[(ii)]	**7,591**	1,859
Losses of subsidiaries under liquidation	**1,137**	31,717
Deferred tax benefits not recognised	**66**	2,057
Deferred tax benefits previously not recognised now utilised	**(147)**	(386)
Tax effect of previously unrecognised and unused tax benefits now recognised as deferred tax assets	**(431)**	–
Over provision of income tax in prior years	**(52)**	(199)
Effect of different tax rates of overseas operations	**(327)**	32
Exempt income and tax rebate	**(54)**	(17)
Withholding tax	**5**	27
Others	**(52)**	109
	(268)	500

(i) Non-taxable income comprises mainly tax impact on accounting gain on derecognition of subsidiaries upon loss of control of $90,422,000 (2021 – NIL).

(ii) Non-deductible expenses comprise mainly tax impact on impairment loss on non-trade amount due from former subsidiaries of $17,786,000 (2021 – NIL) and amounts due from former subsidiaries of $23,621,000 (2021 - $2,072,000) written off.

Unutilised tax losses and temporary differences

Subject to the agreement by the tax authorities, the Group has unutilised tax losses of $9.1 million (2021 - $10.2 million) and other temporary differences of $1.0 million (2021 - $2.8 million) available for offset against future profits. Deferred tax assets have been recognised in respect of $1.2 million (2021 – NIL) of these unutilised tax losses and $0.8 million (2021 – NIL) of these temporary differences. No deferred tax asset has been recognised in respect of the remaining $7.9 million (2021 - $10.2 million) of tax losses and $0.2 million (2021 - $2.8 million) of temporary differences due to the unpredictability of future profit streams. The tax losses and temporary differences may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined. Deferred tax asset not recognised in prior period in respect of $2.1 million was derecognised during the year upon loss of control of a subsidiary.

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37 PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM DISCONTINUED OPERATIONS

On 1 June 2021, the Group disposed of its entire 100% stake in subsidiary, TEE HK Limited ("TEE HK").

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

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

	Engineering and Construction Segment		**TEE HK**	**Total**
	2022	FP2021	FP2021	FP2021
Group	**$'000**	$'000	$'000	$'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	**(1,203)**	(5,633)	(124)	(5,757)
Other operating expenses	**(997)**	(58,910)	(610)	(59,520)
Share of results of associates (Note 14)	**–**	3	–	3
Finance costs	**(483)**	(1,928)	–	(1,928)
Impairment loss on financial assets and contract assets	**(22,503)**	(6,920)	–	(6,920)
Contract assets written back	**18**	–	–	–
Loss before tax	**(21,640)**	(190,030)	(682)	(190,712)
Income tax expense/(credit)	**36**	(569)	–	(569)
Loss after taxation	**(21,604)**	(190,599)	(682)	(191,281)
Net gain on de-recognition of subsidiaries upon loss of control	**90,442**	–	–	–
Profit/(loss) for the year	**68,838**	(190,599)	(682)	(191,281)

The cash flows attributable to discontinued operations of TEE HK are set out below:

	FP2021
Group	$'000
Net cash used in operating activities	(105)
Net cash from investing activities	129
Net cash used in financing activities	(13)
Net cash inflows	11

The fair value of identifiable assets and liabilities of TEE HK at date of disposal are disclosed in Note 43.

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37 PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM DISCONTINUED OPERATIONS (CONT'D)

The cash flows attributable to discontinued operations of Engineering and Construction Segment are set out below:

Group	2022 $'000	FP2021 $'000
Net cash from/(used in) operating activities	**7,917**	(5,030)
Net cash from/(used in) investing activities	**87**	(4,155)
Net cash used in financing activities	**(8,076)**	(27,105)
Net cash outflows	**(72)**	(36,290)

The fair value of identifiable assets and liabilities of Trans Group and TEE E&C (M) at date of derecognition are disclosed in Note 44.

38 PROFIT/(LOSS) FOR THE YEAR/PERIOD

Profit/(loss) for the year/period has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
Group	2022 $'000	FP2021 Re-presented $'000	2022 $'000	FP2021 Re-presented $'000	2022 $'000	FP2021 $'000
Directors' remuneration:						
Directors of the Company	**631**	1,158	**–**	–	**631**	1,158
Directors of the subsidiaries	**456**	542	**271**	756	**727**	1,298
Employee benefits expense (including directors' remuneration)	**9,883**	12,941	**4,679**	18,554	**14,562**	31,495
Costs of defined contribution plans included in employee benefits expense	**514**	437	**117**	238	**631**	675
Audit fees:						
Auditors of the Company:						
- current year	**212**	189	**45**	54	**257**	243
- adjustment in respect of prior year	**8**	–	**(1)**	–	**7**	–
Other auditors:						
- current year	**–**	7	**9**	36	**9**	43
- adjustment in respect of prior year	**(5)**	–	**–**	–	**(5)**	–

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38 PROFIT/(LOSS) FOR THE YEAR/PERIOD (CONT'D)

Profit/(loss) for the year/period has been arrived at after charging/(crediting) (Cont'd):

Group	Continuing operations 2022 $'000	Continuing operations FP2021 Re-presented $'000	Discontinued operations 2022 $'000	Discontinued operations FP2021 Re-presented $'000	Total 2022 $'000	Total FP2021 $'000
Non-audit fees:						
Auditors of the Company:						
- current year	**7**	–	**–**	30	**7**	30
- adjustment in respect of prior year	**(23)**	120	**–**	–	**(23)**	120
Other auditors:						
- current year	**24**	–	**2**	3	**26**	3
- adjustment in respect of prior year	**(8)**	–	**2**	–	**(6)**	–
Amortisation of deferred commission expenses*	**9**	418	**–**	–	**9**	418
Amortisation of issuance costs on notes payable **	**–**	39	**–**	–	**–**	39
Amortisation of intangible assets	**–**	310	**–**	–	**–**	310
Depreciation of property, plant and equipment, including ROU assets	**2,500**	4,350	**29**	399	**2,529**	4,749
Trade receivables written off	**–**	–	**–**	2,119	**–**	2,119
Other receivables written off	**–**	31	**8**	–	**8**	31
Due from former subsidiaries written off	**23,621**	2,072	**–**	–	**23,621**	2,072
Contract assets written off	**–**	–	**–**	55,751	**–**	55,751
Contract assets written back	**–**	–	**(18)**	–	**(18)**	–
Impairment loss on property, plant and equipment (Note 17)	**84**	2,482	**–**	–	**84**	2,482
Impairment loss on financial assets and contract assets						
- Trade receivables (Note 8)	**74**	164	**–**	6,920	**74**	7,084
- Other receivables (Note 9)	**107**	–	**17,679**	–	**17,786**	–
- Contract assets (Note 11)	**–**	–	**4,824**	–	**4,824**	–
	181	164	**22,503**	6,920	**22,684**	7,084
Impairment loss on financial assets written back						
- Other receivables (Note 9)	**–**	(51)	**–**	–	**–**	(51)

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38 PROFIT/(LOSS) FOR THE YEAR/PERIOD (CONT'D)

Profit/(loss) for the year/period has been arrived at after charging/(crediting) (Cont'd):

	Continuing operations		Discontinued operations		Total	
		FP2021		FP2021		
	2022	Re-presented	**2022**	Re-presented	**2022**	FP2021
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Accrual for back-charge from customer (Note 21)	**–**	–	**–**	3,966	**–**	3,966
Provision for onerous contract (Note 24)	**–**	–	**–**	1,051	**–**	1,051
Provision for performance bonds (Note 24)	**–**	–	**–**	23,242	**–**	23,242
Provision for liquidated damages (Note 24)	**–**	–	**–**	24,393	**–**	24,393
Provision for potential back charge from customers (Note 24)	**–**	–	**–**	4,422	**–**	4,422
Gain on de-recognition of subsidiaries upon loss of control (Note 37)	**–**	–	**(90,442)**	–	**(90,442)**	–

* Included in cost of sales in the consolidated statement of profit or loss in Note 37.

** Included in administrative expenses in the consolidated statement of profit or loss.

Retirement Benefit Obligations

The employees of the Company and certain of its subsidiaries are members of state-managed retirement benefit plans. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

As at 30 September 2022, contributions of $46,000 (2021 - $41,000) due in respect of current year/period had not been paid over to the plans.

39 PROFIT/(LOSS) PER SHARE

The calculation of basic earnings per ordinary share is based on Group's profit attributable to owners of the Company of $43,688,000 (2021 – loss of $201,716,000) divided by the weighted average number of ordinary shares (excluding treasury shares) of 646,882,476 (2021 - 646,882,476) in issue during the year.

Fully diluted loss per ordinary share is calculated based on 646,882,476 (2021 - 646,882,476) ordinary shares.

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39 PROFIT/(LOSS) PER SHARE (CONT'D)

From continuing and discontinued operations

Group	**Year ended 30 September 2022** Basic $'000	**Diluted $'000**	Financial period from 1 June 2020 to 30 September 2021 Basic $'000	Diluted $'000
Profit/(loss) attributable to owners of the Company	**43,688**	**43,688**	(201,716)	(201,716)
Weighted average number of ordinary shares (excluding treasury shares) for the purposes of basic/diluted earnings per share	**646,882,476**	**646,882,476**	646,882,476	646,882,476
Profit/(loss) per share (cents)	**6.75**	**6.75**	(31.18)	(31.18)

From continuing operations

Group	**Year ended 30 September 2022** Basic $'000	**Diluted $'000**	Financial period from 1 June 2020 to 30 September 2021 Re-presented Basic $'000	Diluted $'000
Loss attributable to owners of the Company	**(25,413)**	**(25,413)**	(10,110)	(10,110)
Weighted average number of ordinary shares (excluding treasury shares) for the purposes of basic/diluted earnings per share	**646,882,476**	**646,882,476**	646,882,476	646,882,476
Loss per share (cents)	**(3.93)**	**(3.93)**	(1.56)	(1.56)

From discontinued operations

Group	**Year ended 30 September 2022** Basic $'000	**Diluted $'000**	Financial period from 1 June 2020 to 30 September 2021 Re-presented Basic $'000	Diluted $'000
Profit/(loss) attributable to owners of the Company	**69,101**	**69,101**	(191,606)	(191,606)
Weighted average number of ordinary shares (excluding treasury shares) for the purposes of basic/diluted earnings per share	**646,882,476**	**646,882,476**	646,882,476	646,882,476
Profit/(loss) per share (cents)	**10.68**	**10.68**	(29.62)	(29.62)

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40 LEASES

The Group leases leasehold land and premises, motor vehicles and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed on the Group by entering into these contracts.

The leases for certain leased premises contain extension years for which the related lease payments has been included in lease liabilities as the Group is reasonably certain to exercise these extension options. The leases for certain leased premises also include termination options. The Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

The Group as lessee

(a) Carrying amounts

ROU assets classified within property, plant and equipment

Group	**2022** **$'000**	2021 $'000
Leasehold land	**1,703**	1,761
Leased premises	**692**	611
Motor vehicles	**40**	274
Machinery and tools	**30**	79
Office equipment	**69**	145
	2,534	2,870

ROU assets classified within investment properties

The right-of-use assets relating to the leasehold land and building presented under Investment properties are stated at fair value and have carrying amounts at the statement of financial position date of $Nil (2021 - $9,396,000) for the Group.

(b) Depreciation charge during the year/period

Group	**Year ended 30 September 2022** **$'000**	Financial period from 1 June 2020 to 30 September 2021 $'000
Leasehold land	**58**	856
Leased premises	**454**	834
Motor vehicles	**14**	111
Machinery and tools	**30**	55
Office equipment	**23**	36
	579	1,892

(c) Additions of ROU assets during the financial year were $796,000 (2021 - $764,000).

(d) Information regarding the Group's and the Company's lease liabilities are disclosed in Note 25.

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40 LEASES (CONT'D)

The Group and Company as lessor

The Group and Company rent out its investment properties under operating lease to outside parties. Property rental income earned by the Group and Company during the year was $2,176,000 (2021 - $5,072,000) and $1,624,000 (2021 - $2,186,000), respectively.

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting date are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Undiscounted lease payments to be received:				
- Year 1	**235**	5,373	**–**	2,032
- Year 2	**235**	2,047	**–**	–
- Year 3	**215**	235	**–**	–
- Year 4	**–**	20	**–**	–
- Year 5	**–**	–	**–**	–
- Year 6 and onwards	**–**	–	**–**	–
	685	7,675	**–**	2,032

41 SEGMENT INFORMATION

The Group is organised into two major business segments/operating divisions – Corporate & Others and Infrastructure. The divisions are the basis on which the Group reports its segment information. Certain assets, liabilities and profit and loss items are also reallocated to the respective segments. The accounting policies of these reportable segments are the same as the Group's accounting policies described in Note 2.

(i) Segment 1: Corporate & Others – involves a range of activities from corporate exercises and include income and expenses not attributable to other operating segments

(ii) Segment 2: 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

(iii) Segment 3: Engineering and Construction – involves providing mechanical and electrical engineering services, and asset enhancement initiatives 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

Reportable Operating Segment Information

In accordance with SFRS(I) 8 *Operating Segments*, management has determined the operating segments based on the reports regularly reviewed by the Group Chief Executive that are used to make strategic decisions.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expenses reported in the Group's profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of cash and bank balances, operating receivables, investments, contract assets, inventories, investment in associates, deferred tax assets, property, plant and equipment, intangible assets and investment properties, net of allowances. Segment liabilities include all operating liabilities used by a segment and consist principally of bank loans and overdrafts, operating payables, provisions, income tax payable, lease liabilities, long-term borrowings, notes payable, financial guarantee liabilities and deferred tax liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between operating segments. Inter-segment sales are charged at cost plus a percentage of profit mark-up. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

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41 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Infrastructure		Engineering and Construction (Discontinued operations)		Elimination		Group	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'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	**(23,736)**	(10,980)	**1,327**	2,928	**67,969**	(187,891)	**(4)**	(759)	**45,556**	(196,702)
Share of results of associates and joint venture	**–**	–	**380**	946	**–**	3		–	**380**	949
Finance costs	**(1,038)**	(816)	**(212)**	(1,398)	**(487)**	(1,951)	**4**	679	**(1,733)**	(3,486)
(Loss)/Profit before tax	**(24,774)**	(11,796)	**1,495**	2,476	**67,482**	(189,839)	**–**	(80)	**44,203**	(199,239)
Income tax credit/(expense)	**(86)**	87	**318**	(18)	**36**	(569)	**–**	–	**268**	(500)
(Loss)/Profit for the year/period	**(24,860)**	(11,709)	**1,813**	2,458	**67,518**	(190,408)	**–**	(80)	**44,471**	(199,739)
Segment assets										
Segment assets	**23,930**	44,288	**18,599**	20,104	**14,212**	42,218	**–**	–	**56,741**	106,610
Investment in associates and joint venture	**–**	–	**4,927**	5,001	**–**	–	**–**	–	**4,927**	5,001
Deferred tax assets	**–**	9	**447**	2	**–**	49	**–**	–	**447**	60
Total assets	**23,930**	44,297	**23,973**	25,107	**14,212**	42,267	**–**	–	**62,115**	111,671
Segment liabilities										
Segment liabilities	**131,600**	10,026	**14,220**	17,095	**39,125**	196,321	**–**	–	**184,945**	223,442
Loans, borrowings and lease liabilities	**12,536**	28,284	**872**	788	**–**	36,740	**–**	–	**13,408**	65,812
Income tax payable	**559**	570	**145**	48	**–**	2,956	**–**	–	**704**	3,574
Deferred tax liabilities	**–**	–	**103**	120	**–**	–	**–**	–	**103**	120
Total liabilities	**144,695**	38,880	**15,340**	18,051	**39,125**	236,017	**–**	–	**199,160**	292,948

NOTES TO THE FINANCIAL STATEMENTS
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41 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Infrastructure		Engineering and Construction (Discontinued Operations)		Elimination		Group	
	2022 $'000	FP2021 Re-presented $'000	**2022 $'000**	FP2021 Re-presented $'000	**2022 $'000**	FP2021 Re-presented $'000	**2022 $'000**	FP2021 $'000	**2022 $'000**	FP2021 $'000
Other information										
Depreciation	**703**	390	**1,797**	3,960	**29**	399	**–**	–	**2,529**	4,749
Change in fair value of investment properties	**–**	3,705	**–**	–	**820**	627	**–**	–	**820**	4,332
Change in fair value of non-current asset held for sale	**115**	–	**–**	–	**–**	–	**–**	–	**115**	–
Impairment loss on trade receivables	**–**	–	**74**	164	**–**	6,920	**–**	–	**74**	7,084
Impairment loss on contract assets	**–**	–	**–**	–	**4,824**	–	**–**	–	**4,824**	–
Trade receivables written off	**–**	–	**–**	–	**–**	2,119	**–**	–	**–**	2,119
Other receivables written off	**–**	–	**–**	31	**8**	–	**–**	–	**8**	31
Due from former subsidiaries written off	**23,621**	2,072	**–**	–	**–**	–	**–**	–	**23,621**	2,072
Contract assets written off	**–**	–	**–**	–	**–**	55,751	**–**	–	**–**	55,751
Impairment loss on other receivables	**107**	–	**–**	–	**17,679**	–	**–**	–	**17,786**	–
Impairment loss on investment in associates	**–**	–	**–**	1,324	**–**	–	**–**	–	**–**	1,324
Loss/(Gain) on disposal of property, plant and equipment	**22**	–	**(159)**	(166)	**(16)**	19	**–**	–	**(153)**	(147)
Property, plant and equipment written off	**–**	–	**15**	1	**7**	–	**–**	–	**22**	1
Amortisation of intangible asset	**–**	–	**–**	310	**–**	–	**–**	–	**–**	310
Loss on disposal of subsidiary	**–**	–	**–**	–	**–**	470	**–**	–	**–**	470

NOTES TO THE FINANCIAL STATEMENTS

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41 SEGMENT INFORMATION (CONT'D)

	Corporate & Others		Infrastructure		Engineering and Construction (Discontinued Operations)		Elimination		Group	
	2022	FP2021 Re-presented	**2022**	FP2021 Re-presented	**2022**	FP2021 Re-presented	**2022**	FP2021	**2022**	FP2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Other information										
Gain on disposal of financial assets at FVTPL	**–**	(545)	**–**	–	**–**	–	**–**	–	**–**	(545)
Loss on disposal of financial asset at FVTOCI	**–**	–	**22**	–	**–**	–	**–**	–	**22**	–
Purchase of property, plant and equipment	**145**	23,385	**1,664**	973	**80**	190	**–**	–	**1,889**	24,548
Amortisation of deferred commission expenses	**9**	418	**–**	–	**–**	–	**–**	–	**9**	418
Impairment loss on property, plant and equipment	**–**	1,748	**84**	734	**–**	–	**–**	–	**84**	2,482
Gain on de-recognition of subsidiaries upon loss of control	**–**	–	**–**	–	**(90,442)**	–	**–**		**(90,442)**	–
Gain on pre-termination of lease	**–**	–	**–**	(862)	**(15)**	–	**–**	–	**(15)**	(862)
Accrual for back-charge from customer	**–**	–	**–**	–	**–**	3,966	**–**	–	**–**	3,966
Provision for onerous contract	**–**	–	**–**	–	**–**	1,051	**–**	–	**–**	1,051
Provision for performance bonds	**–**	–	**–**	–	**–**	23,242	**–**	–	**–**	23,242
Provision for liquidated damages	**–**	–	**–**	–	**–**	24,393	**–**	–	**–**	24,393
Provision for potential back charge from customers	**–**	–	**–**	–	**–**	4,422	**–**	–	**–**	4,422

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

41 SEGMENT INFORMATION (CONT'D)

Geographical Information

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment non-current assets: Segment non-current assets (excluding financial instruments and deferred tax assets) are analysed based on the location of those assets.

	Revenue		Non-current assets	
	2022	FP2021	**2022**	FP2021
	$'000	$'000	**$'000**	$'000
Singapore	**82,967**	118,070	**24,278**	25,712
Thailand	**644**	3,421	**–**	9,412
Philippines	**–**	–	**4,927**	5,001
Hong Kong	**–**	162	**–**	–
Total	**83,611**	121,653	**29,205**	40,125

42 ACQUISITION OF SUBSIDIARY

On 24 March 2021, the Group acquired 100% equity interest in TEE Industrial Pte. Ltd. ("TEE Industrial") for a consideration of $38,000. The principal activity of TEE Industrial is that of operating an industrial building for rental. The Group has made the purchase to increase its portfolio of commercial properties.

The assets in TEE Industrial largely consist of the leasehold property located at 25 Bukit Batok Street 22, Singapore ("TEE Building") without substantive processes. Accordingly, the Group has accounted for the purchase of TEE Industrial as an asset acquisition in these financial statements.

Details of the acquired assets and assumed liabilities as recognised by the Group at the acquisition date, and the effects on the cash flows of the Group, are as follows:

	As at 24 March 2021 $'000
Effects on acquisition	
Right-of-use assets	1,885
Property, plant and equipment	21,500
	23,385
Trade receivables and other receivables	4,294
Trade payables and other payables	(3,887)
Amount due to former immediate holding company	(9,985)
Lease liabilities	(1,885)
Long-term borrowing	(11,761)
Income tax payable	(123)
Net identifiable assets	38
Consideration payable (Note 22)	(38)
Net cash outflow from acquisition of a subsidiary	–
Repayment of amount due to former immediate holding company	8,454
Total cash outflow	8,454

43 DISPOSAL OF SUBSIDIARY

On 1 June 2021, the Group disposed of its entire 100% stake in TEE HK Limited. The fair value of identifiable assets and liabilities disposed of were as follows:

	As at 1 June 2021 $'000
Effects on disposal	
Cash and bank balances	11
Trade receivables and other receivables	347
Contract assets	2,657
Property, plant and equipment	1
Trade payables and other payables	(2,424)
Income tax payable	(223)
Net assets in a subsidiary	369
Add: Foreign currency translation in disposal group	101
Net	470
Loss on disposal of subsidiary (Note 34)	(470)
Consideration	–
Cash and bank balances disposed of	(11)
Net cash outflow from the disposal of a subsidiary	(11)

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44 DE-RECOGNITION OF SUBSIDIARIES UPON LOSS OF CONTROL

On 12 January 2022, Trans Equatorial was placed under CVL as disclosed in Note 1(c). As a result, 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").

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	**1,359**
Trade receivables and other receivables	**27,302**
Contract assets	**778**
Property, plant and equipment (inclusive of Right-of-use assets)	**225**
Investment properties (Note 18)	**8,626**
Deferred tax assets (Note 19)	**76**
Bank loans and overdraft	**(13,749)**
Trade payables and other payables	**(132,527)**
Contract liabilities	**(897)**
Provisions	**(52,064)**
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 27)	**82,997**
Net	**(94,791)**
Gain on de-recognition	**94,791**
	–
Cash and cash equivalents disposed of	**(1,359)**
Net cash outflow from the de-recognition upon loss of control	**(1,359)**

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

44 DE-RECOGNITION OF SUBSIDIARIES UPON LOSS OF CONTROL (CONT'D)

Further on 16 June 2022, TEE E&C (M) was wound up under the provisions of the Companies Act 2016 of Malaysia and the Receiving Officer/Director General of Insolvency was appointed as the liquidator to TEE E&C (M). Accordingly, consolidation of TEE E&C (M) and its subsidiary (collectively "TEE E&C (M) Group") ceased when the Company ceased to control these entities.

TEE E&C (M) Group	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 27)	**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 $90,442,000 (Note 37) for financial year ended 30 September 2022.

NOTES TO THE FINANCIAL STATEMENTS
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45 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

The effects of the re-presentation of the comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		
	FP2021 as previously presented $'000	Reclassification $'000	FP2021 as Re-presented $'000
Continuing operations			
Revenue	121,491	(78,823)	42,668
Cost of sales	(234,849)	200,134	(34,715)
Gross loss	(113,358)	121,311	7,953
Other operating income	8,477	(4,669)	3,808
Administrative expenses	(15,181)	5,633	(9,548)
Other operating expenses	(68,925)	58,910	(10,015)
Share of results of associates	949	(3)	946
Finance costs	(3,486)	1,928	(1,558)
Impairment loss on financial assets and contract assets	(7,084)	6,920	(164)
Impairment loss on financial assets written back	51	–	51
Loss before taxation	(198,557)	190,030	(8,527)
Income tax expense	(500)	569	69
Loss for the period from continuing operations	(199,057)	190,599	(8,458)

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

45 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

The effects of the re-presentation of the comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Group		
	FP2021 as previously presented $'000	Reclassification $'000	FP2021 as Re-presented $'000
Loss for the period from discontinued operations, net of tax	(682)	(190,599)	(191,281)
Loss for the period	(199,739)	–	(199,739)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences	(187)	276	89
Foreign currency translation differences of associate	–	(675)	(675)
Foreign currency translation differences realised on disposal of subsidiaries recycled to profit or loss	–	101	101
Foreign currency translation differences realised on disposal of associate recycled to profit or loss	–	298	298
Other comprehensive loss for the period, at nil tax	(187)	–	(187)
Total comprehensive loss for the period	(199,926)	–	(199,926)

STATEMENT OF CASH FLOWS

	Group		
	FP2021 as previously presented $'000	Reclassification $'000	FP2021 as Re-presented $'000
Operating activities			
Loss before tax from continuing operations	(198,557)	190,030	(8,527)
Loss before tax from discontinued operations	(682)	(190,030)	(190,712)
Other receivables written off	2,103	(2,072)	31
Due from former subsidiaries written off	–	2,072	2,072

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30 September 2022

46 ADOPTION OF NEW AND REVISED STANDARDS

On 1 October 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for current or prior years except as discussed as below:

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, 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

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2*

The amendments enable entities to reflect the effects of transitioning from benchmark interest rates, such as interbank offer rates to alternative benchmark interest rates, without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments affect in particular those entities with financial assets, financial liabilities or lease liabilities that are subject to interest rate benchmark reform and those that apply the hedge accounting reequipments in SFRS(I) 9 or SFRS(I) 1-39 to hedging relationships that are affected by the reform.

The key reliefs provided by the amendments are as follows:

- Changes to contractual cash flows – When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes required by the reform will not result in an immediate gain or loss in profit or loss.

- Hedge accounting – The hedge accounting reliefs will allow most SFRS(I) 9 or SFRS(I) 1-39 hedge relationships directly affected by the reform to continue. However, additional ineffectiveness might need to be recorded.

There is no significant impact to the consolidated financial statements.

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

The amendment provides a relief to lessees in accounting for rent concessions occurring as a direct consequence of the COVID-19 pandemic. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19 related rent concession as if the change were not a lease modification. The practical expedient initially applies only to reductions in lease payments due on or before 30 June 2021, but that date has been subsequently extended to 30 June 2022.

The amendment is applied retrospectively, and the cumulative effect of initial application is recognised in the opening retained earnings (or other component of equity, as appropriate) of the reporting period in which the amendment is first applied. The Group has applied the practical expedient to all of the applicable COVID-19 related rent concessions it has obtained as lessee.

There is no significant impact to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

47 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the Group and the Company were issued but not effective.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1	*Subsidiary as a First-time Adopter*	1 January 2022
Amendments to SFRS(I) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
Amendments to SFRS(I) 1-41	*Taxation in Fair Value Measurements*	1 January 2022
SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 17	*Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendment to SFRS(I) 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*	1 January 2024

Management anticipates that the adoption of the standards above will not have a material impact on the financial statements of the Group in the year of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

48 CONTINGENT LIABILITIES

Arbitration Proceedings

The Company released an announcement on 19 September 2020 that a Malaysian client ("Claimant") has on 6 March 2020 commenced two sets of arbitration proceedings, as follows: (a) Arbitration proceedings against TEE E&C (Malaysia) Sdn Bhd ("TEE E&C (M)"), a wholly-owned subsidiary of the Company in Malaysia (the "Malaysia Arbitration"); and (b) Arbitration proceedings against the Company in Singapore (the "Singapore Arbitration"), (collectively, the "Arbitration Proceedings"). The Arbitration Proceedings are in respect of disputes between the Claimant and TEE E&C (M) arising out of and/or in connection with a construction contract dated 30 June 2014. The Company is the Corporate Guarantor of TEE E&C (M) under the construction contract.

The Claimant is claiming for a total of RM55.99 million ($18.45 million) comprising of the following items: (a) liquidated damages; (b) costs of rectification of alleged defects; (c) loss of profits due to delay; (d) additional costs and expenses; and (e) direct payments to TEE E&C (M)'s sub-contractors.

In view of the Adjudication Application as described below, the Company has filed an application to stay the Singapore Arbitration pending the resolution of the Malaysia Arbitration, supported by the Company's undertaking be bound by the outcome of the Malaysia Arbitration.

Adjudication Application

Prior to the initiation of the above Arbitration Proceedings by the Claimant, TEE E&C (M) filed an Adjudication Application in Malaysia on 26 September 2019 against the Claimant under the Construction Industry Payment and Adjudication Act 2012 Malaysia for outstanding payments. On 16 March 2020, the Adjudication Determination for the Adjudication Application was issued to both parties.

Under the Adjudication Application, the Claimant claimed a total of RM34.58 million ($11.39 million) for (a) liquidated damages; (b) costs of rectification of alleged defects; and (c) direct payments to TEE E&C (M)'s sub-contractors, while TEE E&C (M) claimed for RM5.50 million ($1.81 million) for value of work done but unpaid.

Under the Adjudication Determination, the Adjudicator (a) rejected the Claimant's claims on liquidated damages; (b) awarded RM3.76 million ($1.24 million) to the Claimant for rectification of alleged defects out of the Claimant's claim of RM24.77 million ($8.16 million); (c) awarded RM2.97 million ($0.98 million) to the Claimant for direct payments to TEE E&C (M)'s sub-contractors; and awarded fully RM5.50 million ($1.81 million) to TEE E&C (M) for unpaid work.

The above Adjudication Determination result in a net payable of RM1.23 million ($0.41 million) to the Claimant. These costs and billings awarded by the Adjudicator has been recognised in the financial statements for FP2021.

Thereafter, TEE E&C (M) proposed a settlement with the Claimant based on the conditions set out in the Adjudication Determination. The Claimant however, rejected TEE E&C (M)'s proposed settlement.

Management's assessment

The Executive Directors had evaluated these claims and are of the view that the amount claimed by the Claimant are excessive and without merit. Accordingly, no provision for claim items (a), (c) and (d) under the Arbitration proceedings have been made in the financial statements. In respect of item (b) and (e) under the Arbitration proceedings, the costs and the billings awarded by the Adjudicator have been recognised in the financial statements for financial year ended 31 May 2020.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

48 CONTINGENT LIABILITIES (CONT'D)

Arbitration Proceedings (Cont'd)

The Group has sought further legal advice and intends to vigorously pursue its defence against the Claimant.

Update for FY2022

There are no material developments since previous financial period. Both parties have agreed on a list of procedural matters relating to the Malaysia Arbitration, and based on the procedural timetable, such proceedings are expected to take place till the second half of 2022. In view of the on-going discussions and negotiations to arrive at an amicable solution, the arbitrator was informed that both parties are currently in settlement discussion and asked that the arbitration proceeding continue to be held in abeyance. The arbitrator ultimately allowed the request and directed that the arbitration proceedings continue to be held in abeyance pending the finalisation of negotiations between the parties on a possible settlement. A further status conference has been fixed on first quarter of 2023.

In respect of the Singapore Arbitration, the tribunal has on 30 October 2020 ruled that the tribunal has jurisdiction to determine the dispute that has been referred to it in the Singapore Arbitration. However, the tribunal has no power to stay the Singapore Arbitration pending the outcome of the Malaysia Arbitration, and even if the tribunal has power to stay the Singapore Arbitration, it would decline to exercise that power to order to stay.

In conjunction with the proposed restructuring as disclosed, the Company, with the assistance of RSM, is still in the process of discussions and negotiations with the claimant to arrive at an amicable solution. The claimant had counter proposed a settlement amount of $15,620,000 and it has been provided for as part of the financial guarantee liabilities. The final outcome is subject to finalisation.

Other claims

Apart from the Arbitration Proceedings, various claims have been made against the Company and the Group in the Engineering and Construction Segment (discontinued operation) for liquidated damages, defects, and/or under guarantees for the performance of the contracts. The Company released the latest announcement on 18 October 2022 to provide an update in relation to claims against the Company and the Group.

As at the date of this report, there are 3 claims against the Company amounting to about $13.7 million, a sum amounting to approximately $13.6 million has been repaid in full to the relevant creditor and the Company entered into settlement agreements with the other creditors in respect of the balance of $0.1 million. Furthermore, there are 66 claims and 1 claim against PBT Engineering and Arrow Waste Management Pte Ltd ("AWM") amounting to about $15.4 million and $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 $143.4 million and RM5.9 million or $1.9 million.

In view of the proposed restructuring exercise as disclosed in Note 1(c), with the assistance of RSM, the Group continues to be in discussions and negotiations with its creditors. The Group and the Company also continue to assess and estimate its liabilities and/or contingent liabilities exposures.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

49 SUBSEQUENT EVENTS

Subsequent to the end of financial year, the following events has taken place:

(a) Creditors' voluntary liquidation of Arrow Waste Management Pte. Ltd. ("AWM")

The Company has placed AWM under creditors' voluntary liquidation ("CVL") on 5 December 2022.

The Company will make separate announcement on the progress and material developments of the CVL.

(b) Application for extension of time to submit a proposal for the resumption of trading ("Resumption Proposal")

The Company announced on 18 June 2021 and 19 June 2021 that it had requested for a voluntary trading suspension of the Company's shares in light of the engagement of RSM to undertake a review of its existing businesses and the plans to improve the financial position and/or performance of the Group.

Trading in the Company's shares has then been suspended since 18 June 2021. Pursuant to Rules 1303(3) and 1304(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual") the Company is required to submit a Resumption Proposal to the SGX-ST by 17 June 2022.

The Company has, on 20 December 2022, submitted an application for the extension of time (the "Extension Application") from 17 June 2022 to 28 February 2023 to submit its proposal with a view to resume trading in its securities (the "Resumption Proposal").

On 27 December 2022, the Company further announced that approval for the extension application was granted.

(c) Entry into non-binding Term Sheet ("Term Sheet") with Meta5 Pte Ltd ("Subscriber")

On 6 January 2023, the Company entered into a Term Sheet with the Subscriber in view of obtaining the funding required to complete the Subscription Agreement and expediting the progress of the restructuring exercise. The key terms are as follows:

i. Longstop Date

The Longstop Date for the Subscription Agreement shall be extended by an additional four (4) months. Depending on the progress of the restructuring process, the Parties may mutually agree to extend the Longstop Date by a further two (2) months.

ii. Proposed Financing

The Subscriber agreed to grant an interest free and unsecured bridging loan of S$1,800,000 (the "Loan") to the Company for supporting the payments of the restructuring costs, mortgage loan instalments and operating expenses of the Company. The disbursement of the Loan will be in tranches according to the agreed schedule set out in the Term Sheet.

The Company and the Subscriber will work towards executing definitive agreement not later than 15 days from the signing of the Term Sheet or such other period as agreed between the Company and the Subscriber. The key terms of the definitive agreement will be disclosed accordingly.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2022

50 COMPARATIVE FIGURES

The Company changed its financial year end from 31 May to 30 September in prior financial period after taking into consideration the Group's reporting requirements and to facilitate better management of resources and internal processes for a smooth flow of business operations and financial reporting. Management opined that the change in financial year end will result in better administrative and operational outcomes.

Consequently, prior reporting period covered a period of 16 months from 1 June 2020 to 30 September 2021 whereas the current financial year covered a period of 12 months for the financial year ended 30 September 2022. The comparative figures for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes are therefore not comparable.

SHAREHOLDERS' INFORMATION

As at 30 December 2022

ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES)	:	S$73,193,862
ISSUED AND FULLY PAID-UP CAPITAL (EXCLUDING TREASURY SHARES)	:	S$72,925,213
NO. OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	646,882,476
NUMBER/PERCENTAGE OF TREASURY SHARES	:	1,270,400 (0.20%)
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	154	11.95	3,187	0.00
100 - 1,000	82	6.36	45,189	0.01
1,001 - 10,000	309	23.97	1,827,939	0.28
10,001 - 1,000,000	703	54.54	111,032,887	17.16
1,000,001 & ABOVE	41	3.18	533,973,274	82.55
TOTAL	1,289	100.00	646,882,476	100.00

TOP TWENTY SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
1	UOB KAY HIAN PTE LTD	345,478,564	53.41
2	TAN ENG CHUA EDWIN	30,261,200	4.68
3	DBS NOMINEES PTE LTD	20,200,446	3.12
4	OCBC NOMINEES SINGAPORE PTE LTD	16,946,745	2.62
5	PHILLIP SECURITIES PTE LTD	14,617,158	2.26
6	KOH YEW CHOO	14,457,900	2.24
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	11,922,039	1.84
8	MAYBANK SECURITIES PTE. LTD.	7,903,022	1.22
9	TAN SOON HOE	7,000,000	1.08
10	TANG CHONG SIM	6,000,000	0.93
11	RAFFLES NOMINEES (PTE) LIMITED	4,621,797	0.72
12	YEOW HUI KHOON	4,166,100	0.64
13	KUAH ANN THIA	3,400,000	0.53
14	OCBC SECURITIES PRIVATE LTD	3,346,536	0.52
15	LEE TIAT SHIH (LI ZHESHI)	2,874,300	0.44
16	PEH SOEK BEE	2,675,100	0.41
17	ROMIEN CHANDRASEGARAN	2,549,700	0.39
18	KO LEE MENG	2,458,000	0.38
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,352,668	0.36
20	CITIBANK NOMINEES SINGAPORE PTE LTD	2,203,085	0.34
	TOTAL	505,434,360	78.13

SHAREHOLDERS' INFORMATION

As at 30 December 2022

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 30 December 2022

	Number of shares Direct Interest	%	Number of shares Deemed Interest	%
Tramore Global Limited[1]	345,378,471	53.4	–	–
Teo Yi-Dar[2][5]	–	–	345,378,471	53.4
Gary Ng Jit Meng[5]	–	–	345,378,471	53.4
Altair ASEAN Fund Limited Partnership [3]	–	–	345,378,471	53.4
Altair Capital General Partners Ltd [4]	–	–	345,378,471	53.4

Notes:

(1) A total of 345,378,471 ordinary shares held by Tramore Global Limited ("TGL") are registered in the name of UOB Kay Hian Pte Ltd.

(2) Teo Yi-Dar through his 100% shareholding interest in TGL, is deemed to have an interest in the shares held directly by TGL.

(3) Altair ASEAN Fund Limited Partnership ("AAFL") financed the investment in TGL, and is deemed to have an interest in all the shares held directly by TGL.

(4) Altair Capital General Partners Ltd ("ACGP") is the general partner of and controls AAFL. ACGP is deemed to have an interest in the shares held directly by TGL.

(5) Teo Yi-Dar and Gary Ng Jit Meng are directors of TGL and are the managing partners of ACGP. They each own more than 20% of ACGP, and are deemed to have an interest in all the shares held directly by TGL.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 30 December 2022, approximately 46.6% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of TEE International Limited (the "**Company**") will be held at by way of electronic means on 30 January 2023, Monday, at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Phua Cher Chuan ("**Mr. Phua**") as Director of the Company who will be retiring pursuant to Article 89 of the Company's Constitution.

   Mr. Phua will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Detailed information of Mr. Phua required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$220,000 for the financial year ending 30 September 2023 to be paid quarterly in arrears. **(Resolution 3)**

4. To re-appoint M/s Foo Kon Tan LLP as the Auditors of the Company, and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue new shares**

   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

   (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 5)**

[See Explanatory Note i]

By Order of the Board

Ong Beng Hong
Joint Company Secretary

Singapore
13 January 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Resolutions to be passed:

(i) The Ordinary Resolution 5 proposed in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Special Notice Regarding Measures to Minimise Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19")

This Annual General Meeting ("**AGM**") is convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order 2020**"). Printed copies of the Annual Report 2022 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website: http://www.teeintl.com

Alternative arrangements have been made for shareholders to participate in the AGM proceedings via electronic means are set out below.

A. Live AGM Webcast:

1. Shareholders (including CPF and SRS investors) or their duly appointed proxies may participate in the AGM proceedings through the Live AGM Webcast or listen in on the live audio-only stream. To do so, shareholders will need to register via the link: https://conveneagm.sg/teeintlagm2023 (the "**Registration Link**"). The Registration Link will open for registration at 10 a.m. on 16 January 2023 until 10 a.m. on 28 January 2023 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following the verification, authenticated shareholders or their duly appointed proxies will receive an email by 10 a.m. on 29 January 2023 containing instructions on how to access the live audio-visual webcast or the live audio- only stream of the AGM proceedings, how to submit questions live and online (in real time) and how to vote live and online (in real time).

3. Shareholders must not forward the abovementioned instructions to other persons who are not shareholders of the Company and who are not entitled to attend the AGM.

4. Shareholders who register by the Registration Deadline but do not receive an email response by 10 a.m. on 29 January 2023 may contact the Company by email at IR@teeintl.com or by phone at (65) 6279 9156

B. Voting at the AGM

1. Voting for all resolutions will be conducted by a poll. Voting at the AGM may be carried out in one of two ways, by:

   (a) a member or its duly appointed proxy(ies) live and online (in real time) by logging onto the link: https://conveneagm.sg/teeintlagm2023

   (b) submitting a proxy form (in advance of the AGM) appointing the Chairman of the meeting to cast votes, or abstain from voting, on their behalf. Please note that the proxy form appointing the Chairman of the meeting must be directed, i.e., the shareholder must indicate for each Resolution whether the Chairman of the meeting is to vote "for" or "against" or "abstain" from voting.

NOTICE OF ANNUAL GENERAL MEETING

2. The proxy form, (which can be accessed on SGXNET or the Company's website at the link: http://www.teeintl.com) duly completed and signed, must be submitted in one of the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar Office, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, be submitted via email to proxyform@teeintl.com

   in either case, by no later than 10 a.m. on 28 January 2023, being 48 hours before the time fixed for the holding of the AGM at 10 a.m. on 30 January 2023.

3. CPF OR SRS investors may:

   (a) vote live and online (in real time) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) appoint the Chairman of the meeting as proxy to vote on their behalf at the AGM, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the meeting to vote on their behalf by the cut-off date by 10 a.m. on 18 January 2023.

C. Submission of questions

1. Shareholders (or their duly appointed proxies) who participate by way of observing the live audio-visual webcast or live audio-only stream of the AGM proceedings may ask questions live and online (in real time) during the AGM by submitting their questions online via the Registration Link: https://conveneagm.sg/teeintlagm2023

2. The directors of the Company will endeavour to address as many substantial and relevant questions submitted online as possible during the AGM. However, Shareholders should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that questions individual responses will not be sent to Shareholders.

3. Alternatively, Shareholders (including CPF and SRS investors) may submit questions relating to any of the resolutions as set out in the Notice of AGM in advance of the AGM via the Registration Link: https://conveneagm.sg/teeintlagm2023

4. Questions in advance of the AGM may be submitted via the Registration Link at 10 a.m. on 16 January 2023 until 10 a.m. on 23 January 2023, if they are not exercising their votes live and online during the AGM. Shareholders are requested to submit their questions as early as possible so as to allow the Company sufficient time to respond.

5. For questions submitted in advance of the AGM, the Company will provide replies to all questions which are substantial and relevant to the resolutions as set out in the Notice of AGM by publication on the SGXNET and the Company's website by 10 a.m. on 25 January 2023, which is 72 hours before the commencement of the time period during which Shareholders must submit their proxy forms if they are not exercising their votes live and online during the AGM.

6. The Company will also publish the minutes of the AGM (which will include all responses to questions, which are substantial and relevant to the resolutions as set out in the Notice of the AGM, submitted live and online during the AGM) on the SGXNET and the Company's website within one month after the date of the AGM.

Important Reminder:

Due to the constantly evolving COVID-19 situation (and/or pursuant to any legislative amendments and directives or guidelines from government agencies or regulatory authorities), the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Notes on AGM (these notes are to be read in conjunction with the Special Notice Regarding Measures to Minimize Risk of Community Spread of COVID-19):

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to participate in the AGM to be held electronically via a live-audio visual webcast. Where a member appoints more than one (1) proxy, the proportion of his/her shareholding to be represented by each proxy must be specified in each of the proxy forms. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members should note that if they themselves or their duly appointed proxies are not participating at the AGM to vote live and online, the only person they can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the shareholder must indicate for each resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

2. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to participate in the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where a member who is a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed must be specified in the relevant proxy form. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members who are Relevant Intermediaries should note that if the relevant CPR and or SRS investors have not requested for themselves to be appointed proxies to participate in the AGM and vote live and online, the only person Relevant Intermediaries can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the shareholder must indicate for each Resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

3. The duly executed proxy form appointing a proxy(ies) must be sent by post to B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 or submitted via email to proxyform@teeintl.com by 10 a.m. on 28 January 2023.

4. The proxy form appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where a proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the duly executed proxy form(s).

5. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the time set for the AGM in order for the depositor to be entitled to participate and vote at the AGM either live and online or by proxy.

Personal data privacy:

By submitting an instrument appointing the Chairman of the meeting as proxy to vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TEE INTERNATIONAL LIMITED

Company Registration No. 200007107D
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "CPF Investors" or "SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF or SRS investors may:
   (a) vote live and online (in real time) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to allow sufficient time for their respective Relevant Intermediaries to submit a proxy form(s) to appoint the Chairman of the meeting to vote on the behalf by 10 a.m. on 18 January 2023.

I/We, ______________________________ (Name)

______________________________ (NRIC/Passport Number/Company Registration Number)

of ______________________________ (Address)

being a member/members of TEE International Limited (the "**Company**"), hereby appoint:

(a)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

OR

(b) the Chairman of the Meeting as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on 30 January 2023, Monday, at 10 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. Where the Chairman of the AGM is appointed as proxy and in the absence of specific directions as to voting is given, the appointment of the Chairman of the AGM as proxy will be treated as invalid.

The Ordinary Resolutions put to vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to:	[1] No. of Votes For	[1] No. of Votes Against	[1] No. of Votes Abstained
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2022			
2	Re-election of Mr. Phua Cher Chuan as a Director			
3	Approval of Directors' fees of S$220,000 for the financial year ending 30 September 2023 to be paid quarterly in arrears			
4	Re-appointment of M/s Foo Kon Tan LLP as Auditors			
5	Authority to issue new shares			

[1] If you wish to exercise all your votes "For", "Against" or "Abstained", please tick (√) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate in the boxes provided.

Dated this ________ day of __________ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. For this AGM, members of the Company may vote by registering to participate in the AGM themselves or by their duly appointed proxies live and online in accordance with the instructions set out in the Special Notice Regarding Measures to Minimize Risk of Community Spread of 2019 Novel Coronavirus which is appended to the Notice of AGM.

2. Please insert the total number of Shares held by you: (a) if you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number; (b) if you have Shares registered in your name in the Register of Members of the Company, you should insert that number; (c) if you have Shares entered against your name in the Depository Register and in the Register of Members, you should insert the aggregate the numbers. If no number is inserted, this proxy form shall be deemed to relate to all the Shares held by you.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies. Where such a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy must be specified in the relevant proxy form.

4. A "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A member who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such a member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

6. A proxy need not be a member of the Company.

7. The proxy form appointing a proxy must be signed under the hand of the appointor or by his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be sent with the executed proxy form either by post or by email, failing which the proxy form may be treated as invalid.

8. The duly executed instrument appointing a proxy or proxies must be sent by post to the office of the Company's share registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 or submitted via email to proxyform@teeintl.com no later than forty-eight (48) hours before the time and date set for the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 January 2023.

General:

The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

TEE INTERNATIONAL LIMITED
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