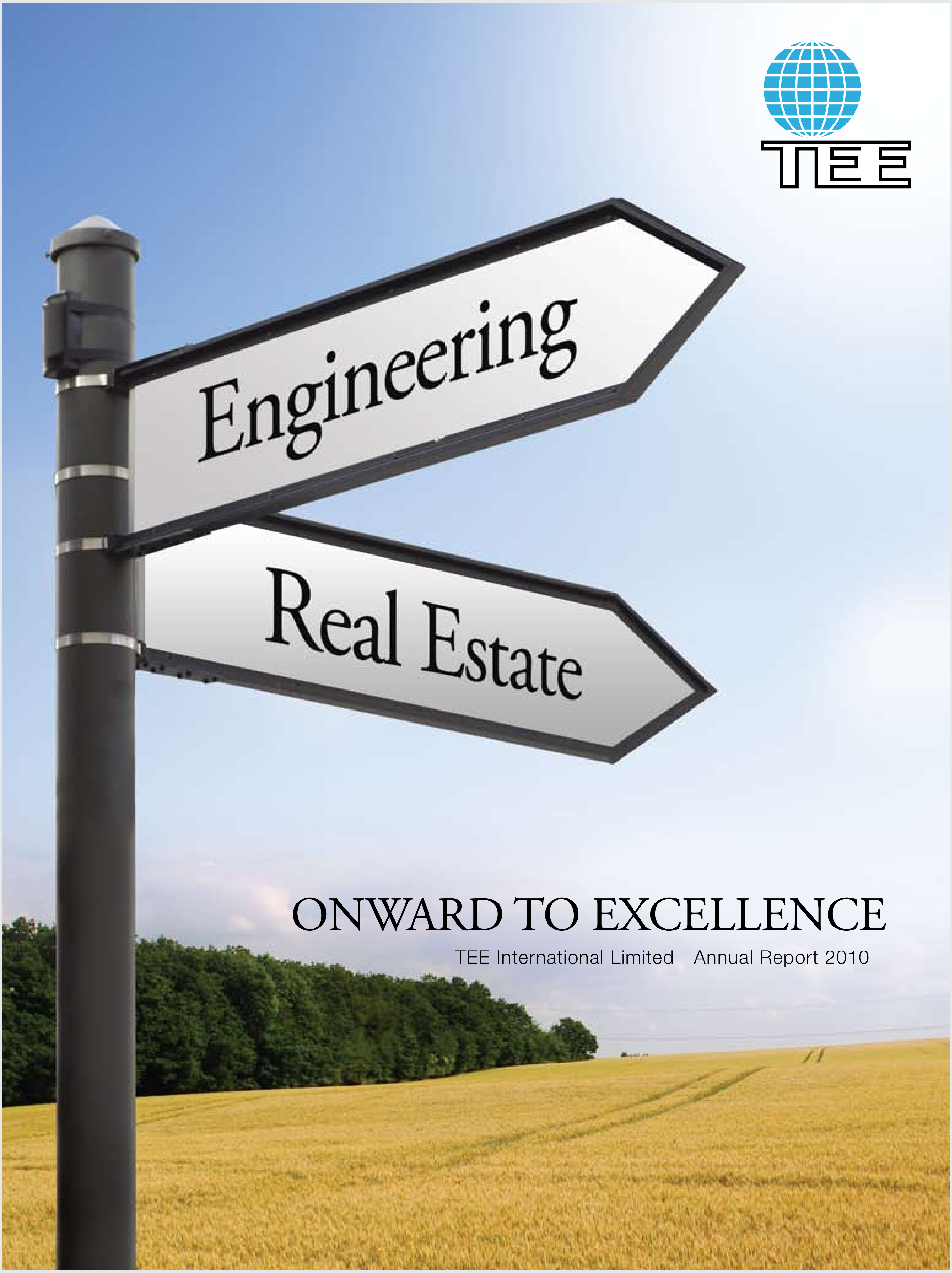


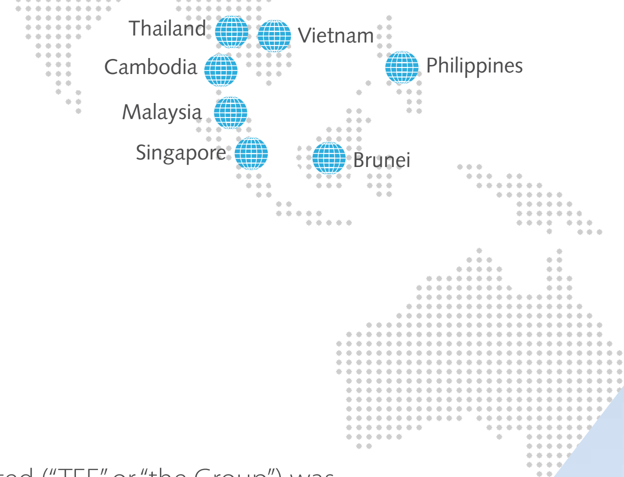
TEE

ONWARD TO EXCELLENCE

TEE International Limited   Annual Report 2010

CONTENTS

About TEE International Limited



TEE International Limited ("TEE" or "the Group") was established in the 1980s, and grew from a general electrical contractor to a recognised Engineering and Integrated Real Estate Group that it is today. Listed on the SGX Catalist (formerly known as Stock Exchange of Singapore Dealing and Automated Quotation System "SESDAQ") in 2001, TEE was upgraded to the SGX Mainboard in 2008. The Group's business activities span from Singapore, Thailand and Malaysia.

2010

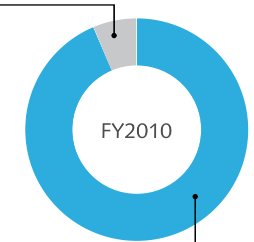
A GUIDE TO OUR NUMBERS

Delivering another year of consistent profitability, strong financial position and more revenue prospects, TEE extended our growth trend in FY2010.

REVENUE

S$150.5M

REVENUE BREAKDOWN



PROFIT BEFORE TAX

S$14.0M

NET PROFIT FOR THE YEAR

S$11.4M

EARNINGS PER SHARE (Cents)

8.08 (+67.6%)

DIVIDEND PER SHARE (Cents)

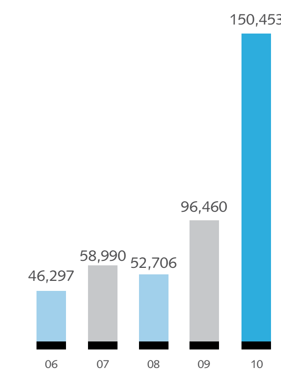
2.2 (+83.3%)

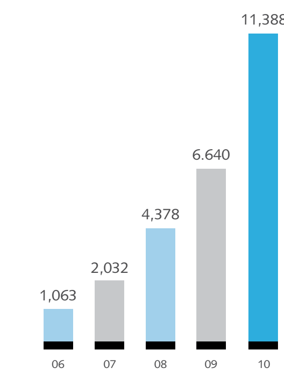
+56.0% YEAR-ON-YEAR REVENUE GROWTH

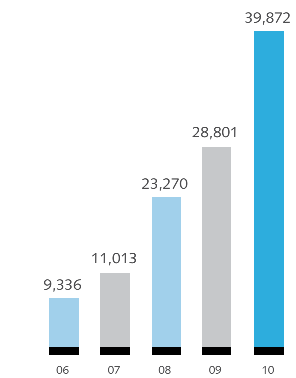
+57.3% YEAR-ON-YEAR INCREASE IN PROFIT BEFORE TAX

+71.5% YEAR-ON-YEAR INCREASE IN NET PROFIT FOR THE YEAR

5-YEAR GROWTH TREND







ENGINEERING ORDER BOOK

S$198.0M

CONTRACTED SALES FOR ON-GOING PROPERTY DEVELOPMENT PROJECTS

S$49.4M

GROWTH

TEE'S 12-MONTH DAILY SHARE PRICE AND TRADING VOLUME
(last closing date : 24 August 2010)

Source : SiStation

OUR VISION

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

OUR MISSION

We strive to be a leading Engineering and Integrated Real Estate 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.


EN ROUTE TO BIGGER ACHIEVEMENTS.
WHEN WE EMBARKED ON OUR JOURNEY OF GROWTH, WE WERE GUIDED BY A COLLECTIVE WILL TO BUILD A COMPANY OF ENDURING VALUES AND CONTINUOUS GROWTH. IN 2010, WE REACHED ANOTHER IMPORTANT MILESTONE IN THIS JOURNEY.
DELIVERING ON OUR PROMISES.
IN ANOTHER RECORD YEAR OF ROBUST RESULTS, STRONG PARTNERSHIPS AND OPERATIONAL EXCELLENCE, WE CONTINUE TO CHART THE PROGRESS WE HAVE MADE, AS WELL AS THE DIRECTIONS WE ARE TAKING AS WE PEER INTO A FUTURE OF OPPORTUNITIES, AND STRIDE ALONG THE ROAD OF EXCELLENCE.

A YEAR OF DISTINCTIVE ACHIEVEMENTS

OCTOBER 2009

Another award of Engineering contract by Marina Bay Sands Pte Ltd for the Theatre Electrical installation works, worth approximately S$19.1 million.

NOVEMBER 2009

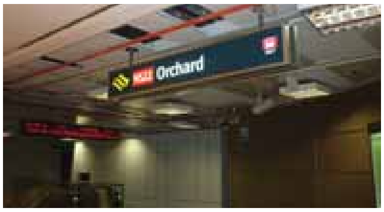
Joint acquisition of Mitre Hotel site at Killiney Road for approximately S$121.1 million, with TEE holding 20% stake, and Heeton Holdings Limited and KSH Holdings Limited holding 45% and 35%, respectively. The 39,972 sq ft freehold land, located along Killiney Road in Singapore's prime District 9, will be developed into a distinctive residential landmark for high-end inner-city living, at the heart of Singapore's shopping belt.

S$150.5M
TURNOVER

S$14.0M
PROFIT BEFORE TAX

S$11.4M
NET PROFIT FOR THE YEAR

NOVEMBER 2009



Award of contract by SMRT Trains Ltd for Proposed Additions and Alterations to Existing Orchard MRT station, worth approximately S$33.3 million.

NOVEMBER 2009

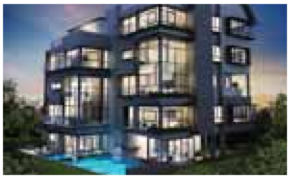
Another award of contract by SMRT Trains Ltd for Proposed Additions and Alterations to Basement 1, 2 and 3 of Existing Esplanade MRT station, worth approximately S$9.9 million.

MARCH
2010

TEE enters into a Joint Development Agreement with TG Development Pte Ltd for a consolidated property development at 47, 49, 51, 55, 57, 59 and 61 Cairnhill Circle to be developed into an upper-middle range residential condominium for sale.

MARCH
2010

Construction completed for The Surawong, a 52-unit residential project run by TEE's Thai associate, Chewathai Hup Soon Ltd, a joint venture between Chewathai Ltd and United Motor Works (Siam) Public Company Ltd.



APRIL
2010

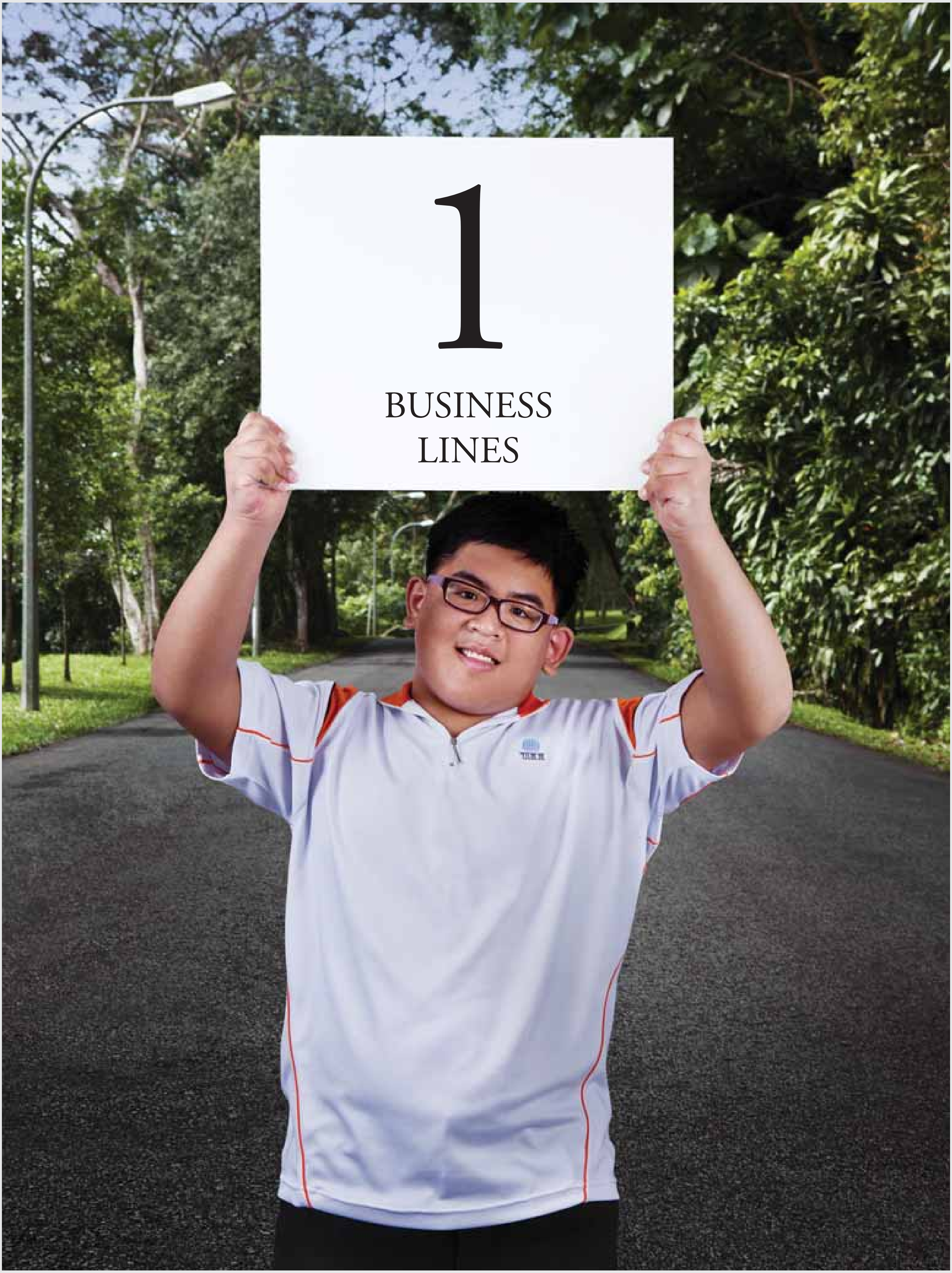
Completed and received TOP for The Thomson Duplex, a 6-unit boutique residential apartment along Thomson Road.

APRIL
2010

TEE's Thai associate, Chewathai Ltd, successfully acquired new land at Ramkhamhaeng, one of the busiest thorough fare in Bangkok for approximately S$6.6 million and aims to develop this 6,312 sqm site into one-bedroom and studio residential units for middle income residents who live and work close to the city centre of Bangkok.

JUNE
2010

Award of contract by Citibank for Fitting-out Works to Level 5 to Level 8, (Block 2 Citi Campus) to Proposed Addition and Alteration Works to Level 1 to Level 8 of existing 8-Storey Commercial Building at No. 5 Changi Business Park Crescent, worth S$11.0 million.


1
BUSINESS
LINES

Growing through the right channels.

Through our 2 streamlined business divisions we aim to deliver sustainable growth on the back of well-executed projects.

Esplanade Xchange

ENGINEERING

TEE provides specialised large scale and complex infrastructure engineering services, rebuilding and conversion of existing facilities, turnkey design and build services as well as system integration. Our customers range from developers of high-rise commericial buildings to waste and water treatment facilities, mass transit stations to airport terminals and logistics centres. Covering Singapore, Thailand, Malaysia and other region countries, our regional network enables TEE to offer complete solutions based on international standards of quality, safety, health and environmental considerations.

Marina Bay Sands Integrated Resort Development

Citi Campus

REAL ESTATE

Real Estate is our emerging segment which was launched in 2007. Taking on the role of a boutique developer, we acquire, design, develop and market unique residential developments in Singapore and Bangkok, Thailand. These tap into the burgeoning middle class and their aspirations to own good quality private properties. We have entered into joint ventures or joint development with renowned developers in certain large-scale high priced developments in order to broaden our portfolio.

The Surawong

The Thomson Duplex

2

STRATEGIC LANES

Navigating opportunities along strategic lanes.

CHAIRMAN'S MESSAGE

"THE GROUP CONTINUES TO SEEK STRONG, BALANCED AND SUSTAINABLE GROWTH, FROM STRONG FINANCIAL AND OPERATIONAL PERFORMANCE TO OUR CORPORATE RESPONSIBILITIES TO SOCIETY AND TO UPHOLDING HIGH STANDARDS OF HEALTH, SAFETY AND INTEGRITY OF ALL OUR SYSTEMS AND PROCESSES."

STRONG, BALANCED AND SUSTAINABLE GROWTH

Dear Shareholders,

TEE International Limited produced yet another year of stellar performance in FY2010, lifted by construction and rebuilding activities in Singapore and its regional countries. The strong year for TEE culminated in revenues rising 56.0% to a record S$150.5 million and profit attributable to owners of the company rising 68.2% to a historical high of S$11.4 million.

For much of FY2010, Singapore's economy came off its lowest point in decades during the global financial crisis starting in 2008. Singapore's GDP rebounded at a breath-taking pace of 18.8% year-on-year (YOY) in 2Q2010, with the construction sector performing strongly at a positive 29.2% YOY in the same period.

Three years ago, we embarked on real estate development in order to rebalance our asset portfolio and our revenue profile. This year, with the dynamic team in place at TEE, we achieved a critical milestone by completing our first real estate development project, The Thomson Duplex, in early April 2010.

OUTLOOK

With an order book of S$198.0 million by the end of our latest financial year and a stream of contracted sales value of S$49.4 million from our sales of properties in Singapore and Thailand, TEE is in a good stead to continue onwards to greater achievements in FY2011 and beyond. Singapore and our regional neighbours have weathered economic uncertainties well and should continue to be bolstered by growth in a broad base of economic activities.

A VISION OF STRONG, BALANCED AND SUSTAINABLE GROWTH

The Group continues to seek strong, balanced and sustainable growth, from strong financial and operational performance to our corporate responsibilities to society and to upholding high standards of health, safety and integrity of all our systems and processes.

This continued growth momentum would not be possible without the shared vision of its management and employees. The commitment and passion of our management, executives and engineers are the very foundation of our success. I commend them for their teamwork, diligence and their contribution to the Group.

IN APPRECIATION

To reward shareholders for their continued support and in view of the outstanding performance of FY2010, the Board of Directors is pleased to recommend a total dividend payment of 2.2 Singapore cents per ordinary share (consisting of a tax exempt one-tier final dividend of 1.2 Singapore cents per ordinary share and another tax exempt one-tier special dividend of 1.0 Singapore cent per ordinary share) at the upcoming Tenth Annual General Meeting.

I would like to offer my sincere gratitude to my fellow directors, management and staff for their hard work and dedication in taking TEE to the heights it has achieved today.

This leaves me now to thank our shareholders, investors, business partners and customers for their support and continued confidence in TEE. With the firm commitment of our senior management team and a set of clear strategic priorities, I am confident that TEE will continue on its growth. On behalf of TEE, I look forward to your continued support and hope to reward your confidence with strong performance in the year ahead.

Bertie Cheng
Non-Executive Chairman

GROUP CHIEF EXECUTIVE & MANAGING DIRECTOR'S MESSAGE

"TEE IS AN ORGANISATION BUILT FIRMLY UPON OUR PEOPLE, WITH AN EYE ALWAYS ON THE HORIZON. WE CONSTANTLY SEEK FRESH CHALLENGES AND PUT NEW TARGETS IN FRONT OF US. OUR CAN-DO SPIRIT AND CULTURE OF OPENNESS MAKES TEE A UNIQUELY ENTICING PLACE TO WORK AND GROW. AS SENIOR MANAGEMENT, WE CONSTANTLY SEEK TO RECRUIT AND RETAIN TALENTS, WHILST ENGAGING ALL OUR STAFF, BUSINESS PARTNERS AND ASSOCIATES IN SHARING A COMMON VISION."

BUILDING MOMENTUM THROUGH A SHARED VISION

Dear Shareholders,

FY2010 has been an especially rewarding and eventful year. We witnessed the official opening of the Marina Bay Sands Integrated Resort Development, a project which saw TEE put together one of the largest engineering team in our history as we rose to the occasion and completed key milestones on time. FY2010 was a year when we completed our first real estate development project, The Thomson Duplex. We broke records in financial performance for both our revenue and net profit, reflecting the effort and dedication of all management, executives and engineers.

Three years ago, we set out to achieve certain targets by FY2010. Let me recount how we met and exceeded them this year.

DELIVERING ON OUR PROMISES

Three years ago, TEE set out certain targets to move the Group to the next level of operational and financial performance. Our business objectives were two fold - one, to take on large scale, prominent and more complex engineering projects with higher technical content and two, to develop, market and complete our first real estate development project by FY2010. Our financial targets were to achieve more than S$100 million in revenue and more than S$8 million in net profit for the year.

FINANCIAL PERFORMANCE

In FY2010, our revenue grew 56.0% to reach a record S$150.5 million, as our dedicated engineering teams completed large scale and prominent electrical engineering works for the Marina Bay Sands Integrated Resort Development, as well as rebuilding engineering works for Esplanade MRT station, Pandan Gardens and the Citi Campus in rapid pace. The completion of The Thomson Duplex, our first real estate development, enabled us to book S$10.5 million in maiden revenue contribution as well as significant contribution in profitability.

Gross profit rose 21.5% to S$22.5 million as our top line expanded and key projects were duly completed. Profit before tax surged 57.3% to S$14.0 million with a stable pre-tax margin of 9.3% (FY2009: 9.2%). Improvements in overall efficiency, project management and other cost savings helped maintain firm margins on a higher revenue base.

In tandem with the rise in revenue and gross profit, profit attributable to owners of the company rose 68.2% to S$11.4 million and earnings per ordinary share expanded to 8.08 Singapore cents in FY2010 from 4.82 Singapore cents in FY2009.

In short, as a united and dedicated team, we have met and exceeded the targets set for FY2010. But we shall not rest on our laurels.

BEYOND TARGETS, BUILDING MOMENTUM

Despite having met and exceeded our targets for FY2010, we remain resolute in our commitment to build upon the substantial traction gained this year from both our Engineering and Real Estate segments. Therefore, FY2010 was not only marked by the achievements of key targets. It was a year of consistent momentum-building.

In our Engineering segment alone, our order book continues to get replenished. As at 22 July 2010, our order book stood at S$198.0 million, with outstanding milestones in the key projects such as Marina Bay Sands Integrated Resort Development, Asia Square Tower One, Orchard MRT station and so on.

In the Real Estate segment, the Group has contracted sales of S$49.4 million for its on-going residential developments in Singapore and Thailand, ahead of their respective completion. Some of these developments are expected to be completed and handed over within the coming financial year.

Within the Group's residential real estate portfolio are Cantiz@ Rambai, Dunsfold Drive, Killiney & Wood (a joint venture with Heeton Holdings Limited and KSH Holdings Limited in which TEE holds 20% equity), Cairnhill Circle (based on a joint development agreement with TG Development Pte Ltd) in Singapore; and Chewathai Ratchaprarop and The Surawong in Bangkok, Thailand.

In addition, for recurrent income stream, the Group has lease contracts of S$8.3 million for its investment property (the 4-storey NORDAM facilities in Changi, Singapore) and a workers' dormitory (for Marina Bay Sands) in Singapore for the next 24 months. In Thailand, our associates have also lease contracts of S$1.3 million for the next 12 months.

OUR SHARED VISION

TEE is an organisation built firmly upon our people, with an eye always on the horizon. We constantly seek fresh challenges and put new targets in front of us. Our can-do spirit and culture of openness makes TEE a uniquely enticing place to work and grow. As senior management, we constantly seek to recruit and retain talents, whilst engaging all our staff, business partners and associates in sharing a common vision.

TEE's vision is to be a leading engineering service provider with a balanced integrated real estate portfolio based on a complementary mix of engineering projects and property developments. A balanced income stream of 70:30 ratio based on Engineering:Property projects would be an ideal blend for TEE in the mid to long term. This revenue mix would, we believe, provide sustainable growth to reinforce the Group's fundamentals.

And I believe with the support, dedication and hard work of all our staff and stakeholders, we should be well on our way to achieving this target.

SHARING THE FRUITS

Just as we are dedicated to achieving our business and financial objectives, TEE's commitment to our shareholders remains unwavering. To reward shareholders for your unstinting support for TEE, the Board of Directors has recommended a total dividend per ordinary share of 2.2 Singapore cents (comprising a final dividend of 1.2 Singapore cents and a special dividend of 1.0 Singapore cent, all of which are tax exempt one-tier) which will be paid out on 11 November 2010 once approved by shareholders in the upcoming Annual General Meeting.

As part of TEE's continued engagement with our shareholders and to deepen their participation in the Company, we issued 70,410,343 warrants at the exercise price of S$0.31 per warrant on the basis of 1 warrant for every 2 existing ordinary shares held in the capital of the Company on 2 March 2010. The number of outstanding warrants as at FY2010 was 70,409,843. The warrants can be exercised within the period from 3 March 2010 to 28 February 2013. Subsequently, the net proceeds of S$1.27 million from the subscription of the warrants issue were fully deployed for the property development acquisition in Thailand.

GIVING THANKS

The outstanding FY2010 performance can only be realised by all stakeholders in TEE. I would like to express my gratitude to our Board of Directors, our staff, our business associates, our business partners and our shareholders for standing by TEE and sharing in our vision for the road ahead.

I wish all of you another fruitful year ahead and hope to continue bearing good news to you.

Thank you.

C K Phua
Group Chief Executive & Managing Director

OPERATING AND FINANCIAL REVIEW

INCOME STATEMENT

	2010 S$'000	2009 S$'000	Change %
Revenue			
Engineering	135,315	90,360	49.8
Real Estate	15,138	6,100	148.2
Total revenue	**150,453**	**96,460**	56.0
Less: Cost of sales	(127,980)	(77,971)	64.1
Gross profit	**22,473**	**18,489**	21.5
Add: Other operating income	2,705	724	273.6
Less: Administrative expenses	(8,575)	(5,472)	56.7
Other operating expenses	(99)	(2,352)	(95.8)
Share of loss of associates	(75)	(658)	(88.6)
Finance costs	(2,428)	(1,829)	32.8
Profit before income tax	**14,001**	**8,902**	57.3
Less: Income tax expense	(2,613)	(2,262)	15.5
Profit for the year	**11,388**	**6,640**	71.5
Attributable to:			
Owners of the Company	11,383	6,765	68.3
Minority interests	5	(125)	(104.0)
	11,388	**6,640**	71.5

Revenue

Revenue jumped 56.0% due to the higher revenue generated from larger scale construction projects such as the Marina Bay Sands and Asia Square Tower One and maiden revenue recognised from the sales of The Thomson Duplex development.

Singapore continues to be a key contributor to revenue growth, chalking up S$150.1 million (99.7%), with Malaysia's contribution coming in at S$0.4 million (0.3%) in FY2010.

Gross Profit

In line with the higher revenue, the Group's gross profit increased by S$4.0 million or 21.5% from S$18.5 million to S$22.5 million. Our gross profit margins dipped slightly but still remain within the healthy range of 15%.

Administrative expenses

The increase in administrative expenses by S$3.1 million to S$8.6 million was mainly due to allowance for doubtful debts.

Other operating income and expenses

Other operating expenses had decreased while other operating income had increased due to the change in fair value of the commodity contract of S$0.8 million, realised gain on commodity contract of S$0.2 million and a fair value gain of S$0.5 million on the Group's investment property in current year as compared to a fair value loss on commodity contract of S$0.8 million, realised loss on commodity contract of S$0.5 million and a fair value loss of S$1.0 million on the Group's investment property in the prior year.

Profit before income tax

Profit before income tax increased by 57.3% to S$14.0 million as compared to the previous financial year due to the increase in construction activities and improved operational efficiency.

Profit for the year

In line with our expansionary growth, the Group has been taking on bigger and iconic projects and this has contributed to our bottomline growth. Profit for the year has increased by 71.5% to S$11.4 million.

OPERATING AND FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

	2010 S$'000	2009 S$'000	Change %
Current assets	147,892	109,662	34.9
Total assets	175,313	134,662	30.2
Cash and bank balances	6,993	9,465	(26.1)
Trade receivables	39,130	32,394	20.8
Loans receivable from associates	14,014	4,441	215.6
Construction work-in-progress in excess of progress billings	20,562	3,672	460.0
Investment in associates	5,473	3,322	64.8
Current liabilities	101,045	64,106	57.6
Total liabilities	135,441	105,866	27.9
Trade payables	32,332	22,431	44.1
Equity attributable to owners of the Company	39,872	28,801	38.4

Current assets
The Group's current ratio has dropped from 1.7 to 1.5 times. This is due to a reclassification of the non-current portion of long-term bank loans within 12 months to the current portion.

Cash and bank balances
The decrease in cash is due to increase in payment to suppliers as a result of the increase in engineering and property development projects. However, current ratio remains healthy at 1.5 times.

Trade receivables
This year, we started work on a number of large scale projects. As such, our trade receivables increased by 20.8% to S$39.1 million during the year in tandem with the growth in our revenue.

Loans receivable from associates
Loans to associates increased by S$9.6 million were mainly due to funding requirements of our 20% owned Singapore property developer associate, Unique Development Pte Ltd.

Construction work-in-progress in excess of progress billings
During the current financial year, the construction work-in-progress in excess of progress billings increased to S$20.6 million due mainly to the commencement of new projects and on-going projects.

Investment in associates
The S$2.2 million increase in investment in associates was mainly for the investment in Unique Development Pte Ltd and additional investment in Chewathai Ltd.

Trade payables
The S$9.9 million increase in trade payables was due to more materials and equipment delivered during the completion stage of some large scale projects.

Equity attributable to owners of the Company
Our funds attributable to owners of the Company stood at $39.9 million for the year.

STATEMENT OF CASH FLOWS

	2010 S$'000	2009 S$'000	Change %
Net cash (used in) generated from operating activities	(11,200)	9,952	(212.5)
Net cash generated from (used in) financing activities	16,322	(4,919)	(431.8)

Net cash used in operating activities
The Group has utilised cash of S$11.2 million for its operating activities for the current financial year due to the increase in engineering and property development projects.

Net cash generated from financing activities
The S$16.3 million was mainly from the loans drawdown to facilitate the increase in the number of the engineering and property development projects.

INVESTOR RELATIONS AND FINANCIAL CALENDAR FOR 2010

7 JANUARY 2010
Announcement of FY2010 Half-Year Results

20 JANUARY 2010
Analyst and Investor briefing for FY2010 Half-Year Results

31 MAY 2010
Financial Year End

22 JULY 2010
Announcement of FY2010 Full-Year Results

27 JULY 2010
Analyst and Investor Briefing for FY2010 Full-Year Results – entitled "Delivering on Our Promises"

8 SEPTEMBER 2010
Despatch of Annual Reports to Shareholders

23 SEPTEMBER 2010
10th Annual General Meeting

BOOK CLOSURE DATE ON 27 OCTOBER 2010, 5 P.M. PAYABLE ON 11 NOVEMBER 2010
2010 Proposed tax exempt one-tier Final Dividend of 1.2 cents per ordinary share and tax exempt one-tier Special Dividend of 1.0 cent per ordinary share

INVESTOR RELATIONS AND FINANCIAL CALENDAR FOR 2011

JANUARY 2011
Announcement of FY2011 Half-Year Results

JANUARY 2011
Analyst and Investor Briefing for FY2011 Half-Year Results

31 MAY 2011
Financial Year End

JULY 2011
Announcement of FY2011 Full-Year Results

JULY 2011
Analyst and Investor Briefing for FY2011 Full-Year Results

SEPTEMBER 2011
Despatch of Annual Reports to Shareholders

SEPTEMBER 2011
11th Annual General Meeting

GROUP FINANCIAL HIGHLIGHTS

	2010	2009	2008	2007
For the Year				
Revenue (S$'000)	150,453	96,460	52,706	58,990
Revenue growth (%)	56.0	83.0	(10.7)	27.4
Gross profit (S$'000)	22,473	18,489	11,659	7,795
Gross profit margin (%)	14.9	19.2	22.1	13.2
Earnings before interest, tax, depreciation and amortisation (EBITDA) (S$'000)	15,531	10,692	7,093	3,986
EBITDA margin (%)	10.3	11.1	13.5	6.8
Finance costs (S$'000)	2,428	1,829	1,722	964
Profit before income tax (S$'000)	14,001	8,902	5,126	2,798
Pre-tax profit margin (%)	9.3	9.2	9.7	4.7
Profit for the year (S$'000)	11,388	6,640	4,378	2,032
After-tax profit margin (%)	7.6	6.9	8.3	3.4
Profit attributable to owners of the Company (S$'000)	11,383	6,766	4,408	1,983
Operating profit (EBIT) (S$'000)	16,429	10,731	6,849	3,762
At Year End (S$'000)				
Current assets	147,892	109,661	103,173	48,805
Total assets	175,313	134,662	127,311	65,228
Current liabilities	101,045	64,106	51,520	41,703
Total liabilities	135,441	105,866	103,641	53,732
Total debt (including finance leases)*	85,852	69,566	74,065	38,747
Shareholders' equity	39,872	28,801	23,270	11,013
Number of shares	140,821,186	140,820,680	140,285,923	83,329,400

* Exclude long-term loan of $4,050,000 due to joint developer

	2010	2009	2008	2007
Profitability ratios				
Return on shareholders' equity (%)	28.5	23.5	18.9	18.0
Return on total assets (%)	6.5	5.0	3.5	3.0
Leverage ratios				
Long-term debt to equity ratio (times)	0.8	1.4	2.2	1.1
Total debt to equity ratio (times)	2.2	2.4	3.1	3.4
Interest cover (times)	8.5	5.7	4.0	3.9
Liquidity analysis ratios				
Current ratio (times)	1.5	1.7	2.0	1.2
Net asset value per share (cents)	28.3	20.5	16.6	13.2
Shareholders' investment ratios				
Earnings Per Share (cents)	8.08	4.82	3.60	2.09
Gross Dividend per share (cents)	2.20	1.20	0.95	1.07
Divdend Cover (times)	3.7	4.0	3.8	2.0
Productivity				
Number of employees	342	293	260	290
Revenue/employee (S$'000)	439.9	329.2	202.7	203.4

BOARD OF DIRECTORS

L-R: Mr. Phua Chian Kin, Er. Lee Bee Wah, Mr. Phua Boon Kin, Mr. Bertie Cheng Shao Shiong, Ms. Saw Chin Choo, Mr. Tan Boen Eng

MR. BERTIE CHENG SHAO SHIONG, 73

Non-Executive Chairman

Mr. Cheng was appointed as an Independent and Non-Executive Director of the Company on 5 March 2001 and was last re-elected as a Director of the Company on 24 September 2009. Mr. Cheng is the Chairman of the Nominating and Remuneration Committee and Executive Committee and a Member of the Audit Committee. He is also a Company Director in one of the Thai associates, Chewathai Ltd.

Mr. Cheng retired as a Chief Executive Officer of POSBank in July 1997. He was appointed as Advisor to POSBank in June 2010. He holds and has held directorships, in both listed and non-listed companies. Currently, he is the Chairman of TeleChoice International Limited. He is also a Director of CFM Holdings Limited, Hong Leong Finance Limited, Pacific Andes Resources Development Limited (formerly known as Pacific Andes (Holdings) Limited), Thomson Medical Centre Limited and Baiduri Bank Berhad. Other appointments include being the Chairman of the Medifund Committee, Singapore General Hospital, Vice-Chairman of the Consumers Association of Singapore (CASE) Endowment Fund, and a board member of NTUC First Campus Co-operative Ltd.

Mr. Cheng holds a Bachelor of Arts Degree in Economics (Honours) from the University of Malaya in Singapore. He received the Public Administration Medal (Silver) in 1984 and the Public Service Medal in 2001. In addition, he also received the Friend of Labour Award from the National Trade Union Congress (NTUC) in 2008.

MR. PHUA CHIAN KIN, 51

Group Chief Executive & Managing Director

Mr. Phua has been the Group Chief Executive & Managing Director of TEE International Limited since 2000. He is instrumental in spearheading the expansion and growth of the Group and is also responsible for the Group's overall management, investment decisions, direction and policy decision-making. Mr. Phua is a Member of the Executive Committee and the Nominating and Remuneration Committee.

Mr. Phua has over 28 years of experience in the M&E engineering industry, starting his career with Danish multi-national LK-NES (SEA) Pte Ltd where he was later promoted to General Manager and Director, responsible for three of LK-NES subsidiaries. He joined as Company Director of Trans Equatorial Enterprises (SEA) Pte Ltd in 1990 which renamed to Trans Equatorial Engineering (SEA) Pte Ltd in 1991 and subsequently Trans Equatorial Engineering Pte Ltd in 1994, and took over the Group during a management buyout in 1993.

Mr. Phua graduated in 1979 from Singapore Polytechnic with a Diploma in Electrical Engineering. He received the Public Service Medal in 2007.

MR. TAN BOEN ENG, 77

Non-Executive Director

Mr. Tan was appointed as an Independent and Non-Executive Director of the Company on 5 March 2001 and was last re-elected as a Director of the Company on 24 September 2009. Currently he serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee.

Mr. Tan has extensive experience in both the public and private sectors. He is currently holding directorships in several listed and non-listed companies from various industries, ranging from business consultancy and training to management consultancy.

Mr. Tan is an Independent Director of OKP Holdings Limited. He is also the Director of Singapore Institute of Accredited Tax Professionals Limited, SAA Global Education Centre Pte Ltd, Association of Taxation Technicians (S) Limited and Certified Accounting Technicians (Singapore) Ltd. Mr. Tan was the President of the ASEAN Federation of Accountants (AFA) from 2000-2001 and he is now a Council member. He is also a former Board Member of the Tax Academy of Singapore. Mr. Tan has been the President of the Institute of Certified Public Accountants of Singapore from April 1995 to April 2009 and is now a Council Member of the Institute.

Mr. Tan had previously held the position of Director of Asiamedic Limited and AsiaPrime Pte Ltd. He also held the position of Senior Deputy Commissioner of Inland Revenue Authority of Singapore and was a Director of Singapore Pools Pte Ltd, and a Member of the Nanyang Business School Advisory Committee, Nanyang Technological University. He was a Board Member of the Accounting and Corporate Regulatory Authority and a Member of the Singapore Sports Council. He also served as Chairman of the Securities Industries Council.

Mr. Tan holds a Bachelor of Arts Degree in Economics (Honours) from the University of Malaya in Singapore. He is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia. He received the Public Administration Medal (Silver) in 1975.

ER. LEE BEE WAH, 49
Non-Executive Director

Er. Lee was appointed as an Independent and Non-Executive Director of the Company on 26 September 2008 and was last re-elected as a Director of the Company on 24 September 2009. Besides being a member of the Nominating and Remuneration Committee, she is also a member of the Audit Committee and the Executive Committee.

Er. Lee has immense experience in many industries, especially in the engineering and the construction sectors. She has previously worked in ST Construction Pte Ltd and in Wing Tai Property Management Pte Ltd. In addition, she is a Registered Professional Engineer in Singapore. Er. Lee is currently the Principal Partner of LBW Consultants LLP and a Director of LBW Engineering Pte Ltd. She is also a Fellow Member of the Institution of Engineers Singapore and a Board member of the Professional Engineers Board, Singapore. Er. Lee is also the Director of Merseyside International Pte Ltd, Nanyang Learning House Pte Ltd and Trailblazer Foundation Ltd.

Er. Lee holds a Master of Science (Engineering) from the University of Liverpool, United Kingdom and a Bachelor of Civil Engineering from Nanyang Technological University. She is a Member of Parliament for the Ang Mo Kio GRC and Adviser to Nee Soon South Grassroots Organization. She is also the Honorary Fellow member of the Institution of Structural Engineers (IStructE) in the United Kingdom.

MS. SAW CHIN CHOO, 48
Executive Director

Ms. Saw was appointed to the Board of Directors on 10 September 2004 and was last re-elected as a Director of the Company on 24 September 2009. As an Executive Director, she is responsible for the management and administration of the Rebuilding projects within the Group.

Ms. Saw has over 27 years of engineering projects experience, starting her career with Neo Corporation Pte Ltd as Quantity Surveyor. She has held various positions in companies such as Specon Builders Pte Ltd as Project Co-ordinator and Vantage Construction Pte Ltd as Manager and Company Director. She currently holds a position as a Company Director in PBT Engineering Pte Ltd, TEE Development Pte Ltd, and TEE Realty Pte Ltd and in one of the Thai associates, Oscar Design & Decoration Co., Ltd. She is also a Member in the Executive Committee of Chewathai Ltd, one of the Thai associates.

Ms. Saw holds a Technician Diploma Certificate in Building and Advance Diploma in Building Surveying and Inspection from Ngee Ann Polytechnic.

MR. PHUA BOON KIN, 48
Executive Director

Mr. Phua was appointed to the Board of Directors on 1 September 2008 and was last re-elected as a Director of the Company on 25 September 2008. As an Executive Director, he is responsible for the management and administration of the Rebuilding Engineering projects as well as Mechanical & Electrical (M&E) Engineering projects within the Group.

Mr. Phua has more than 25 years of experience in project execution and project management. Mr. Phua was instrumental in the setting up of the two main subsidiaries of the Group, namely Trans Equatorial Engineering Pte Ltd in 1991 and PBT Engineering Pte Ltd in 1996. He has since been with the Group for the past 19 years and has held various appointments in both of these subsidiaries. He is currently a Company Director in PBT Engineering Pte Ltd, TEE Development Pte Ltd, TEE Realty Pte Ltd, and Security Pro-Telco Pte Ltd and in one of the Thai associates, Oscar Estate Management Co., Ltd.

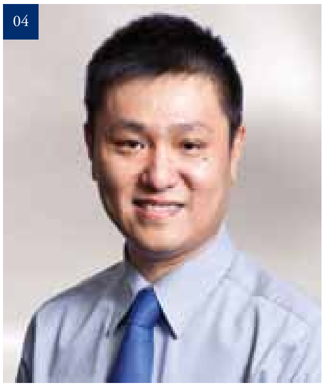
Mr. Phua holds a Technician Diploma Certificate in Mechanical Engineering from Singapore Polytechnic.

KEY EXECUTIVES

01

02

03

04


1. MR. SIM GEOK SOON
Executive Director, Infrastructure Engineering

Mr. Sim joined the Group in 1996. He oversees the management and operations of the Infrastructure and Special projects team in Singapore. He is involved in various aspects of business development of M&E Infrastructure and Special projects in Singapore and overseas. Mr. Sim leads and drives the team to secure the Marina Bay Sands projects, competing against other established players in the market.

Moving ahead, Mr. Sim's biggest challenge is to lead the Infrastructure and Special projects team to secure overseas projects and to groom the second generation leaders for the Infrastructure team.

He is currently the Company Director of Trans Equatorial Engineering Pte Ltd.

2. MR. PHUA CHER CHEW
General Manager, Business & Property Development

Mr. Phua joined the Group in 1997. He oversees the Business and Property Development arms of TEE. His key responsibilities include identifying new projects for the Group and maintaining existing clients. In addition, Mr. Phua looks into all potential joint ventures, acquisitions and new business opportunities.

Under the Property Development arm, he manages the acquisition of land, land development, sale of the properties, as well as securing opportunities for joint development with other developers in the residential and hotel sectors.

He is currently the Company Director of Trans Equatorial Engineering Pte Ltd, TEE Management Pte Ltd, Trans Equatorial Philippines Inc and Oscar Estate Management Co., Ltd.

3. MS. YEO AI MEI, CPA
Group Finance Controller

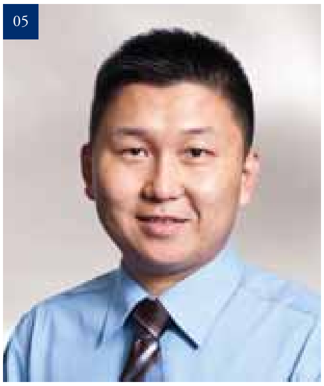
Ms. Yeo joined the Group in 1996, and has held various appointments in the Group. She is instrumental in the setting up of various functions throughout the years and oversees the Group's finance, corporate secretarial, human resources and administration functions. She is appointed the Joint Company Secretary of the Group in April 2010. She also serves as the Company Secretary for the subsidiaries in Singapore and is a Member of the Executive Committee.

4. MR. PHUA CHER CHUAN
Executive Director, System Integration

Mr. Phua joined the Group in 2005. He is primarily responsible for the System Integration functions at TEE, providing one-stop system integration solutions that feature the most advanced technology available today, such as high-end Public Address systems, Security Surveillance and Card Access equipment and systems.

Under his supervision, the team works tirelessly to provide customised turnkey installations and software that meet the specific requirements of TEE's clients. Such state-of-art products with a niche differentiation will set TEE apart from the competition.

He is currently the Company Director of Nexfrontier Solutions Pte Ltd and Security Pro-Telco Pte Ltd.



5. MR. TOH CHIEN JUIN

Project Director, Electrical Engineering

Mr. Toh joined the Group in 1997. He leads and drives Asia Square Tower One, TEE's first and biggest Mechanical, Electrical, Plumbing, Sanitary and Fire Protection (MEPF) Systems Works. With 12 years of experience in the Engineering field, Mr. Toh is well-equipped to handle the massive scale of the Asia Square Tower One and bring the project to fruition.

His role includes managing and delivering the Asia Square Tower One project amidst increasing material prices, and to manage and lead his group of Project Managers and Engineers to meet the client's stringent design requirements, as well as ensuring that the project complies with the necessary authorities' requirements. Mr. Toh is also tasked with achieving a good CONQUAS (Construction Quality Assessment System) rating, which serves as a standard assessment system on the quality of building projects and has been a defacto national yardstick for the industry since 1989.

He has recently been appointed as Company Director of Trans Equatorial Engineering Pte Ltd in August 2010.

6. MR. WONG YUN SENG, EDRIC

Project Director, Mechanical Engineering

Mr. Wong joined the Group in 2003. In his role as Project Director, Mr. Wong oversees and supervises the daily operations of the Air Conditioning and Mechanical Ventilation (ACMV) and Water Tank business units. He handles all communications with team members, suppliers, sub-contractors and personally keeps a tight rein on urgent project schedules.

His focus is on timely project delivery with works of superior quality and value-added services to clients, whilst bearing in mind prudent cost measures for the benefit of both parties. He is also dedicated to developing his staff to equip them with the right mindset, culture and skills to plan and execute projects in an effective and efficient manner.

7. MR. CHIA YOKE HENG

Project Director, Rebuilding Engineering

Mr. Chia joined the Group in 2004. He is responsible for the construction and management of rebuilding projects. His job is one which requires impeccable execution of fast track projects, a result of effective organization, high commitment levels and strong decision making.

His team's priority is to deliver the project in a timely manner and to the client's satisfaction. The main criteria that the team has to meet is to maintain high levels of safety and environmental health standards according to the requirements laid down by the Ministry of Manpower, as well as conforming to stringent safety and security requirements advocated by SMRT while working on such projects.

The team is well equipped to respond quickly to emergency situations and handle unforeseen circumstances, as well as late design changes and other additional requirements so as to complete the project.

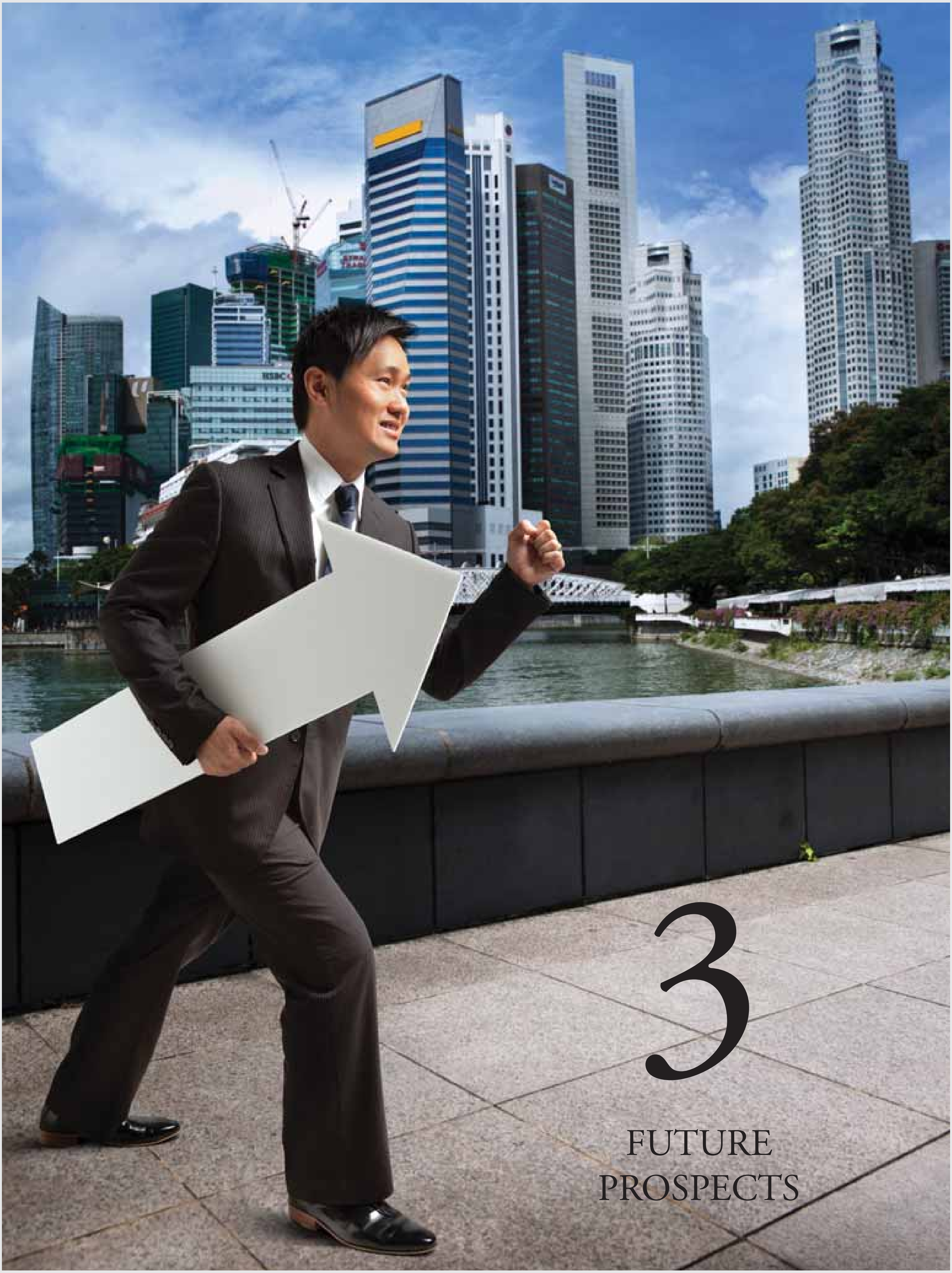
8. MR. BOON CHOON KIAT, CFA, CPA

Executive Director, Thailand's Operations

Mr. Boon is the Executive and Country Director for the Group's operations in Thailand. In his current capacity, he is responsible for operations and business development in Thailand.

He is the Authorised Director of Trans Equatorial Indochina Co., Ltd, Oscar Estate Management Co., Ltd, Oscar Property Management Co., Ltd, Oscar Design & Decoration Co., Ltd, Chewathai Ltd and Chewathai Hup Soon Ltd.

Mr. Boon was an Export Manager with United Union Parts Co., Ltd for 2 years prior to joining the Group in 2000.



3

FUTURE PROSPECTS

Revving Up for the Next Level.

The way forward is exciting with new and more dynamic opportunities ahead of us.

STOP. LISTEN. GO.

We constantly take stock of strategic opportunities ahead of us. When the right opportunities arise, we move quickly to seize the initiative. This is the bedrock of our ongoing success.

ENGINEERING

Singapore's building and construction sector continued to grow in 2010, backed by the influx of commercial and residential projects. Despite the global economic slowdown, TEE has a busy year partly due to the lag effect where contracts earlier secured in 2008 and 2009 created many on-site engineering activities during the year. To date, the Group's outstanding order book stands at S$198.0 million and comprise the outstanding milestones in the key projects such as Marina Bay Sands Integrated Resort, Orchard MRT station and etc.

Going forward, the demand for rebuilding is anticipated to continue as Singapore reinvents itself to stay competitive. TEE's strategy is to focus on securing larger rebuilding contracts, which include alteration works at existing buildings or spaces for new users, of which, the mechanical and electrical engineering content make up 40% to 60% of the project.

Asia Square Tower One

Orchard MRT station

The Peak @ Cairnhill I

REAL ESTATE

While the economy has recovered in recent months, uncertainty remains on the horizon.

However, we continue to see opportunities arising in our key markets in the course of the year. In FY2010, our contracted sales hit S$49.4 million, buoyed by the optimistic take-up rate for our property projects in both Singapore and Thailand. As such, we intend to leverage on our capabilities and established business networks to grow our businesses in Singapore and in the region, in particular Thailand.

In Singapore, we are expecting to receive the TOP (Temporary Occupancy Permit) for Cantiz@Rambai and No.31 & 31A Dunsfold Drive. We also plan to launch two high-end property developments namely, at Killiney Road and Cairnhill Circle for sale towards the end of calendar year 2010. Moving ahead, the outlook for the high-end homes remains favourable, even with homebuyers being generally more cautious towards high-priced developments. Singapore's economic prospects are expected to improve, coupled with rising business and consumer confidence. These improved trends are poised to benefit Singapore's residential property market, with prime projects attracting strong interest from both local and foreign buyers.

In Thailand, the country's GDP has been projected by the Bank of Thailand to grow from between 4.3% to 5.3% for the year 2010. New residential projects continue to be completed and positive prospects are evident in the local market with property prices seeing a gradual increase, especially for private residential in prime locations in Bangkok.

TEE's development, The Surawong has garnered an affirmative take-up rate, with more than three-quarters of the units sold. This project is mainly targeted at young working professionals moving to the city. We believed the trend of young working professionals into the city to live and work near the city centre will continue and we are poised to capture this market with both The Surawong and the Chewathai Ratchaprarop. The Chewathai Ratchaprarop has also garnered strong interest from middle income professionals living and working in the heart of Bangkok.

We believed both the markets of Singapore and Thailand hold great growth opportunities given the steady demand for mid to high-end homes in prime locations. We will continue to source and acquire other primes sites in these countries which hold good potential for development, at the same time, launching them in pace with market conditions. This will continue to benefit TEE with progressive profit recognition of steady sales achieved since the Group moved into the property development space.

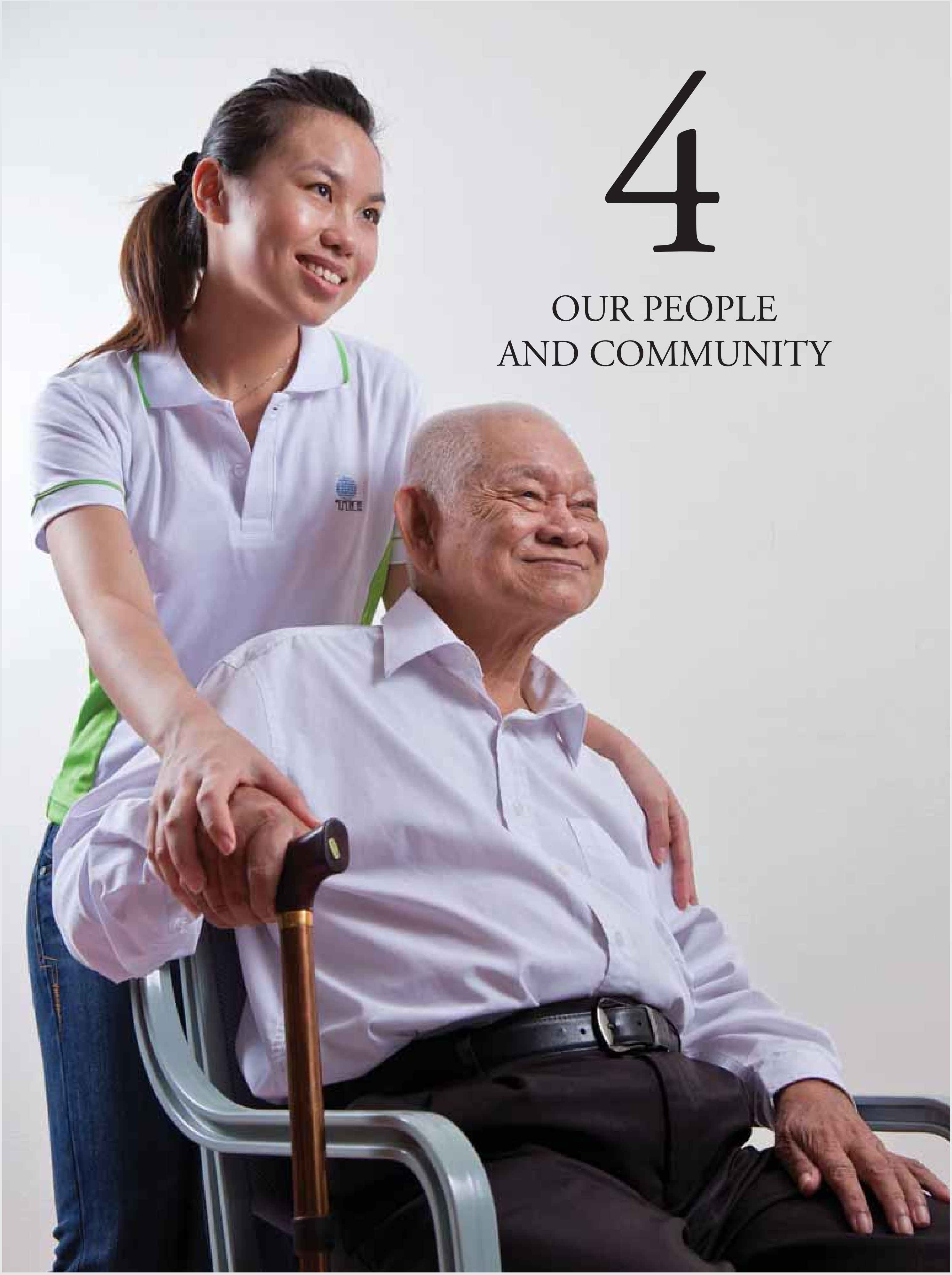
Apart from the property development segment, TEE's integrated facilities management has established a good track record in managing our Marina Bay Sands Workers' Accomodation and the Group is looking to managing more of such projects. However, the project must be sizable and contributing a steady stream of rental income.

Chewathai Ramkhamhaeng

Chewathai Ratchaprarop

4

OUR PEOPLE AND COMMUNITY



Taking the High Road.

Our success is not only measured by our record numbers or a roster of premier clients. Our success becomes more meaningful when we are able to empower and inspire our people to serve the community.

HUMAN CAPITAL

OUR PEOPLE

At TEE, people are without doubt our most valuable asset. We have arrived at this stage of development in our history simply because we have been able to continuously recruit, train, retain and grow our pool of human resource. We are able to meet and exceed our business objectives over the years because the talents we developed continue to grow with us.

Today, more than ever before, TEE's success relies on this virtuous cycle of developing, retaining and motivating our workforce. A key cornerstone of TEE's operating philosophy is being able to nurture capabilities throughout the entire spectrum of our businesses from engineering to real estate development.

DEVELOPING HUMAN CAPITAL

From the outset, each of our staff works with our line managers on the career planning and structured training to meet the individual needs. This structured approach ensures that we help our people unlock their full potential, achieve high levels of job satisfaction and maximise their contribution to the Company.

We invested and provided various training and development programs to our staff. A total of 2,800 training hours were set aside last year to improve and develop the skill sets and mental well-being of our staff.

These trainings covered a broad range of topics from personal development to specific skills upgrading programs in technical areas. The depth and scope of these programs reflects the growing diversity and dynamism of our business.

PROMOTING WORKPLACE HEALTH AND WORK-LIFE HARMONY

A healthy body, a culture of togetherness and a good work-life balance are the basis for individual and organisational growth. Beyond skills training, we strongly advocate a positive workplace culture and emphasise a healthy lifestyle and work-life harmony.

To promote personal fitness and health, our Group Chief Executive initiated a TEAM TEE1000 in year 2005. This was followed progressively by TEE3000, TEE5000 and TEE8000 which started in year 2009. In this initiative, every staff is encouraged to jog a certain distance which adds to a combined total for TEE as an organisation to achieve 8,000 km of total distance covered in 2010. We plan to complete TEE8000 by the end of year 2010.

TEE provides free medical screening yearly, conducts a series of healthy workplace programs like kick-boxing classes, yoga classes, cooking demonstration and so on to encourage our staff to tap their diverse personal interest. We also hold team building programs such as bowling tournaments, badminton

tournaments, telematches and so on, to provide a platform for team bonding and create a conductive working environment. The Company also organised social activities such as community services, dinners and retreat for staff to encourage interaction at social and community levels.

TEE is an organisation who believes in making a positive impact on the society and community around us. To reinforce employees' team bonding and encourage community work with beneficiaries in the spirit of volunteerism, we have participated actively in community welfare and charitable activities.

REINFORCING TEAMWORK STARTING WITH THE TOP

Teamwork begins at the top. Good leadership is the cornerstone of success in our Company. Every member of our Management team adopts a hands-on approach and leads by inspiring each team member to do their best to achieve the desired result. Cohesion binds each of our staff to a shared vision.

Even as our staff strength has grown over the years, leadership and teamwork continues to be stronger than ever. Today, TEE's staff strength stands at 342, comprising employees from diverse nationalities and wide spectrum of capabilities, including administration support staff, corporate executives, project managers, project engineers, site supervisors and general workers.

We remain steadfast in our commitment to attract, retain and develop our people to be the best that they can be.

SUCCESSION PLANNING

As the Company grows and our portfolio of businesses expands, succession planning is a mission-critical part of building a sustainable enterprise. While no one is indispensable, a clear succession planning program can inculcate a sense of continuity and belonging. Succession planning infuses the Company with a sense of mission and destiny that is larger than each individual.

At TEE, key management personnel are tasked with identifying and mentoring the next generation of leaders. In our fast-paced industry, new challenges arise and the need for injection of fresh ideas as well as the availability of young, motivated and capable leadership become ever more keenly felt. While mentors provide the guiding hand of experience, new leaders are also tasked with ever bigger responsibilities and challenges.

TEE is committed to building an enterprise that last. The ability of our energetic new generation of leaders to constantly refresh and evolve with the dynamic business environment will be the litmus test of our continued viability.

HUMAN CAPITAL

STATISTICS ON HUMAN TALENTS

Level	No. of Staff
Key Management	14
Middle & Junior Management	31
Administration & clerical works	35
Site Operations	71
NTS/Skilled workers	191
Total	**342**

STATISTICS ON LENGTH OF SERVICE

Year of Service	No. of Staff
< 5 years	277
5 to 10 years	36
Over 10 years	29
Total	**342**

STATISTICS ON QUALIFICATION

Qualification	No. of Staff
Degree & above	70
Diploma & equivalent	39
Secondary & below	55
Skill certificates	178
Total	**342**

People Development	2010 (Jan-Jul)	2009	2008
No. of staff assigned for training	42	115	64
No. of workers assigned for training	32	33	31

STATISTICS ON LEADERSHIP RENEWAL

Description	CURRENT TEAM	NEW TEAM
Age	44	34
Number of team members	9	17
Nationalities	Singaporeans	Singaporeans, Malaysians
Highest education level	Master	Master
Lowest education level	NTC	Diploma

REACHING OUT TO OUR COMMUNITY

As an active corporate citizen, TEE makes community outreach a part of our staff development and the core of our philosophy. Service is our highest calling and to be able to serve those in need within our community brings meaning and value to each one of us at TEE.

This year, the team at TEE was actively involved in organising and participating in various activities at the Villa Francis Home for the Aged.

1 OCTOBER 2009
Mid Autumn Festival – TEE Coffee House

This was the second time TEE is celebrating Mid Autumn Festival with the Villa Francis Home For the Aged. Staffs were given a theme and they were dressed up accordingly in costumes to serve the elderly. Our staff enjoyed mingling with the elderly, serving them with enthusiasm and bringing warmth to the Home. Games were played and local food were served as our staff enjoyed themselves under the full moon.

6 FEBRUARY 2010
Chinese New Year Celebration

TEE's staff were spreading happiness and joyful to the residents with a series of performances during Chinese New Year. Performances included singing, dancing, magic show, lion dance and symbolic Chinese New Year food (Yu Sheng) was presented by our Group Chief Executive, Directors, Sister Maria and the residents. A buffet lunch was served after giving out the goodie bags and red packets which symbolizes luck and wealth for every resident.

24 APRIL 2010
Dessert day

TEE organized a "sweet warm" day for the residents by giving out the handicraft and dessert (eight treasure porridge) specially cooked by our Executive Director, Ms. Saw Chin Choo. The handicrafts were craft work by TEE's staff such as tissue flower, dragonfly, 3D jigsaw puzzle and paper origami in a carrying box.

22 MAY 2010
Movie Day

TEE set up a home movie theatre with the cantonese comedy movie (72 tenants) to the residents. The movie day ended with the birthday celebration for our Group Chief Executive & Managing Director, Mr. C K Phua. A birthday card in designated craft work was given by the residents to Mr. Phua and every resident enjoyed the dark chocolate sponsored by Mr. Phua.

SAFETY, HEALTH AND ENVIRONMENTAL AWARENESS

TEE is committed to the all round safety, health and environmental impact of everyone involved in our operations as well as the public at large. Therefore, TEE's comprehensive initiatives on Safety, Health and Environmental Awareness are driven by the following policies:–

SAFETY AND HEALTH POLICY

TEE is committed to the development and maintenance of culture and the processes that ensure the safety and health of all employees, subcontractors, visitors, customers and public. This policy is an integral part of our continuous improvement process.

The Group's management, supervisors and subcontractors are also responsible for strengthening the implementation of the safety and health systems through proactive communication, continuous improvement of safety and health systems and procedures, and developing and implementing detailed safety and health auditing at all work locations through a series of internal practices.

TEE operates a Quality, Environmental, Health and Safety Management. TEE has been awarded the bizSAFE standard, and complies with workplace safety and health good practices, by putting in place workplace safety and health program such as Risk Management. We have been awarded the bizSAFE Star.

The bizSAFE program is a pledge of commitment to improve workplace safety and health, and this commitment begins firstly from the top management which will extend to all levels subsequently. This allows the whole organization to get involved in developing systems and ensuring a workplace that is conducive for work and yet safe for all workers.

FITNESS FOR WORK POLICY

TEE strongly believes that being "Fit for Work" is a fundamental part of our Safety systems. The Group strives to provide a safe and healthy working environment which minimises the risk of injury or illness through any act or omission.

Management, supervisors and subcontractors are responsible for the safety and health of all the employees working with them. At the same time, all our employees are also responsible for ensuring that they are in a fit state to carry out their duties without causing risk to themselves or others.

REHABILITATION POLICY

If an injury or illness occurs at the workplace, TEE will provide rehabilitation services to support the injured personnel until a full return to work is possible. TEE will also do its best to minimise the impact of the rehabilitation process on its operations.

To achieve this, TEE will educate all its personnel on the requirements of rehabilitation and heighten awareness of the process throughout the Company.

ENVIRONMENTAL POLICY

TEE is committed to protecting and enhancing the quality of the environment by conducting all aspects of our business in a manner that ensures continual compliance with all environmental laws. TEE aspires to ensure that its installation processes and products are safe for its customers, the public and the environment.

With the gradual integration of environmental factors into planning, operational decisions and processes, we will strive to continuously use resources as efficiently as possible and reduce the effects of our work activities on the environment.

TEE is in the process of applying for the Environmental Management Systems ISO 14001: 2004 certification. We have completed the safety awareness training, the internal auditor course and the internal audit process itself.

We are committed to minimise pollution in our working environment, complying with applicable legal and other requirements and will strive for continual improvement in our environmental management system.

CORPORATE GOVERNANCE REPORT

The Board of Directors continues to be committed to upholding the highest standards of corporate governance, and believes those sound corporate governance principles and practices will sustain and improve corporate performance, accountability, transparency, building trust and confidence in the Group, safeguarding the interests of all shareholders and promoting investors' confidence in the Group.

The Company has complied with the Code of Corporate Governance 2005 ("the Code") except where otherwise explained. In areas where we have not complied with the Code, the Group will continue to assess its needs and implement appropriate measures accordingly.

This Report describes the Company's corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the success of the Company. The Board works with the Management to achieve this and the Management remains accountable to the Board.

The Board assumes responsibility for setting strategic direction, establishing pertinent policies, corporate governance and overseeing proper management of the Group. Their responsibilities apart from statutory responsibility also extend to the following functions:

- Providing entrepreneurial leadership;
- Approving the Group's policies, strategies and financial plans;
- Reviewing the Group's financial and management performance;
- Approval of half-year and full-year results announcements;
- Approval of annual report and accounts;
- 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 Management;
- Declaration of interim dividends and proposals of final dividends and special dividends (if any);
- Convening of shareholders' meetings;
- Approval of annual budget, material acquisitions and disposal of assets, major investments and divestment proposals;
- Approval of nominations for the Board by the Nominating and Remuneration Committee and endorsing the appointments of the Key Executives and/or external auditors; and
- Reviewing recommendations made by the Nominating and Remuneration Committee and approving the remuneration packages for the Board and Key Executives.

All directors are required to use reasonable diligence in discharging their duties and act in good faith in the best interests of the Group.

In order to provide an independent oversight and to discharge its responsibilities more efficiently, the Board has delegated certain functions to various Committees. The Board Committees consist of the Audit Committee, Nominating and Remuneration Committee and Executive Committee. The Chairman of the respective Committees will report to the Board on the outcome of the Committee meetings and their recommendations on the specific agendas mandated to the Committee by the Board.

The Board meets regularly at least two times within each financial year and at other times as appropriate, to approve the release for the Group's financial results as well as to consider and resolve major financial and business matters of the Group. To facilitate effective management, the day-to-day management of the Group's businesses and affairs are entrusted to the Directors and Key Executives.

The Company's Articles of Association provide for the Board to convene meetings via conference telephone, video conferencing or other audio or audio-visual communications equipment.

CORPORATE GOVERNANCE REPORT

The details of the frequency of Board and Board Committee meetings held during the financial year ended 31 May 2010 and the attendance of every Board member at the meetings are set out below:-

	Board Committee Meetings					
Name of Director	**Board of Directors Meeting**		**Audit Committee Meeting**		**Nominating and Remuneration Committee 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
Mr. Bertie Cheng Shao Shiong	4	4	2	2	2	2
Mr. Tan Boen Eng	4	4	2	2	2	2
Er. Lee Bee Wah	4	2	2	1	2	1
Mr. Phua Chian Kin	4	4	–	–	2	2
Ms. Saw Chin Choo	4	4	–	–	–	–
Mr. Phua Boon Kin	4	4	–	–	–	–

The Group has adopted a set of internal guidelines setting forth matters that require the approval of the Board. Under these guidelines, all investments, material acquisitions and disposals of assets, corporate restructuring and all commitments to term loans and lines of credit from banks and financial institutions require the Board's approval.

Directors' Training

Orientation courses and educational programmes will be organised for new Directors to ensure that the incoming Directors are familiar with the Company's key business and governance practices.

Prior to their appointment, new Directors are also provided with the relevant information on their duties and responsibilities as Directors, the Company's corporate governance processes as well as relevant statutory and regulatory compliance issues. Directors may request for further explanations, briefings and informal discussions on any aspects of the Company's operations or business issues.

The Management monitors changes to regulations and financial reporting standards closely. Directors will also receive regular updates on changes in the relevant laws and regulations, changing commercial risks and business conditions to enable them to make well-informed decisions.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the Management. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises six Directors, of whom three are Independent and Non-Executive Directors. This composition is in compliance with the Code's requirement that at least one-third of the Board should be made up of Independent Directors.

The composition of the Board is as follows:-

Executive Directors
Mr. Phua Chian Kin (Group Chief Executive & Managing Director)
Ms. Saw Chin Choo
Mr. Phua Boon Kin

CORPORATE GOVERNANCE REPORT

Independent and Non-Executive Directors
Mr. Bertie Cheng Shao Shiong (Non-Executive Chairman)
Mr. Tan Boen Eng
Er. Lee Bee Wah

The Nominating and Remuneration Committee ("NRC") reviews the independence of each Director on an annual basis by taking into consideration the Code's definition of an Independent Director as well as the relationships which would deem a Director not to be independent. The NRC is of the view that the Board is of the appropriate size and with the right mix of skills and experience given the nature and scope of the Group's operations.

The Board is made up of a team of high calibre leaders whose extensive experience, knowledge and expertise combine to contribute to effective decision-making and direction for the Group. As a group, they possess the core competencies such as finance knowledge, business and management experience, industry knowledge and strategic planning experience which are required for the Board to be effective. The profile of the directors is set out on pages 22 to 23.

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.

Role of Chairman and Managing Director

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the Executive responsibility of the Company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

There was a clear division of responsibilities of the Chairman and Managing Director to ensure an appropriate balance of power and authority to increase accountability and greater capacity of the Board for independent decision-making. The Chairman and the Managing Director are not related to each other.

Mr. Bertie Cheng Shao Shiong, Non-Executive Chairman, is responsible for, among others, approving the agendas for the Board and the various Board Committees. He is also responsible for exercising control over the quantity, quality and timeliness of the flow of information between the Management of the Company 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 Managing Director and the Management.

Mr. Phua Chian Kin who assumes the role of Group Chief Executive & Managing Director plays an instrumental role in the expansion and growth of the business of the Group and leads the Group with strong vision. He is responsible for the day-to-day running of the Group's business affairs. He also leads the Management and executes plans in the implementation of the Board's decisions.

In order to assist the Group Chief Executive & Managing Director, an Executive Committee ("EXCO") is appointed. Mr. Cheng is the Chairman of the EXCO. More details on the EXCO can be found on page 48.

For good practice, the Key Executives who have prepared the Board meeting papers, or who can provide additional insight into the matters to be discussed, are invited to present the Board meeting papers or attend at the relevant time during the Board meeting.

BOARD COMMITTEES & REMUNERATION MATTERS

NOMINATING AND REMUNERATION COMMITTEE

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new Directors to the Board.

CORPORATE GOVERNANCE REPORT

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on Executive remuneration and for fixing the remuneration packages of individual Directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Disclosure on Remuneration

Principle 9: Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The NRC comprises a majority of independent and non-executive directors:-

Independent and Non-Executive Directors
Mr. Bertie Cheng Shao Shiong (Chairman)
Mr. Tan Boen Eng
Er. Lee Bee Wah

Executive Director
Mr. Phua Chian Kin

The majority of the NRC members are independent from business and management relationships. All three independent directors, including Mr. Cheng, the Chairman of the NRC, are independent from major shareholders.

One of the NRC's primary functions is to provide assistance to the Board in selecting suitable directors and making recommendations on all appointment of Directors to the Board.

In addition, the NRC also performs the following functions:

- Nominate directors to fill up any vacancies in the Board or the various Committees;
- Re-nominate existing directors, having regard to the Director's contribution and performance including, if applicable, as an Independent Director;
- Review annually 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;
- Take into account the scope and nature of the operations of the Group to review and determine the appropriate size and structure of the Board;
- Recommend Directors who are retiring by rotation to be put forward for re-election;
- Recommend a framework for remunerating the Board, both Executive and Non-Executive directors and Key Executives; and
- Review all matters relating to remuneration of the Board and Key Executives.

Election and Re-election

All directors (excluding the Group Chief Executive & Managing Director) submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to Article 89 of the Company's Articles of Association, one-third of the Board of Directors (apart from the Managing Director) are subject to retirement from office by rotation and be subject to the re-election at the Company's Annual General Meeting.

CORPORATE GOVERNANCE REPORT

It was also provided in the Article 88 of the Company's Articles of Association that Directors appointed during the year shall only hold office until the next Annual General Meeting and are subject to re-election by the shareholders.

The NRC has recommended the re-nomination of a Director retiring by rotation under Article 89 of the Company's Articles of Association, namely Mr. Phua Boon Kin, for re-election at the forthcoming Annual General Meeting respectively.

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Tan and Mr. Cheng are subjected to re-appointment as Directors of the Company to hold office until the next Annual General Meeting as they are over 70 years of age.

Upon the re-appointment as Directors of the Company, Mr. Tan will remain as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee. Mr. Cheng will remain as Non-Executive Chairman of the Company, Chairman of the Nominating and Remuneration Committee and Executive Committee and a member of the Audit Committee.

Review of Directors' Independence

The NRC conducts an annual review of the independence of Directors. After taking into consideration the Code's definition of independence, the NRC is of the view that the Non-Executive Directors, Mr. Cheng, Er. Lee and Mr. Tan are independent.

Review of Directors with Multiple Board Representations

The NRC also determines on an annual basis if directors, who serve on many boards, are able to and have been discharging their duties. The NRC has reviewed and is satisfied that all the directors have been adequately carrying out their duties.

Process for Selection and Appointment of New Directors

- The NRC 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 which are completed by the Board annually, the NRC is able to evaluate whether the composition of the Board is adequate. It also assesses whether additional competencies are required in the area where the appointment of new Directors is concerned.
- In selecting new directors, suggestions made by Directors were considered.
- After assessing their suitability, potential candidates are then short-listed by the NRC.
- The most suitable candidate is subsequently appointed to the Board.

Policy on External Appointments

The Group recognises that its Executive Directors may be invited to become Non-Executive Directors of other Companies and that exposure to such appointments can broaden the experience and knowledge of its Executive Directors which will benefit the Group. Executive Directors are therefore allowed, with the Board's consent, to accept non-executive appointments, as long as these are non-competing companies and are not likely to lead to conflicts of interests.

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
Mr. Bertie Cheng Shao Shiong	73	Independent / Non-Executive	5 March 2001	24 September 2009
Mr. Tan Boen Eng	77	Independent / Non-Executive	5 March 2001	24 September 2009
Er. Lee Bee Wah	49	Independent / Non-Executive	26 September 2008	24 September 2009
Mr. Phua Chian Kin	51	Non-independent / Executive	15 August 2000	Not applicable
Ms. Saw Chin Choo	48	Non-independent / Executive	10 September 2004	24 September 2009
Mr. Phua Boon Kin	48	Non-independent / Executive	1 September 2008	25 September 2008

CORPORATE GOVERNANCE REPORT

Remuneration Matters

The remuneration policy adopted by the Group comprises of a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component depends on the performance of each Company within the Group.

The Company does not have any long-term incentive schemes. In setting remuneration packages, the Company takes into account the remuneration and employment conditions within the same industry and in comparable companies.

The Board also recommended a fixed fee for the effort, time spent and responsibilities of each Independent and Non-Executive Director. The Chairman of the Board is paid a higher amount of Director's fee as his level of responsibility is higher. Executive Directors do not receive Director's fees, but receive attendance fees for attending meetings. The Independent Directors' fees will be subject to shareholders' approval at the Annual General Meeting. They do not have any service contracts with the Company.

The Company's Articles of Association govern their terms of appointment. There are safeguards in place to ensure that no one individual represents a considerable concentration of power. The NRC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. No Director is involved in the determination of his own remuneration.

The Group Chief Executive & Managing Director has a 3-year renewal service contract with the Company which has been renewed in July 2010. There are no onerous removal clauses or early termination clauses.

A breakdown showing the level and mix of remuneration paid or payable to each Director of the Company (in percentage terms) for the financial year ended 31 May 2010 is as follows:-

Directors' Remuneration

Remuneration bands & Name of Director of the Company	Director's Fees %[1]	Attendance Fees %	Base / Fixed Salary %[2]	Variable or Performance Related Income/ Bonuses (inclusive of allowances) %[2]
S$500,000 and above				
Mr. Phua Chian Kin	–	2	38	60
S$250,000 to below S$500,000				
Mr. Phua Boon Kin[3]	–	3	66	31
S$100,000 to below S$250,000				
Ms. Saw Chin Choo	–	3	66	31
Below S$100,000				
Mr. Bertie Cheng Shao Shiong	90	10	–	–
Mr. Tan Boen Eng	89	11	–	–
Er. Lee Bee Wah	89	11	–	–

(1) The amount of S$155,000 Directors' fees was approved at the Ninth Annual General Meeting on 24 September 2009. Mr. Cheng, Mr. Tan and Er. Lee were paid S$70,000, S$40,000 and S$30,000 respectively for the year ended 31 May 2010. Er. Lee was paid an additional S$15,000 for the year ended 31 May 2009.

(2) The salaries and bonuses shown are inclusive of Central Provident Fund Contributions.

(3) Mr. Phua Boon Kin is the younger brother of Mr. Phua Chian Kin, Group Chief Executive & Managing Director.

CORPORATE GOVERNANCE REPORT

Key Executives' Remuneration

The remuneration of each Key Executive is not disclosed as the Company believes that disclosure may be prejudicial to its business interests given that it is operating in highly competitive environments. The Company is disclosing the remuneration of the top 11 Key Executives who are not the Executive Directors of the Company in bands as shown below for the financial year ended 31 May 2010:-

Remuneration bands	FY2010	FY2009
S$250,000 to below S$500,000	1	1
S$100,000 to S$250,000	8	8
Below S$100,000	2	2

Out of the 11 Key Executives in FY2010, Mr. Phua Cher Chuan and Mr. Phua Cher Chew are nephews of Mr. Phua Chian Kin, Group Chief Executive & Managing Director, whose remuneration did not exceed S$150,000.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

In the process of assessing the effectiveness of the Board, the contribution of individual Directors plays an important role. In reviewing the re-appointment of any Director, a formal process is established by performing an evaluation on the performance of the Directors annually. Assessment on each Director's contribution to the Board includes his attendance and participation, time and effort devoted to the Company's business and affairs. The NRC has conducted a Board Performance Evaluation to assess the effectiveness of the Board for the financial year ended 31 May 2010.

In addition, through the NRC, the Board ensures that the appointed Directors possess core competencies like business experience, knowledge of accounting and finance and background understanding of the industry. This in turn allows the Board to benefit from the different viewpoints which the Directors provide.

New directors will be appointed by way of a board resolution after the NRC approves of their appointment. Such new directors must submit themselves for re-election at the next Annual General Meeting as provided under Article 88 of the Company's Articles of Association.

Access to Information

Principle 6: Board members should be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis.

Prior to each meeting, the members of the Board are provided with timely management accounts and other relevant information on material events and transactions with background and explanations to enable them to have a comprehensive understanding of the issues so as to make informed decisions. In view of the Group's size and nature of operations, half-yearly reports are considered adequate. 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. However, sensitive matters may be tabled at the Board meetings or discussed without distributing papers.

The Joint Company Secretaries or her representatives would attend all the Board meetings and provide assistance to the Chairman by ensuring that board procedures are followed. They also help to ensure that the relevant regulations, as well as requirements of the Companies Act and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") have been duly complied with.

The Directors have also been provided with the telephone numbers and electronic communication particulars of the Company's Key Executives and Joint Company Secretaries to facilitate access. Moreover, each Director is free to seek independent professional advice, at the Company's expense, concerning all aspects of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Upon approval and authorization given by the Board, half-yearly and annual financial statements are presented to the shareholders promptly via Singapore Exchange Limited ("SGX") and the Company's website. The Company's latest Annual Report is also available at the Company's website.

The Directors aim to present a balanced and transparent assessment of the Group's position and prospects. During the preparation of financial statements, the Directors have ensured that all applicable financial reporting standards have been followed; judgments and estimates made are reasonable and prudent; and adopted appropriate accounting policies and applied them consistently. The Management currently provides the Board with a continual flow of relevant information on a timely basis so that it may effectively discharge its duties.

Audit Committee

Principle 11: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Currently, the Audit Committee consists of three Independent and Non-Executive Directors:-

Independent and Non-Executive Directors
Mr. Tan Boen Eng (Chairman)
Mr. Bertie Cheng Shao Shiong
Er. Lee Bee Wah

The role of the Audit Committee is to assist the Board in the execution of its corporate governance responsibilities within the established Board references and requirements to monitor and appraise whether the Management has created and maintained an effective control environment in the Group, as well as providing a channel of communication between the Board, the Management, the internal auditors and the external auditors, on matters arising out of the internal and external audits. Each member of the Audit Committee shall abstain from voting any resolution in respect of matters of which he is interested in.

The duties of Audit Committee include the following:

- Review findings, audit plan, including nature and scope of audit before the commencement of each audit, evaluation of the system of internal accounting controls, auditors' report and management letters with the internal and external auditors;
- Review half-year and full-year financial statements and announcements before submission to the Board for approval;
- Review the co-operation given by the Management to the internal auditors and external auditors;
- Review the adequacy of internal audit function;
- 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;
- Make recommendations to the Board on the appointment/re-appointment of the external and internal auditors, audit fees and matters relating to the resignation and dismissal of the auditors;
- Review any interested person transactions and ensure that each transaction has been conducted on an arm's length basis;
- Review any potential conflicts of interest; and
- Consider other matters as defined by the Board.

The members of the Audit Committee have sufficient accounting and related financial management expertise and are suitably qualified to discharge the Audit Committee's experience.

The Audit Committee has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation

CORPORATE GOVERNANCE REPORT

of the Management. It also has full discretion to invite any Director or Key Executives to attend its meetings. The Audit Committee has access to sufficient resources to enable it to discharge its functions properly.

In addition, the Audit Committee holds a half-yearly meeting to review the half-year and full-year financial statements and related disclosures before submitting them for recommendation to the Board for approval.

The Audit Committee also has separate and independent access to the internal auditors and external auditors. During the year, the Audit Committee has held a separate meeting with the internal auditors and external auditors without the presence of the Management to discuss the reasonableness of the financial reporting process, to review the adequacy of audit arrangements with particular emphasis on the observation and recommendations of the external auditors, the scope and quality of their audits and the independence and objectivity of the external auditors.

The Audit Committee 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.

It is noted that different auditors have been appointed for some of the overseas subsidiaries and associates. The name of the auditing firm is disclosed in Note 14 and 15 of the Notes to Financial Statements in the Annual Report. This matter has been reviewed by the Audit Committee and the Board and both are satisfied that the appointment does not compromise the standard and effectiveness of the audit of the Company.

Having reviewed the amount of non-audit related work which comprised tax services rendered to the Group by the external auditors, Messrs Deloitte & Touche LLP, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the Audit Committee has recommended their re-nomination to the Board.

The Audit Committee would set up 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 will be made available to all employees, once implemented.

Internal Controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Audit Committee is aware that the Group's system of internal controls plays a crucial part in the identification and assessment of risks that may have an impact on the Group's operations. With the assistance of the Group's internal and external auditors, regular reviews of the system of internal controls are carried out. The results of the reviews are then reported to the Audit Committee. The Audit Committee will then take action on the material internal control weaknesses as well as on the recommendations for improvement which are proposed.

The Board believes that the system of internal controls maintained by the Company's Management which was in place throughout the financial year, provides reasonable, but not absolute, assurance against material financial misstatements or loss. Reviewing the system of internal controls includes ensuring the adequate safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation and the identification and containment of business risk. The Board acknowledges that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Company has appointed PKF-CAP Risk Consulting Pte. Ltd. ("PKF") to provide internal audit services within the Group.

PKF has met the standards set out by internationally recognized professional bodies such as the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Audit Committee is satisfied that PKF has sufficient resources in the performance of its functions and has appropriate standing within the Company.

PKF will review key internal controls in selected areas in consultation with, but independent of the Management. In the review, PKF usually reports their findings to the Audit Committee during the Audit Committee Meeting, where it recommends a set of guidelines for areas of improvement to the Audit Committee for approval, so as to have better and more effective internal controls. The activities of PKF are monitored on a regular basis and the implementation of recommendations is reviewed annually.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at Annual General Meetings, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company acknowledges the importance of open and fair communication with stakeholders and has also taken efforts to maintain a high level of transparency by issuing announcements of important transactions through SGXNet, notwithstanding that some of these transactions may not require disclosure.

Disclosure of the information by the Company is made on a timely basis through communication channels such as corporate announcements via the SGX-ST's SGXNet broadcast network, the publication of the Annual Report and the holding of the Annual General Meeting. All material information is also updated on the Company's website at http://www.tee.com.sg, which serves as a one-stop source for shareholders and stakeholders alike.

The Company does not practise selective disclosure of material information. All materials on the half-year and full-year financial statements, corporate announcements and shareholder reports are issued promptly and within the prescribed periods. In addition to the issue of the Notice of Annual General Meeting and Notice of Books Closure and Dividend Payment Dates together with the Annual Report, the Notice of Annual General Meeting is also advertised in a major local newspaper.

Shareholders can vote for Resolutions or appoint not more than two proxies to attend the meeting on their behalf in the event that they are unable to attend the meeting. Separate resolutions on each distinct issue are proposed at Annual General Meetings for approval.

The Chairman presides yearly over the Annual General Meeting and is accompanied by fellow Board members, the Chairman of the Audit, Nominating and Remuneration and Executive Committee respectively, the Joint Company Secretaries as well as other Key Executives. The Company's external auditors, Messrs Deloitte & Touche LLP, are also present to address any relevant queries from the shareholders.

The minutes of Annual General Meetings are prepared by the Joint Company Secretaries, which include substantial comments or queries from shareholders and responses from the Board Members and the Management. These minutes are available to shareholders upon their request.

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

In line with the SGX-ST's best practices on dealings in securities, directors and employees of the Group are advised through circulars not to deal in the Company's securities during the periods commencing one month prior to the announcement of the Group's half-year and full-year results and ending on the date of the announcement of the results. 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.

Furthermore when the Company is involved in major corporate activities such as investment or divestment that could be price-sensitive in relation to the Company's securities, officers involved are advised not to deal in the Company's securities.

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 Group Chief Executive & Managing Director, 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 period under review.

INTERESTED PERSON TRANSACTIONS

The Group has adopted a policy in respect of any transactions with interested persons which requires all such transactions to be at arm's length and reviewed by the Audit Committee during the half-yearly meeting. For the financial year ended 31 May 2010, the transactions between a subsidiary of the Company, Trans Equatorial Engineering Pte Ltd and the interested person transactions are set out 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)
PBT Automobile and Credit Pte Ltd	S$169,000	Nil

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

RISK MANAGEMENT POLICIES AND PROCESSES

The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Group's financial risk and management are discussed under Note 4 of the Notes to Financial Statements in the Annual Report.

CORPORATE GOVERNANCE REPORT

EXECUTIVE COMMITTEE

The EXCO consists of four members:

Mr. Bertie Cheng Shao Shiong (Chairman)
Er. Lee Bee Wah
Mr. Phua Chian Kin
Ms. Yeo Ai Mei (Group Finance Controller)

The Scope of the EXCO shall cover the following:

- Approval of property development projects commencing from land acquisition;
- Approval for acceptance of project of contract value exceeding S$2.50 million;
- Investment in new business of total investment exceeding S$0.50 million; and
- Single capital investment of value exceeding S$200,000.

The details of the frequency of EXCO meetings held during the financial year ended 31 May 2010 and the attendance of every EXCO member at those meetings are set out below:-

Name of Member	EXCO Meetings	
	No. of meetings held	No. of meetings attended
Mr. Bertie Cheng Shao Shiong	5	5
Er. Lee Bee Wah	5	5
Mr. Phua Chian Kin	5	5
Ms. Yeo Ai Mei	5	5

USE OF PROCEEDS

During the financial year, the Company has fully utilized the net proceeds of S$1.27 million from the subscription of the warrants issue. The net proceeds were used to satisfy the purchase consideration by its associate company, Chewathai Ltd for the acquisition of new land at Ramkhamhaeng Road in Bangkok, Thailand. The use of proceeds is in accordance with the intended use of the proceeds from the subscription of warrants stated in the Offer Information Statement of 3 February 2010.

FINANCIAL CONTENTS

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended May 31, 2010.

1 DIRECTORS

The directors of the company in office at the date of this report are:

Mr. Bertie Cheng Shao Shiong
Mr. Tan Boen Eng
Er. Lee Bee Wah
Mr. Phua Chian Kin
Ms. Saw Chin Choo
Mr. Phua Boon Kin

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 other than the options as mentioned in paragraph 3 below.

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 Singapore Companies Act except as follows:

	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
Name of director and company in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
The Company				
TEE International Limited		**Ordinary shares**		
Mr. Bertie Cheng Shao Shiong	–	1,800,000	2,000,000	2,000,000
Mr. Tan Boen Eng	39,100	69,100	–	–
Er. Lee Bee Wah	40,000	169,000	–	–
Mr. Phua Chian Kin	74,965,068	75,020,068	6,445,462	6,445,462
Ms. Saw Chin Choo	256,847	341,847	–	–
Mr. Phua Boon Kin	52,586	52,586	–	–
		Warrants to subscribe for ordinary shares at the exercise price of $0.40 each		
Mr. Bertie Cheng Shao Shiong	60,000	–	–	60,000
Mr. Tan Boen Eng	6,800	6,800	–	–
Mr. Phua Chian Kin	12,847,359	15,491,359	1,120,950	1,120,950
Ms. Saw Chin Choo	42,930	42,930	–	–
Mr. Phua Boon Kin	449	449	–	–

REPORT OF THE DIRECTORS

Name of director and company in which interests are held	Shareholdings registered in name of director: At beginning of year	Shareholdings registered in name of director: At end of year	Shareholdings in which directors are deemed to have an interest: At beginning of year	Shareholdings in which directors are deemed to have an interest: At end of year
The Company				
TEE International Limited	**Warrants to subscribe for ordinary shares at the exercise price of $0.31 each**			
Mr. Bertie Cheng Shao Shiong	–	1,800,000	–	1,000,000
Er. Lee Bee Wah	–	72,500	–	–
Mr. Phua Chian Kin	–	40,561,663	–	1,202,670
Ms. Saw Chin Choo	–	158,423	–	–

By virtue of Section 7 of the Singapore Companies Act, Mr. Phua Chian Kin is deemed to have an interest in all the shares of the subsidiaries of the company.

The directors' interests in shares and warrants of the company at June 21, 2010 were the same at May 31, 2010.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted, other than the warrants disclosed below:

Date of issue	Balance at June 1, 2009 or date of issue, if later	Exercised during the year	Expired during the year	Balance at May 31, 2010	Exercise price $	Exercise period
TEE International Limited						
Warrants over ordinary shares						
May 2, 2008	22,484,498	(6)	–	22,484,492	0.40	April 28, 2008 to April 27, 2011
March 3, 2010	70,410,343	(500)	–	70,409,843	0.31	March 3, 2010 to February 28, 2013

(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 an option to take up unissued shares, other than the warrants disclosed above.

REPORT OF THE DIRECTORS

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option, other than the warrants disclosed above.

6 AUDIT COMMITTEE

The Audit Committee comprised three members as at the end of the reporting period. The members of the committee at the date of this report are:

Mr. Tan Boen Eng	(Chairman and independent non-executive director)
Mr. Bertie Cheng Shao Shiong	(Independent non-executive director)
Er. Lee Bee Wah	(Independent non-executive director)

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 Singapore Companies Act.

The Audit Committee has held two meetings since the last report of the directors and has reviewed the following:

(a) the audit plans of the company's internal and external auditors, the results of the internal auditors' examination and evaluation of the group's system of internal accounting controls and the assistance given by the management to the internal and external auditors;

(b) the financial statements of the company and the consolidated financial statements of the group before their submission to the Board of Directors;

(c) interested person transactions; and

(d) the half yearly and annual announcements on the results and financial position of the company and the group.

The Audit Committee has full access to and co-operation of the company's 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 the meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the group at the forthcoming Annual General Meeting of the company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Mr. Phua Chian Kin

Mr. Bertie Cheng Shao Shiong

Singapore
August 31, 2010

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 55 to 106 are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at May 31, 2010, and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Mr. Phua Chian Kin

Mr. Bertie Cheng Shao Shiong

Singapore
August 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of TEE International Limited

We have audited the financial statements of TEE International Limited (the company) and its subsidiaries (the group) which comprise the statements of financial position of the group and the company as at May 31, 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 106.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the provisions of the Singapore Companies Act, Cap. 50 (the "Act"). This responsibility includes: 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 profit and loss accounts and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(a) the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at May 31, 2010 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date; and

(b) 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.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Michael Kee Cheng Kong
Partner

Singapore
August 31, 2010

STATEMENTS OF FINANCIAL POSITION

May 31, 2010

	Note	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
ASSETS					
Current assets					
Cash and bank balances	6	6,993,275	9,465,137	2,820,427	5,610,139
Trade receivables	7	39,129,966	32,394,289	9,931,639	4,209,641
Other receivables	8	11,198,710	4,932,815	27,837,254	6,770,636
Loans receivable from associates	9	14,014,410	4,440,800	–	–
Other investments – Held for trading	10	393,500	–	393,500	–
Inventories	11	815,880	1,706,678	–	–
Construction work-in-progress in excess of progress billings	12	20,562,197	3,671,526	–	–
Development properties	13	50,077,459	53,050,415	–	10,467,588
Completed property held for sale	13	4,706,577	–	4,706,577	–
Total current assets		147,891,974	109,661,660	45,689,397	27,058,004
Non-current assets					
Investment in associates	14	5,472,777	3,321,539	–	–
Investment in subsidiaries	15	–	–	22,011,823	21,384,624
Prepaid investment	16	621,108	621,108	–	–
Club membership	17	48,000	45,000	48,000	45,000
Plant and equipment	18	724,320	808,665	–	–
Investment property	19	20,500,000	20,000,000	20,500,000	20,000,000
Deferred tax assets	20	54,837	203,837	–	–
Total non-current assets		27,421,042	25,000,149	42,559,823	41,429,624
Total assets		175,313,016	134,661,809	88,249,220	68,487,628

STATEMENTS OF FINANCIAL POSITION

May 31, 2010

	Note	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	21	38,245,395	11,910,429	8,518,355	3,012,185
Trade payables	22	32,331,944	22,431,143	12,541,312	8,280,125
Other payables	23	10,007,925	6,408,509	29,687,024	13,081,367
Progress billings in excess of construction work-in-progress	12	–	3,424,955	–	–
Provision for maintenance costs	24	438,353	1,464,978	–	–
Current portion of finance leases	25	18,801	20,145	–	–
Current portion of long-term bank loans	27	17,483,563	16,029,205	5,253,838	8,425,535
Income tax payable		2,518,989	2,417,113	260,615	198,022
Total current liabilities		101,044,970	64,106,477	56,261,144	32,997,234
Non-current liabilities					
Finance leases	25	86,141	85,343	–	–
Long-term loan	26	4,050,000	–	–	–
Long-term bank loans	27	30,017,828	41,521,028	13,658,333	17,078,980
Deferred tax liabilities	20	242,060	152,926	216,098	131,098
Total non-current liabilities		34,396,029	41,759,297	13,874,431	17,210,078
Capital and reserves					
Share capital	28	15,559,065	15,558,907	15,559,065	15,558,907
Currency translation reserve	29	56,621	(55,412)	–	–
Capital reserve	30	1,265,735	–	1,265,735	–
Accumulated profits		22,990,595	13,297,298	1,288,845	2,721,409
Equity attributable to owners of the company		39,872,016	28,800,793	18,113,645	18,280,316
Minority interests		1	(4,758)	–	–
Total equity		39,872,017	28,796,035	18,113,645	18,280,316
Total liabilities and equity		175,313,016	134,661,809	88,249,220	68,487,628

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended May 31, 2010

	Note	Group 2010 $	Group 2009 $
Revenue	31	150,453,172	96,459,653
Cost of sales		(127,980,021)	(77,970,511)
Gross profit		22,473,151	18,489,142
Other operating income	32	2,705,105	723,811
Administrative expenses	33	(8,574,952)	(5,472,014)
Other operating expenses	34	(99,051)	(2,351,735)
Share of loss of associates	14	(74,964)	(658,474)
Finance costs	35	(2,428,097)	(1,828,717)
Profit before income tax		14,001,192	8,902,013
Income tax expense	36	(2,613,289)	(2,261,562)
Profit for the year	37	11,387,903	6,640,451
Other comprehensive income			
Currency translation differences, representing other comprehensive income for the year		112,033	38,646
Total comprehensive income for the year		11,499,936	6,679,097
Profit attributable to:			
Owners of the company		11,383,145	6,765,744
Minority interests		4,758	(125,293)
		11,387,903	6,640,451
Total comprehensive income attributable to:			
Owners of the company		11,495,178	6,794,010
Minority interests		4,758	(114,913)
		11,499,936	6,679,097
Earnings per share			
Basic (cents)	39	8.08	4.82
Diluted (cents)	39	8.08	4.82

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended May 31, 2010

	Share capital $	Currency translation reserve $	Capital reserve $	Accumulated profits $	Equity attributable to owners of company $	Minority interests $	Total $
Group							
Balance at June 1, 2008	15,489,389	(83,678)	–	7,864,413	23,270,124	400,041	23,670,165
Total comprehensive income for the year	–	28,266	–	6,765,744	6,794,010	(114,913)	6,679,097
Change in interest of a subsidiary	–	–	–	–	–	(289,886)	(289,886)
Issue of shares arising from exercise of warrants	69,518	–	–	–	69,518	–	69,518
Dividends paid (Note 38)	–	–	–	(1,332,859)	(1,332,859)	–	(1,332,859)
Balance at May 31, 2009	15,558,907	(55,412)	–	13,297,298	28,800,793	(4,758)	28,796,035
Total comprehensive income for the year	–	112,033	–	11,383,145	11,495,178	4,758	11,499,936
Incorporation of a subsidiary	–	–	–	–	–	1	1
Issue of warrants	–	–	1,265,735	–	1,265,735	–	1,265,735
Issue of shares arising from exercise of warrants	158	–	–	–	158	–	158
Dividends paid (Note 38)	–	–	–	(1,689,848)	(1,689,848)	–	(1,689,848)
Balance at May 31, 2010	15,559,065	56,621	1,265,735	22,990,595	39,872,016	1	39,872,017

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended May 31, 2010

	Share capital $	Capital reserve $	Accumulated profits $	Total $
Company				
Balance at June 1, 2008	15,489,389	–	4,378,605	19,867,994
Total comprehensive income for the year	–	–	(323,219)	(323,219)
Issue of shares arising from exercise of warrants	69,518	–	–	69,518
Dividends paid (Note 38)	–	–	(1,333,977)	(1,333,977)
Balance at May 31, 2009	15,558,907	–	2,721,409	18,280,316
Total comprehensive income for the year	–	–	257,284	257,284
Issue of warrants	–	1,265,735	–	1,265,735
Issue of shares arising from exercise of warrants	158	–	–	158
Dividends paid (Note 38)	–	–	(1,689,848)	(1,689,848)
Balance at May 31, 2010	15,559,065	1,265,735	1,288,845	18,113,645

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended May 31, 2010

	Group 2010 $	Group 2009 $
Operating activities		
Profit before income tax	14,001,192	8,902,013
Adjustments for:		
Change in fair value of investment property	(500,000)	1,000,000
Amortisation of financial guarantee liabilities	(51,517)	–
Share of loss of associates	74,964	658,474
Gain on additional interests acquired from minority shareholder	–	(173,714)
Depreciation of plant and equipment	287,017	288,689
Allowance for doubtful trade receivables	1,155,709	70,104
Allowance for doubtful other receivables	1,553,971	267,314
Trade receivables written off	20,070	13,322
Write back of allowance for doubtful trade receivables	(29,939)	(281,232)
Allowance for inventory obsolescence	91,684	20,681
Write back of impairment loss on value of club membership	(3,000)	(3,692)
Plant and equipment written off	20,220	21,139
Loss on disposal of plant and equipment	60,335	37,086
Change in fair value of commodity contract	(783,336)	797,973
Fair value of interest rate swap contract	633,339	–
(Write back of) Provision for maintenance costs	(211,059)	1,079,343
Interest income	(552,010)	(327,002)
Interest expense	1,794,758	1,828,717
Operating cash flows before movements in working capital	17,562,398	14,199,215
Completed property held for sale	(4,706,577)	–
Development properties	4,677,458	(1,123,215)
Trade receivables	(7,881,517)	(11,512,311)
Other receivables	(7,624,278)	961,439
Inventories	799,114	(737,448)
Construction work-in-progress in excess of progress billings	(16,890,671)	9,147,406
Trade payables	9,900,801	7,765,967
Other payables	2,976,661	(390,594)
Utilisation of provision for maintenance costs	(815,566)	(111,283)
Progress billings in excess of construction work-in-progress	(3,424,955)	(4,126,623)
Cash (used in) generated from operations	(5,427,132)	14,072,553
Interest paid	(3,499,260)	(3,482,101)
Income tax paid	(2,273,279)	(638,481)
Net cash (used in) from operating activities	(11,199,671)	9,951,971

STATEMENT OF CASH FLOWS

Year ended May 31, 2010

	Group	
	2010	2009
	$	$
Investing activities		
Proceeds on disposal of plant and equipment	24,168	206,726
Purchase of plant and equipment	(299,182)	(588,732)
Purchase of other investments	(393,500)	–
Payment for additional interests acquired in subsidiary	–	(116,172)
Investment in associates	(1,308,745)	(2,396,271)
Repayment of loan from associates	(9,573,610)	(4,182,770)
Interest received	356,422	327,002
Net cash used in investing activities	(11,194,447)	(6,750,217)
Financing activities		
Drawdown of loan	4,050,000	–
Drawdown of bank loans	33,302,485	11,700,711
Repayment of bank loans	(11,700,711)	(20,502,409)
Drawdown of long-term bank loans	47,501,391	10,471,410
Repayment of long-term bank loans	(57,550,233)	(4,893,610)
Decrease (Increase) in pledged fixed deposits	725,687	(592,522)
Decrease in project accounts	417,558	245,750
Repayment of obligations under finance leases	(546)	(85,242)
Net proceeds from issue of warrants	1,265,735	–
Net proceeds from exercise of warrants	158	69,518
Dividends paid	(1,689,848)	(1,332,859)
Net cash from (used in) financing activities	16,321,676	(4,919,253)
Net decrease in cash and cash equivalents	(6,072,442)	(1,717,499)
Cash and cash equivalents at beginning of year	3,394,357	5,073,210
Effect of foreign exchange rate changes	10,633	38,646
(Overdrawn) Cash and cash equivalents at end of year (Note A)	(2,667,452)	3,394,357

A : (Overdrawn) Cash and cash equivalents

	Group	
	2010	2009
	$	$
Cash and bank balances (Note 6)	6,993,275	9,465,137
Less: Project accounts (Note 6)	(38,982)	(456,540)
Pledged fixed deposits (Note 6)	(4,678,835)	(5,404,522)
	2,275,458	3,604,075
Bank overdrafts (Note 21)	(4,942,910)	(209,718)
Total (Overdrawn) cash and cash equivalents	(2,667,452)	3,394,357

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

1 GENERAL

The company (UEN.: 200007107D) is incorporated in Singapore with its principal place of business and registered office at 2024 Bukit Batok Street 23, #03-48, Singapore 659529. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are investment holding and development of real estate.

The principal activities of its associates and subsidiaries are disclosed in Notes 14 and 15 respectively.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended May 31, 2010 ("FY2010") were authorised for issue by the Board of Directors on August 31, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after June 1, 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 1 – *Presentation of Financial Statements (Revised)*

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

FRS 23 – *Borrowing Costs (Revised)*

FRS 23 (Revised) eliminates the option available under the previous version of FRS 23 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the change in accounting policy is to be applied prospectively, there is no impact on amounts reported for 2009.

Amendments to FRS 107 *Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

FRS 108 – *Operating Segments*

The group adopted FRS 108 with effect from June 1, 2009. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (FRS 14 - Segment Reporting) required an entity to identify two sets of segments (Business and Geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. The adoption of FRS 108 did not result in any change in the group's reporting segments.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

At the date of authorisation of these financial statements, the following FRS, INT FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

FRS 24	-	Related Party Disclosures (Revised)
FRS 27	-	Consolidated and Separate Financial Statements (Revised)
FRS 39	-	Financial Instruments: Recognition and Measurement (Amendments relating to Embedded Derivatives)
FRS 103	-	Business Combinations (Revised)

Amendments arising from Improvements to FRSs (issued in June 2009)

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption except for the following:

FRS 24 (Revised) – *Related Party Disclosures*

FRS 24 (Revised) Related Party Disclosures is effective for annual periods beginning on or after 1 January 2011. The revised Standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity. In addition, the revised Standard provides partial exemption for government-related entities, in relation to the disclosure of transactions, outstanding balances and commitments. Where such exemptions apply, the reporting entity has to make extra disclosures, including the nature of the government's relationship with the reporting entity and information on significant transactions or group of transactions involved. In the period of inital adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

FRS 27 (Revised) - *Consolidated and Separate Financial Statements; and*
FRS 103 (Revised) - *Business Combinations*

FRS 27 (Revised) is effective for annual periods beginning on or after July 1, 2009. FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009.

Apart from matters of presentation, the principal amendments to FRS 27 that will impact the group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the Standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 28 (Revised) - *Investments in Associates*

In FRS 28 (Revised), the principle adopted under FRS 27 (Revised) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

FRS 28 (Revised) will be adopted for periods beginning on or after July 1, 2009 and will be applied prospectively in accordance with the relevant transitional provisions and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amendments to FRS 7 - *Statement of Cash Flows*

The amendments (part of Improvements to FRSs issued in June 2009) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in FRS 38 Intangible Assets for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) will be reclassified from investing to operating activities in the statement of cash flows. The amendments to FRS 7 will be adopted for periods beginning on or after January 1, 2010.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

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.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

Financial assets

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

A financial asset other than a financial asset held for trading 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 asset 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 FRS 39 permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial asset at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into 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 are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The group enters into certain derivative financial instrument transactions to manage its exposure to commodity price risk, interest rate risk and foreign exchange risk, which include commodity contracts, interest rate swaps and foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in Note 41.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss, where the effect is significant.

CONSTRUCTION CONTRACTS - Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessor

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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.

DEVELOPMENT PROPERTIES AND COMPLETED PROPERTIES HELD FOR SALE- Development properties are stated at lower of cost and net realisable value. Cost of property comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

Completed properties for sale but remained unsold at year end are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised attributable to unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less costs to be incurred in marketing and selling, and the anticipated costs to completion, where appropriate.

Development properties are classified as current when they are expected to be realised in, or are intended for sale in, the group's normal operating cycle.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Computers	-	$33\frac{1}{3}$%
Renovation	-	20%
Motor vehicles	-	10%
Machinery and tools	-	20%
Office equipment	-	20%

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

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

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

CLUB MEMBERSHIP - Investments in club membership held for long-term are stated at cost less any impairment in net realisable value.

IMPAIRMENT OF ASSETS - At the end of each reporting period, the group reviews the carrying amounts of its 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.

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.

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 (or 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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. Certain associates have adopted 31 December as financial year end. Adjustments have been made for the effects of any significant transactions that have occurred between the accounting year end date of the associates and 31 May.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 - Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of 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) are not recognised, unless the group has incurred legal or constructive obligation or made payments on behalf of the associate.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate.

OTHER INVESTMENTS – Other investments are classified as held for trading and are initially recognised at fair value at the date the investment is acquired and are subsequently remeasured to its fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

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 period, 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.

<u>Onerous contracts</u>

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Construction contracts</u>

Revenue from construction contract is recognised in accordance with the group's accounting policy on construction contracts (see above).

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Development properties</u>

Revenue from sale of development properties is recognised when the legal title passes to the buyer or when the equitable interest in the property vest in the buyer upon release of the handover notice of the respective property to the buyer, whichever earlier. Payments received from buyers prior to this stage are recorded as advances from customers from sale of properties and are classified as current liabilities.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Rendering of services

Service revenue, as represented by the contract value of the services to be rendered, is recognised upon the completion of the services rendered.

Interest income

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

Dividend income

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

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period 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 are 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 period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. 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 period.

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 statement of 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 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, and is accounted for using the balance sheet liability method. 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 for taxable temporary differences arising on investments in subsidiaries and 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax is calculated at the tax rates that are expected to apply in the period 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 period.

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 to 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 period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. 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 period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period 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.

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 period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, 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. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, net of bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The management is of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements (other than the key sources of estimation uncertainty below).

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 period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

i) Allowance for doubtful trade and other receivables

The allowance for doubtful trade and other receivables is based on the ongoing evaluation of recoverability and ageing analysis of the outstanding receivables and on management's estimate of the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. Management is of the view that the allowances of $1,458,846 (2009 : $405,300) and $2,012,917 (2009 : $586,049) are adequate and the carrying amounts of $39,129,966 (2009 : $32,394,289) and $11,198,710 (2009 : $4,932,815) for trade and other receivables respectively of the group will be recovered in full. Management is of the view that the allowances of $447,394 (2009 : $447,394) are adequate and the carrying amounts of $27,837,254 (2009 : $6,770,636) for other receivables of the company will be recovered in full. Adjustment will be made in future periods in the event that there is objective evidence of impairment resulting from future loss event.

ii) Allowance for inventory obsolescence

The policy for allowance for inventories of the group is based on management's review of the realisability of the inventories. Management is of the view that the inventory allowance of $170,183 (2009 : $78,499) is adequate and the carrying amount of inventory of $815,880 (2009 : $1,706,678) will be recovered in full.

iii) Impairment of investment in associates and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates and subsidiaries of $5,472,777 (2009 : $3,321,539) and $22,011,823 (2009 : 21,384,624) respectively.

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the carrying amounts of the investments are determined on the basis of the net recoverable amounts to determine the extent of the impairment loss.

iv) Recoverability of prepaid investment

The management is confident that the carrying amount of prepaid investment amounting to $621,108 (2009 : $621,108) will be recoverable. Adjustment will be made in future periods in the event that there is objective evidence of impairment resulting from future loss events.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

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

v) Construction work-in-progress

The costs of uncompleted contracts are computed based on the estimates of total contract costs for the respective contracts.

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 profitability are realistic.

Based on the above studies, the management is of the opinion that the net carrying amount as at the end of the reporting period of $20,562,197 (2009 : $246,571) is reasonable.

vi) Provision for maintenance costs

The group provides for maintenance costs based on management's best estimate of the group's liability for additional costs to be incurred for the completed projects within the warranty periods granted on such completed projects based on past experience.

Management is of the opinion that provision for maintenance cost as at the end of the reporting period of $438,353 (2009 : $1,464,978) is reasonable.

vii) Valuation of investment property

As disclosed in Note 19, investment property is stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer has made reference to the comparable sales transactions as available in the relevant market of the property.

The current volatility in the global financial system may have an impact on the property market in Singapore. Furthermore, there may be lack of liquidity in the capital markets that would affect the market value of properties. In relying on the independent professional valuation report, management considered the method of valuation and is of the view that the estimated values are reasonable.

viii) Development properties

Development properties (including the completed property held for sale) of $54,784,036 (2009 : $53,050,415) are stated at lower of cost and estimated net realisable value, assessed on an individual project basis. When it is probable that the total project costs will exceed the total projected revenue, net of selling expenses, i.e., the net realisable value, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluation the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each project, taking into account the costs incurred to date, the development status and costs to complete each development project. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The financial instruments as at the end of the reporting period are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Loans and receivables				
(including cash and cash equivalents)	71,327,093	51,203,166	40,581,612	16,581,316
Fair value through profit or loss	393,500	–	393,500	–
Financial liabilities				
Amortised cost	131,593,621	97,607,829	69,025,523	49,878,192
Fair value through profit or loss	647,976	797,973	633,339	–

Financial assets consist of cash and bank balances, fixed deposits, trade receivables, other receivables, other investments, and loans receivable from associates.

Financial liabilities consist of bank loans and overdrafts, trade payables, other payables, derivative financial instruments, finance leases, long-term loan and long-term bank loans.

(b) *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.

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.

Foreign exchange risk management

The group transacts business in various foreign currencies, including United States ("US") Dollar, Malaysian Ringgit, Japanese Yen and Thai Baht and therefore is exposed to foreign exchange risk.

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

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
US Dollar	545,763	164,529	382,459	191,739	–	–	–	–
Thai Baht	–	–	5,146,333	8,624,478	–	–	–	–
Malaysian Ringgit	–	–	–	66,179	–	–	–	66,179
Japanese Yen	28,467	21,321	–	–	–	–	–	–

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

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) *Financial risk management policies and objectives (cont'd)*

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 period 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, profit or loss will increase (decrease) by:

	Thai Baht impact		Malaysian Ringgit impact		US Dollar impact		Japanese Yen	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Group								
Profit or loss	(514,633)	(862,448)	–	(6,618)	16,330	(2,721)	2,847	2,132

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit or loss will increase (decrease) by:

	Thai Baht impact		Malaysian Ringgit impact		US Dollar impact		Japanese Yen	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Group								
Profit or loss	514,633	862,448	-	6,618	(16,330)	2,721	(2,847)	(2,132)

This is mainly attributable to the group's exposure to outstanding cash and bank balances, receivables and payables balances at year end.

The company is not exposed to significant foreign currency sensitivities as the majority of its transactions are denominated in its functional currency.

Interest rate risk management

The group has exposure to interest rate risk through the impact of floating interest rate on cash equivalents and borrowings. The group obtained financing through bank loans and finance leases and the details of the group's interest rate exposure is disclosed in Notes 21, 25 and 27.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) Financial risk management policies and objectives (cont'd)

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period 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 profit for the year ended May 31, 2010 would decrease/increase by $428,734 (2009 : decrease/increase by $347,303). 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 profit for the year ended May 31, 2010 would decrease/increase by $137,153 (2009 : decrease/increase by $142,584). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended May 31, 2010 would increase/decrease by $194,522 or $82,196 respectively. This is mainly attributable to the group's and company's exposure to interest rates on the fair value on its interest rate swaps.

Credit risk management

The group's principal financial assets are bank balances and cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has four (2009 : three) customers making up $27,314,218 (2009 : $17,362,481) which accounted for 69.8% (2009 : 53.6%) of the group's trade receivables. In addition, the group has significant concentration risk on the amount due from related companies, related parties and a joint developer as disclosed in Notes 8 and 9.

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. Undrawn facilities are disclosed in Note 21.

As at May 31, 2010, the company's current liabilities exceeded its current assets by $10,571,747 which is largely attributed to advances received from its subsidiaries. This company is still in a net asset position and the directors are satisfied that the company will be able to pay their debts when fall due.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) *Financial risk management policies and objectives (cont'd)*

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 company can be required to pay. The table includes 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.

	Weighted average effective interest rate %	On demand or within 1 year $	Within 2 to 5 years $	After 5 years $	Adjustment $	Total $
Group						
2010						
Non-interest bearing	N/A	41,691,893	4,050,000	–	–	45,741,893
Finance lease liability (fixed rate)	5.39	23,750	93,081	2,379	(14,268)	104,942
Variable interest rate instruments	4.59	58,286,917	28,476,818	6,231,820	(7,248,769)	85,746,786
2009						
Non-interest bearing	N/A	28,041,679	–	–	–	28,041,679
Finance lease liability (fixed rate)	5.50	24,752	75,431	21,188	(15,883)	105,488
Variable interest rate instruments	4.66	29,241,621	39,299,062	10,352,758	(9,432,779)	69,460,662
Company						
2010						
Non-interest bearing	N/A	41,594,997	–	–	–	41,594,997
Variable interest rate instruments	4.28	14,361,643	9,018,240	6,978,400	(2,927,757)	27,430,526
2009						
Non-interest bearing	N/A	21,361,492	–	–	–	21,361,492
Variable interest rate instruments	4.60	11,963,855	10,280,178	10,327,568	(4,054,901)	28,516,700

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) *Financial risk management policies and objectives (cont'd)*

Derivative financial liabilities

The group's derivative financial instruments for 2010 are due within 1 to 3 years.

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 anticipates that the cash flow will occur in a different period. 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 asset on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $	Within 2 to 5 years $	After 5 years $	Adjustment $	Total $
Group						
2010						
Non-interest bearing	N/A	52,633,848	–	–	–	52,633,848
Fixed interest rate instruments	4.21	19,480,231	–	–	(786,986)	18,693,245
2009						
Non-interest bearing	N/A	41,357,844	–	–	–	41,357,844
Fixed interest rate instruments	3.73	10,212,553	–	–	(367,231)	9,845,322
Company						
2010						
Non-interest bearing	N/A	37,940,280	–	–	–	37,940,280
Fixed interest rate instruments	0.62	2,657,708	–	–	(16,376)	2,641,332
2009						
Non-interest bearing	N/A	11,714,613	–	–	–	11,714,613
Fixed interest rate instruments	0.46	4,889,090	–	–	(22,387)	4,866,703

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) Financial risk management policies and objectives (cont'd)

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, provision 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.

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;
- 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; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial instruments measured at fair value

	Total $	Level 1 $	Level 2 $	Level 3 $
Group				
2010				
Financial Assets				
Financial assets at fair value through profit or loss:				
- Held for trading investments	393,500	393,500	–	–
Financial Liabilities				
Derivative financial instruments	647,976	–	647,976	–

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

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

(b) Financial risk management policies and objectives (cont'd)

Financial instruments measured at fair value (cont'd)

	Total $	Level 1 $	Level 2 $	Level 3 $
Company				
2010				
Financial Assets				
Financial assets at fair value through profit or loss:				
- Held for trading investments	393,500	393,500	–	–
Financial Liabilities				
Derivative financial instruments	633,339	–	633,339	–

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year.

(c) Capital risk 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 disclosed in Notes 21, 25, 26 and 27 and equity attributable to owners of the company, comprising of issued capital, reserves and retained earnings.

The group's overall strategy with regards to capital risk management remains unchanged from 2009. The group has $34 million of debt which is secured by legal mortgages over the group's properties amounting to $75 million. As these debts are secured against the properties, management feel that these debts should not be included in the computation of the debt/equity ratio. The group and company are in compliance with externally imposed capital requirements to maintain certain financial ratios (including debt/equity ratio as computed on the above basis) required by the financial institutions for the facilities granted as May 31, 2010 and 2009.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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.

Significant related party transactions, not separately reported elsewhere in the financial statements:

	Group	
	2010	**2009**
	$	**$**
a) Associates		
Purchases from associates	–	1,448,665
b) Company with common directors		
Rental expenses	169,114	186,511
c) Directors of the company and subsidiaries		
Sales of motor vehicles	–	126,800

d) Compensation of directors and key management personnel

The remuneration of key management (including directors) during the year was as follows:

	Group	
	2010	**2009**
	$	**$**
Short-term benefits	2,536,042	2,414,088
Post-employment benefits	125,057	134,625

The remuneration of key management is determined by the Nominating and Remuneration Committee having regard to the performance of individuals and market trends.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

6 CASH AND BANK BALANCES

	Group		Company	
	2010 $	2009 $	2010 $	2009 $
Cash at bank	2,215,396	3,525,623	151,439	320,396
Cash on hand	60,062	78,452	–	–
Project accounts	38,982	456,540	27,656	423,040
Fixed deposits	4,678,835	5,404,522	2,641,332	4,866,703
	6,993,275	9,465,137	2,820,427	5,610,139

Fixed deposits bear average effective interest rate of 0.62% (2009 : 0.46%) per annum and for a tenure of approximately 264 days (2009 : 306 days). The fixed deposit of $4,678,835 (2009 : $5,404,522) are pledged for banking facilities.

Included in cash and bank balances for the group and company are amounts of $38,982 (2009 : $456,540) and $27,656 (2009 : $423,040) respectively, which are subject to the Housing Developers (Project Account) Rules (1997 Ed). Withdrawals from these project accounts are restricted to payments for project expenditure incurred until the completion of the project.

The group and company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010 $	2009 $	2010 $	2009 $
US Dollar	260,481	156,116	–	–
Thai Baht	53,683	54,218	–	–

7 TRADE RECEIVABLES

	Group		Company	
	2010 $	2009 $	2010 $	2009 $
Contract trade debtors	37,955,920	31,349,661	9,931,639	4,209,641
Retention sums	1,174,046	1,044,628	–	–
	39,129,966	32,394,289	9,931,639	4,209,641

The average credit terms on sale of goods and services is 45 days (2009 : 45 days). No interest is charged on the outstanding balances.

An allowance has been made for estimated irrecoverable amounts from the sale of goods and rendering of services by the group to third parties of $1,458,846 (2009 : $405,300). This allowance has been determined by reference to past default experience. Management believes that no allowance is required for the company's trade receivables.

The group and the company closely monitor the credit quality of its trade receivables and consider trade receivables that are neither past due nor impaired to be of a good credit quality. Included in the group's trade receivable balance are debtors with a carrying amount of $1,173,732 (2009 : $986,359) which are past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances. The average age of these receivables is 150 days (2009 : 168 days).

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

7 TRADE RECEIVABLES (CONT'D)

In determining the recoverability of a trade receivable, the group and company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The group's and company's trade receivables are neither past due nor impaired are creditworthy counterparties with good track of credit history. The group has four (2009 : three) customers making up $27,314,218 (2009 : $17,362,481) which accounted for 69.8% (2009 : 53.6%) of the group's trade receivables. The company has one (2009: one) customer with a balance of $8,248,023 (2009: $4,206,208) which accounted for 83.0% (2009: 99.9%) of the company's trade receivables. Management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

Retention sums are classified as current as they are expected to be received within the group's normal operating cycle.

Movement in the allowances for doubtful debts

	Group	
	2010	2009
	$	$
Balance at beginning of the year	405,300	622,818
Foreign exchange adjustment	973	(355)
Amounts recovered during the year	(29,939)	(281,232)
Trade receivables written off	(73,197)	(6,035)
Increase in allowance recognised in profit or loss	1,155,709	70,104
Balance at end of the year	1,458,846	405,300

The group's and company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
US Dollar	121,978	35,623	–	–

8 OTHER RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Associates (Note 14)	2,775,212	4,131,129	1,669	1,669
Subsidiaries (Note 15)	–	–	27,465,782	6,691,388
Prepayments	9,268	29,875	7,708	9,100
Deposits	856,991	466,954	21,912	2,300
Joint Developer	7,011,767	–	–	–
Others	545,472	304,857	340,183	66,179
	11,198,710	4,932,815	27,837,254	6,770,636

In determining the recoverability of other receivables, the group considers any change in the credit quality of the other receivables from the date credit was initially granted up to the reporting date. The majority of credit risk for other receivables for the group and company relate to amounts due from associates, joint developer and subsidiaries which are unsecured, interest-free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

8 OTHER RECEIVABLES (CONT'D)

Management has assessed the credit worthiness of the associates, joint developer, subsidiaries and outside parties and the group has made an allowance for estimated irrecoverable amounts for amounts due from associates, former subsidiaries and outside parties of $1,827,609, $174,618 and $10,690 (2009 : $275,435, $171,959 and $138,655) respectively. An allowance has been made for estimated irrecoverable amounts from the sale of goods and rendering of services by the company to third parties of $447,394 (2009 : $447,394). These allowances have been determined by reference to past default experience. Management believes that no provision is required for amounts due from subsidiaries to the company.

Movement in the allowances for doubtful debts

	Group	
	2010	2009
	$	$
Balance at beginning of the year	586,049	345,781
Foreign exchange adjustment	397	(195)
Other receivables written off	(127,500)	(26,851)
Increase in allowance recognised in profit or loss	1,553,971	267,314
Balance at end of the year	2,012,917	586,049

The group's and company's other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Malaysian Ringgit	–	66,179	–	66,179
Thai Baht	–	4,129,460	–	–

9 LOANS RECEIVABLE FROM ASSOCIATES

The unsecured loans receivable from associates are repayable on demand. Fixed interest of 5.0% to 7.0% (2009 : 7.0%) per annum is charged on the outstanding balance. Management has assessed the credit worthiness of the associates and believes that no allowance is required for the loans receivable from associates.

The group's loans receivable from associates that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Thai Baht	5,092,650	4,440,800	–	–

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

10 OTHER INVESTMENTS – HELD FOR TRADING

	Group and Company	
	2010	2009
	$	$
Quoted equity shares, at cost	393,500	–

The investments above include investments in quoted equity securities that offer the group and company the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. The investments are classified as held for trading.

11 INVENTORIES

	Group	
	2010	2009
	$	$
Consumables and supplies	815,880	1,539,608
Finished goods	–	167,070
	815,880	1,706,678

12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2010	2009
	$	$
Costs and recognised profits of uncompleted contracts in excess of progress billings		
Accumulated costs	128,715,693	7,246,933
Recognised profits	19,672,117	922,572
Accumulated billings	(127,825,613)	(4,497,979)
	20,562,197	3,671,526
Billings on uncompleted contracts in excess of costs and recognised profits		
Accumulated billings	–	37,418,288
Recognised profits	–	(5,114,511)
Accumulated costs	–	(28,878,822)
	–	3,424,955
Net	20,562,197	246,571

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

13 DEVELOPMENT PROPERTIES AND COMPLETED PROPERTY HELD FOR SALE

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Development Properties				
At beginning of the year	53,050,415	50,273,816	10,467,588	9,003,905
Additions during the year	14,553,766	5,211,822	4,293,525	1,463,683
Transferred to completed property held for sale	(14,761,113)	(2,435,223)	(14,761,113)	–
Transferred from joint developer	15,109,913	–	–	–
Transferred to joint developer	(17,875,522)	–	–	–
At end of the year	50,077,459	53,050,415	–	10,467,588
Completed Property Held For Sale				
Transferred from development properties	14,761,113	2,435,223	14,761,113	–
Sales during the year	(10,054,536)	(2,435,223)	(10,054,536)	–
At end of the year	4,706,577	–	4,706,577	–

Details of the group's development properties and completed property held for sale as at May 31, 2010 are as follows:

a) Completed property of one block of 5-storey freehold residential flats (total 6 units) approximately 1,184.27 sqm with attic, surface car-park and swimming pool located at 323B Thomson Road, Singapore. The Temporary Occupation Permit has been obtained in April 2010 and 4 units have been sold. The remaining units amounting to $4,706,577 have been transferred to completed property held for sale.

b) Joint development project with 27% interest on proposed erection of two blocks of condominium buildings on the freehold properties approximately 9,468.58 sqm located at 47, 49, 51, 55, 57, 59 and 61 Cairnhill Circle, Singapore. Total cost included in the above is $27,643,927.

c) Proposed erection of one block of 5-storey freehold residential flats (total 12 units) approximately 1,029.56 sqm with attic, surface car-park and swimming pool located at 21 Rambai Road, Singapore. The Temporary Occupation Permit is expected to be issued in 2011.

d) Proposed erection of two units of 2-storey freehold detached dwelling with basement and attic with land area approximately 1,055.5 sqm located at 31 Dunsfold Drive, Singapore.

e) Completed property of 2-storey freehold semi-detached dwelling house approximately 304.5 sqm located at 558 Sixth Avenue, Singapore. The Temporary Occupation Permit had been obtained in second half of 2008 and had been sold in the financial year ended 2009.

All development properties were pledged to banks to secure long-term bank loans granted to the group (Note 27).

Finance costs capitalised as cost of development properties during the year amounted to $1,704,501 (2009 : $1,653,384). The rate of interest relating to finance costs capitalised in development properties for the group and the company during the year is 4.63% to 5% (2009 : 4.5% to 5%) per annum.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

14 INVESTMENT IN ASSOCIATES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Unquoted equity shares, at cost	5,701,739	4,392,994	5,952	5,952
Deemed cost of investment	824,269	–	–	–
Share of post-acquisition reserve	(1,053,231)	(1,071,455)	(5,952)	(5,952)
	5,472,777	3,321,539	–	–

Deemed cost of investment pertains to the effects of fair value of financial guarantee on initial recognition provided by the group on behalf of an associate to obtain banking facilities.

Details of the group's significant associates as at May 31, 2010 are as follows:

Names of associates/ Country of incorporation and operations	Principal activities	Percentage of equity held by the group 2010 %	2009 %
Held by Trans Equatorial Engineering Pte Ltd			
Trans Equatorial Indochina Co., Ltd. Thailand [(1)]	Provision of marketing services in relation to mechanical and electrical engineering services	49	49
Oscar Estate Management Co., Ltd, Thailand [(1)]	Provision of estate management services	49 [(a)]	49 [(a)]
Oscar Design & Decoration Co., Ltd Thailand [(1)]	Provision of interior design, decoration and furnishing of commercial and residential interiors	49 [(b)]	49 [(b)]
Chewathai Ltd Thailand [(2)]	Development of real estate	49	49
Held by Chewathai Ltd			
Chewathai Hup Soon Ltd Thailand [(2)]	Development of real estate	24.5	24.5
Held by TEE Realty Pte Ltd			
Unique Development Pte Ltd Singapore [(3)]	Development of real estate	20	–

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

14 INVESTMENT IN ASSOCIATES (CONT'D)

[(a)] Another 25% (2009 : 25%) of the shares are held by a 49%-held associate, Trans Equatorial Indochina Co., Ltd. As the group does not have control over the company, it is deemed as an associate of the group.

[(b)] Another 20.1% (2009 : 20.1%) of the shares are held by a 49%-held associate, Trans Equatorial Indochina Co., Ltd. As the group does not have control over the company, it is deemed as an associate of the group.

[(1)] Audited by another firm of auditors, Expert Audit Office Limited, Thailand.

[(2)] Audited by another firm of auditors, Grande Accounting Company Limited, Thailand.

[(3)] Audited by another firm of auditors, Ernst & Young LLP, Singapore.

Summarised financial information in respect of the group's associates is set out below:

	Group	
	2010	**2009**
	$	**$**
Total assets	177,097,273	18,521,240
Total liabilities	(165,436,461)	(16,726,182)
Net assets	11,660,812	1,795,058
Group's share of associates' net assets	4,648,508	3,321,539
Revenue	5,932,596	5,477,816
Loss for the year	(496,004)	(1,385,751)
Group's share of associates' loss for the year	(74,964)	(658,474)

The group did not recognised any gain or loss (2009 : loss amounting to $181,364) for associates in the current year. The accumulated losses not recognised were $2,664,735 (2009 : $2,664,735).

15 INVESTMENT IN SUBSIDIARIES

	Company	
	2010	**2009**
	$	**$**
Unquoted equity shares, at cost	21,408,184	21,395,824
Deemed cost of investment	1,114,839	–
Impairment loss	(511,200)	(11,200)
	22,011,823	21,384,624

Management had performed an impairment review on the investment of subsidiaries and this led to an impairment loss of $511,200 (2009 : $11,200) recognised which is based on the estimated fair value less cost to sell.

Deemed cost of investment pertains to the effects of fair value of financial guarantee on initial recognition provided by the company on behalf of its subsidiaries for the granting of banking facilities.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the group's significant subsidiaries as at May 31, 2010 are as follows:

Names of associates/ Country of incorporation and operations	**Principal activities**	**Effective equity interest held by the group**	
		2010	**2009**
		%	**%**
Trans Equatorial Engineering Pte Ltd Singapore (1)	Provision of mechanical and electrical engineering services	100	100
PBT Engineering Pte Ltd Singapore (1)	Provision of addition, alteration and upgrading of existing buildings, mechanical and electrical engineering services	100	100
TEE Development Pte Ltd Singapore (1)	Development of real estate	100	100
TEE Realty Pte Ltd Singapore (1)	Development of real estate	100	100
Multi Amp Engineering Sdn Bhd Malaysia (2)	Provision of security and control, mechanical and electrical engineering services	100	100

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by SY Kwong, Foong & Co., Malaysia.

16 PREPAID INVESTMENT

Prepaid investment represents an amount loaned to an employee of an associate of the group to invest in an associate. The company has an option to purchase all the employee's shares in the associate at the fair value at that point in time, when the regulations allow the associate to be majority foreign-owned.

17 CLUB MEMBERSHIP

	Group and Company	
	2010	**2009**
	$	**$**
Club membership, at cost	72,500	72,500
Impairment loss	(24,500)	(27,500)
	48,000	45,000

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

18 PLANT AND EQUIPMENT

	Computers $	Renovation $	Motor vehicles $	Machinery and tools $	Office equipment $	Total $
Group						
Cost:						
At June 1, 2008	577,203	280,778	816,977	82,105	265,385	2,022,448
Foreign exchange adjustment	(217)	(122)	(246)	(89)	(224)	(898)
Additions	140,908	36,333	124,991	223,196	63,304	588,732
Disposals	(25,922)	(21,521)	(542,826)	(7,014)	(55,046)	(652,329)
At May 31, 2009	691,972	295,468	398,896	298,198	273,419	1,957,953
Foreign exchange adjustment	5,957	398	2,099	4,594	520	13,568
Additions	106,858	96,105	28,348	8,858	59,013	299,182
Disposals	(73,562)	(12,500)	(14,750)	(98,959)	(61,711)	(261,482)
At May 31, 2010	731,225	379,471	414,593	212,691	271,241	2,009,221
Accumulated depreciation:						
At June 1, 2008	404,246	166,722	471,482	44,639	161,786	1,248,875
Foreign exchange adjustment	(156)	(64)	(425)	(144)	(109)	(898)
Charge for the year	103,838	34,241	84,601	27,702	38,307	288,689
Disposals	(22,904)	(12,499)	(303,721)	(5,237)	(43,017)	(387,378)
At May 31, 2009	485,024	188,400	251,937	66,960	156,967	1,149,288
Foreign exchange adjustment	2,234	770	854	1,144	353	5,355
Charge for the year	120,238	42,945	37,687	46,132	40,015	287,017
Disposals	(71,232)	–	(14,802)	(31,753)	(38,972)	(156,759)
At May 31, 2010	536,264	232,115	275,676	82,483	158,363	1,284,901
Carrying amount:						
At May 31, 2010	194,961	147,356	138,917	130,208	112,877	724,320
At May 31, 2009	206,948	107,068	146,959	231,238	116,452	808,665

The carrying amount of the group's motor vehicles includes an amount of $114,749 (2009 : $146,704) which are held under finance leases (Note 25).

19 INVESTMENT PROPERTY

	Group and Company 2010 $	Group and Company 2009 $
At fair value:		
At beginning of the year	20,000,000	21,000,000
Change in fair value included in profit or loss (Notes 32 and 34)	500,000	(1,000,000)
At end of the year	20,500,000	20,000,000

The investment property held by the group and the company is a 4-storey leasehold factory building for industrial use, with ancillary offices located at 33 Changi North Crescent, Singapore with lease term of 30 years from February 2006.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

19 INVESTMENT PROPERTY (CONT'D)

The fair value of the investment property at May 31, 2010 has been determined on the basis of valuation carried out at the year end date by an independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The investment property was pledged to a bank to secure long-term bank loans granted to the group (Note 27).

The property rental income from the group's investment property, which is leased out under an operating lease, amounted to $1,887,773 (2009 : $1,883,851). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment property amounted to $186,795 (2009 : $292,145).

20 DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the group and movements thereon during the year:

Deferred tax assets

	Provision $
At June 1, 2008	117,778
Credit to profit or loss for the year (Note 36)	86,059
At May 31, 2009	203,837
Charge to profit or loss for the year (Note 36)	(149,000)
At May 31, 2010	54,837

Deferred tax liabilities

	Investment Property $	Accelerated tax depreciation $	Total $
Group			
At June 1, 2008	–	30,735	30,735
Charge (Credit) to profit or loss for the year (Note 36)	131,098	(8,907)	122,191
At May 31, 2009	131,098	21,828	152,926
Charge to profit or loss for the year (Note 36)	85,000	4,134	89,134
At May 31, 2010	216,098	25,962	242,060

	Investment property $
Company	
At June 1, 2008	–
Charge to profit or loss for the year	131,098
At June 1, 2009	131,098
Charge to profit or loss for the year	85,000
At May 31, 2010	216,098

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

21 BANK LOANS AND OVERDRAFTS

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Bank loans (a)	4,488,803	2,000,000	1,000,000	1,000,000
Bank overdrafts (b)	4,942,910	209,718	–	–
Bills payable (c)	28,813,682	9,700,711	7,518,355	2,012,185
	38,245,395	11,910,429	8,518,355	3,012,185

a) i) The group's and company's bank loan amounting to $1,000,000 (2009 : $1,000,000) is unsecured, repayable on demand and bears interest at 2.25% (2009 : 2.25%) per annum above the bank's prevailing cost of funds, resulting in an effective interest rate of 3.62% (2009 : 4.33%) per annum;

ii) The group's bank loan amounting to $1,000,000 (2009 : $1,000,000) is unsecured, repayable on demand and bears interest at 2.0% (2009 : 2.0%) per annum above the bank's prevailing cost of funds, resulting in an effective interest rate of 3.02% (2009 : 3.29%) per annum; and

iii) The group's bank loan amounting to $2,488,803 (2009 : Nil) representing accounts receivable financing facilities which were secured against corporate guarantees from the company and a subsidiary and a negative pledge of a subsidiary. This bank loan bears interest at an average rate of 5.25% per annum and for a tenure of approximately 90 days;

b) i) Bank overdrafts amounting to $927,491 (2009 : $209,718) are secured against corporate guarantees from the company and a subsidiary;

ii) Bank overdrafts amounting to $325,238 (2009 : Nil) are secured against a corporate guarantee from the company;

iii) Bank overdrafts amounting to $1,482,625 (2009 : Nil) are secured against a corporate guarantee from the company and a negative pledge over the assets of a subsidiary;

iv) Bank overdrafts amounting to $2,207,556 (2009 : Nil) are secured against corporate guarantees from the company and a subsidiary and a negative pledge over the assets of a subsidiary; and

v) Interest is charged on daily balances at rates ranging from 0.25% to 1.25% (2009 : 0.25% to 1.25%) per annum over the bank's Singapore dollar prime lending rate, resulting in an effective interest rate ranging from 5.5% to 6.25% (2009 : 5.5% to 6.25%) per annum.

c) The average credit terms on the bills payable ranged from 90 to 120 days (2009 : 90 to 120 days). Interest is charged at rate ranging from 2.49% to 5.75% (2009 : 2.60% to 5.75%) per annum. As at May 31, 2010, the group and company has bills payable of $7,518,355 (2009 : $2,012,185) which are secured against a corporate guarantee from a subsidiary, a negative pledge over the assets of the company and pledge over a fixed deposit of $2,641,332 (2009 : $4,866,703). The group has bills payable of $3,586,844 (2009 : $Nil) which are secured against a corporate guarantee from the company and a negative pledge over the assets of a subsidiary and pledge over a fixed deposit of $1,500,873 (2009 : Nil).

At May 31, 2010, the group had available $52.1 million (2009 : $50.3 million) of undrawn borrowing facilities in respect of which all conditions precedent had been met.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

21 BANK LOANS AND OVERDRAFTS (CONT'D)

The group's and company's bank loans and overdrafts that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
US Dollar	354,752	–	–	–
Japanese Yen	28,467	21,321	–	–

22 TRADE PAYABLES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Subsidiaries	–	–	12,539,025	8,280,125
Outside parties	32,331,944	22,431,143	2,287	–
	32,331,944	22,431,143	12,541,312	8,280,125

The average credit terms on purchase of goods and services ranged from 30 to 90 days (2009 : 30 to 90 days). No interest is charged on the outstanding balance. The group has financial risk management policies in place to ensure that all payables are within the credit terms.

The group's and company's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
US Dollar	191,011	164,529	–	–

23 OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Subsidiaries (Note 15)	–	–	26,392,499	11,383,352
Accrued expenses	1,281,328	1,468,925	120,893	107,733
Rental and security deposits	1,386,150	1,311,430	729,900	729,900
Derivative financial instruments (Note 41)	647,976	797,973	633,339	–
Financial guarantees contract	772,753	–	1,784,102	–
Joint developer	1,379,747	–	–	–
Advances received from customers	3,635,800	2,626,580	–	846,000
Other payables	904,171	203,601	26,291	14,382
	10,007,925	6,408,509	29,687,024	13,081,367

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

24 PROVISION FOR MAINTENANCE COSTS

	Group 2010 $	Group 2009 $
Balance at beginning of the year	1,464,978	496,918
Foreign exchange adjustment	1,695	-
(Credit) Charge to profit or loss for the year	(211,059)	1,079,343
Utilised	(817,261)	(111,283)
Balance at end of the year	438,353	1,464,978

The provision for maintenance costs expense charged to profit or loss is included under cost of sales.

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 periods granted on such completed projects.

25 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments 2010 $	Minimum lease payments 2009 $	Present value of minimum lease payments 2010 $	Present value of minimum lease payments 2009 $
Group				
Amounts payable under finance leases:				
Within one year	23,750	24,752	18,801	20,145
In the second to fifth years inclusive	93,081	75,431	83,762	64,738
After five years	2,379	21,188	2,379	20,605
	119,210	121,371	104,942	105,488
Less: Future finance charges	(14,268)	(15,883)	–	–
Present value of lease obligations	104,942	105,488	104,942	105,488
Less: Amount due for settlement within 12 months (shown under current liabilities)			(18,801)	(20,145)
Amount due for settlement after 12 months			86,141	85,343

It is the group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 7 years. For the year ended May 31, 2010, the average effective borrowing rate was 5.39% (2009 : 5.5%) per annum. Interest rates are fixed at the contract date, and thus expose the group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into our contingent rental payments.

The fair value of the group's lease obligations approximates their carrying amount.

The group's obligations under finance leases are secured by the lessors' title to the leased assets.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

26 LONG-TERM LOAN

The unsecured long-term loan is repayable to a joint developer in 3 years. No interest is charged on the outstanding balance. The carrying amount of the loan approximates its fair value.

27 LONG-TERM BANK LOANS

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Bank loans	47,501,391	57,550,233	18,912,171	25,504,515
Less: Amount due for settlement within 12 months (shown under current liabilities)	(17,483,563)	(16,029,205)	(5,253,838)	(8,425,535)
Amount due for settlement after 12 months	30,017,828	41,521,028	13,658,333	17,078,980

The group and company have nine (2009 : seven) and three (2009 : three) principal bank loans respectively:

a) The group and company have a loan of $2,703,838 (2009 : $6,074,400). The loan is to be repaid in June 2010 for the completed property at 323B Thomson Road, Singapore (Note 13);

b) The group and company have a loan of $12,458,333 (2009 : $14,430,115). The loan was converted in previous year to a 12 year term loan upon the date of issuance of Temporary Occupation Permit for the investment property at 33 Changi North Crescent, Singapore (Note 19);

c) The group and company's loan of $3,750,000 (2009 : $5,000,000) was raised in May 2009 for working capital requirement. The loan is to be repaid in 48 instalments with the last instalment to be repaid in May 2013 and is unsecured;

d) The group's loan of $11,696,026 (2009 : $20,800,000) was raised in October 2007 for the development property at 47, 49, 51, 55, 57, 59 and 61 Cairnhill Circle, Singapore (Note 13). The loan is expected to be repaid after November 2012;

e) The group's loan of $2,744,870 (2009 : $1,871,225) was raised in September 2007 and is to be repaid in September 2010 for the development property at 21 Rambai Road, Singapore (Note 13);

f) The group's loan of $4,560,000 (2009 : $4,560,000) was raised in May 2008 and is to be repaid in May 2011 for the development property at 31 Dunsfold Drive, Singapore (Note 13);

g) The group's loan of $3,645,083 (2009 : $4,814,493) was raised in February 2009 for working capital requirement. The loan is to be repaid in 48 instalments with the last instalment to be repaid in March 2013 and is unsecured;

h) The group's loan of $3,000,000 (2009 : Nil) was raised in May 2010 for working capital requirement. The loan is repayable on demand and is unsecured; and

i) The group's loan of $3,000,000 (2009 : Nil) was raised in March 2010 for working capital requirements. During the year, the repayment of the loan was $56,759 (2009 : Nil). The loan is to be repaid in 48 instalments with the last instalment to be repaid in April 2014 and is unsecured.

The group and company's long-term bank loans except for loan (c), (g), (h) and (i) are secured against the properties and bear effective interest ranging from 4.63% to 5% (2009 : 4.5% to 5%) per annum. The directors estimate the fair value of the group and company's long-term bank loans to be approximately equal to the carrying amount.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

28 SHARE CAPITAL

	Group and Company			
	2010	2009	2010	2009
	Number of ordinary shares		$	$
Issued and fully paid:				
At beginning of year	140,820,680	140,285,923	15,558,907	15,489,389
Issued of shares arising from exercise of warrants	506	534,757	158	69,518
At end of year	140,821,186	140,820,680	15,559,065	15,558,907

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

During the year, the company issued 500 and 6 (2009 : Nil) new ordinary shares at $0.31 and $0.40 each upon the exercise of warrants resulting in an increase in the company's share capital by $158. In 2009, the company issued 534,757 new ordinary shares at $0.13 each upon the exercise of warrants resulting an increase in the company's share capital by $69,518.

As at May 31, 2010, the company has 70,409,843 and 22,484,492 (2009 : Nil and 22,484,498) outstanding warrants which carry the right to subscribe for one ordinary share with exercise price of $0.31 and $0.40 per ordinary share and with exercise dates up to February 28, 2013 and April 27, 2011 respectively.

29 CURRENCY TRANSLATION RESERVES

The currency translation reserves is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the group's presentation currency.

30 CAPITAL RESERVE

	Group and Company	
	2010	2009
	$	$
At June 1, 2009	–	–
Issue of warrants	1,408,207	–
Less: Expenses pertaining to issue of warrants	(142,472)	–
At May 31, 2010	1,265,735	–

During the year, the company issued 70,410,343 warrants at an issue price of $0.02 for each warrant. Each warrant carries the right to subscribe for one new ordinary share at an exercise price of $0.31 for each new share on the basis of one warrant for every two existing ordinary shares held in the capital of the company with exercise date of up to February 28, 2013.

31 REVENUE

	Group	
	2010	2009
	$	$
Revenue from construction contracts	129,262,350	89,506,473
Sales of goods	1,276,558	1,019,851
Sales of property	10,530,376	2,850,000
Rental income	9,383,888	3,083,329
	150,453,172	96,459,653

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

32 OTHER OPERATING INCOME

	Group	
	2010	2009
	$	$
Interest income	552,010	327,002
Change in fair value of investment property (Note 19)	500,000	–
Foreign currency exchange adjustment gain	118,449	106,393
Gain on disposal of plant and equipment	5,033	4,376
Gain on additional interests acquired from minority shareholder	–	173,714
Change in fair value of the commodity contract	783,336	–
Realised gain on commodity contract	228,252	–
Job credits	317,617	75,058
Others	200,408	37,268
	2,705,105	723,811

33 ADMINISTRATIVE EXPENSES

	Group	
	2010	2009
	$	$
Employee benefit expenses (including director remuneration)	3,602,851	2,439,326
Directors' fees	164,000	110,000
Allowance for doubtful debts for trade receivables	1,155,709	70,104
Allowance for doubtful debts for other receivables	1,553,971	267,314
Depreciation of plant and equipment	287,017	288,689
Others	1,811,404	2,296,581
	8,574,952	5,472,014

34 OTHER OPERATING EXPENSES

	Group	
	2010	2009
	$	$
Foreign currency exchange adjustment loss	13,463	24,614
Loss on disposal of plant and equipment	65,368	41,462
Plant and equipment written off	20,220	21,139
Realised loss on commodity contract	–	466,547
Fair value loss on commodity contract	–	797,973
Change in fair value of investment property (Note 19)	–	1,000,000
	99,051	2,351,735

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

35 FINANCE COSTS

	Group 2010 $	Group 2009 $
Interest on bank borrowings	3,494,154	3,471,784
Interest on obligations under finance leases	5,105	10,317
Fair value loss on interest rate swap contract	633,339	–
Total borrowing costs	4,132,598	3,482,101
Less: Amounts included in the cost of qualifying assets (Note 13)	(1,704,501)	(1,653,384)
	2,428,097	1,828,717

36 INCOME TAX EXPENSE

	Group 2010 $	Group 2009 $
Current:		
- On the profit for the year	2,445,580	2,313,348
- Overprovision in prior years	(70,425)	(87,918)
Deferred (Note 20)		
- Provision for the year	238,134	(28,161)
- Underprovision in prior years	–	64,293
	2,613,289	2,261,562

Domestic income tax is calculated at 17% (2009 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group 2010 $	Group 2009 $
Profit before income tax	14,001,192	8,902,013
Add: Share of loss of associates	74,964	658,474
	14,076,156	9,560,487
Tax at the domestic income tax rate of 17% (2009 : 17%)	2,392,947	1,625,283
Tax effect of expenses that are not deductible in determining taxable profit	141,803	394,464
Deferred tax benefits not recognised	339,038	222,409
Deferred tax benefit previously not recognised now utilised	(31,513)	–
Effect of different tax rates of overseas operations	(3,406)	(1,964)
Exempt income	(117,536)	(77,775)
Overprovision in prior years	(70,425)	(23,625)
Others	(37,619)	122,770
	2,613,289	2,261,562

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

36 INCOME TAX EXPENSE (CONT'D)

Deferred tax assets have not been recognised in respect of the following items due to uncertainty of its recoverability.

	Group	
	2010	2009
	$	$
Tax losses		
Amount at beginning of year	1,372,779	–
Adjustment in the current year	185,369	–
Tax losses for the year	1,053,367	1,372,779
Utilised during the year	(185,369)	–
Amount at end of year	2,426,146	1,372,779
Other temporary differences		
Amount at beginning of year	(64,492)	–
Adjustment in the current year	300,071	–
Amount in current year	940,975	(64,492)
Amount at end of year	1,176,554	(64,492)
Total/Net	3,602,700	1,308,287
Deferred tax assets at 17% (2009 : 17%) thereon not taken up in the financial statements	612,459	222,409

The realisation of the future income tax benefits from tax loss carryforwards is available for an unl ited future period subject to the conditions imposed by law including the retention of majority shareholder as defined.

37 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2010	2009
	$	$
Directors' fees and allowances	173,618	110,000
Directors' remuneration:		
Directors of the company	1,174,096	1,104,091
Directors of the subsidiaries	648,761	756,251
Employee benefits expense (including directors' remuneration)	12,072,459	10,177,624
Costs of defined contribution plans included in employee benefits expense	670,910	554,029
Non-audit fees paid to auditors of the company	35,737	40,117
Allowance for doubtful trade receivables	1,155,709	70,104
Allowance for doubtful other receivables	1,553,971	267,314
Trade receivables written off	20,070	13,322
Write back of allowance for doubtful trade receivables	(29,939)	(281,232)
Write back of impairment loss on value of club membership	(3,000)	(3,692)
Allowance for inventory obsolescence	91,684	20,681
(Write back of) Provision for maintenance costs	(211,059)	1,079,343
Cost of inventories recognised as expense	45,345,384	20,510,376

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

38 DIVIDEND

i) During the financial year ended May 31, 2009, the company declared and paid a final tax exempt dividend of $0.0095 per ordinary share totalling $1,332,859 in respect of the financial year ended May 31, 2008 on the ordinary shares of the company.

ii) During the financial year ended May 31, 2010, the company paid a final tax exempt dividend of $0.012 per ordinary share totalling $1,689,848 in respect of the financial year ended May 31, 2009 on the ordinary shares of the company.

iii) Subsequent to May 31, 2010, the directors of the company recommended that a final tax exempt dividend of $0.012 per ordinary share and special tax exempt dividend of $0.010 per ordinary share totalling $3,098,066 be paid for the financial year ended May 31, 2010 on the ordinary shares of the company. The proposed dividends are not accrued as a liability for the current financial year in accordance with FRS 10 - Events after the balance sheet date.

39 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on the group profit after income tax and minority interests of $11,383,145 (2009 : $6,765,744) divided by the weighted average number of ordinary shares of 140,820,695 (2009 : 140,371,589) in issue during the year.

Fully diluted earnings per ordinary share is calculated based on 140,820,695 (2009 : 140,371,589) ordinary shares. There is no dilutive effect in the current and prior year as the warrants are out-of-money.

	Group			
	2010		2009	
	Basic $	Diluted $	Basic $	Diluted $
Net profit attributable to owners of the company	11,383,145	11,383,145	6,765,744	6,765,744
	Number of shares		Number of shares	
Weighted average number of ordinary shares used to compute earnings per share	140,820,695	140,820,695	140,371,589	140,371,589
Earnings per share (cents)	8.08	8.08	4.82	4.82

40 CONTINGENT LIABILITIES

	Group		Company	
	2010 $	2009 $	2010 $	2009 $
Performance bonds	11,980,681	11,290,519	692,800	692,800
Letter of credit	1,815,441	2,717,990	–	–
Bankers' guarantees (a)	31,328,442	23,845,642	13,810,268	21,802,936
Bankers' guarantees to associates (b) (Note 14)	202,770	1,616,449	–	–
	45,327,334	39,470,600	14,503,068	22,495,736

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

40 CONTINGENT LIABILITIES (CONT'D)

The group's contingent liabilities as at May 31, 2010 comprise:

a) i) Bankers' guarantees amounting to $3,523,188 (2009 : $69,225) are secured against a corporate guarantee from the company and a negative pledge over the assets of a subsidiary;

ii) Bankers' guarantees amounting to $13,968,240 (2009 : $1,910,000) are secured against a corporate guarantee from the company, a negative pledge over the assets of a subsidiary and pledge over a fixed deposit;

iii) Bankers' guarantees amounting to $20,931 (2009 : $63,480) are secured against corporate guarantees from the company and a subsidiary;

iv) Bankers' guarantees amounting to $5,815 (2009 : Nil) are secured against corporate guarantees from the company and a subsidiary and a negative pledge over the assets of a subsidiary;

v) Bankers' guarantees amounting to $12,810,268 (2009 : $21,802,937) are secured against a corporate guarantee from a subsidiary, a negative pledge over the assets of a company and pledge over a fixed deposit; and

vi) Bankers' guarantees amounting to $1,000,000 (2009 : Nil) are secured against a corporate guarantee from a subsidiary, a negative pledge over the assets of a company and mortgage over an investment property of the company.

b) Bankers' guarantees to associates amounting to $202,770 (2009 : $1,616,449) are secured against a corporate guarantee from the company and a negative pledge over the assets of a subsidiary.

c) During the year, a subcontractor of the group initiated proceedings for wrongfully processing claims of $75,000. The group's lawyer has advised that the claim has no merit, and he has recommended that it be contested. No provision has been recognised in these financial statements as the management does not consider that there is any probable loss.

d) The company has granted corporate guarantees to the financial institutions amounting to $28,806,054 (2009 : $44,559,800) for securing banking facilities for its subsidiaries. In addition, the group has granted corporate guarantees to the financial institutions for securing banking facilities for the associates amounting to $202,770 (2009 : $1,616,449).

e) As at May 31, 2010, the company has undertaken to provide financial support of $5,101,399 (2009 : $3,898,330) to some of its subsidiaries and associates.

41 DERIVATIVE FINANCIAL INSTRUMENTS

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	$	$	$	$
Group				
Forward foreign exchange contracts	–	–	–	–
Commodity contracts	–	14,637	–	797,973
Interest rate swap	–	633,339	–	–
	–	647,976	–	797,973
Company				
Interest rate swap	–	633,339	–	–

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

41 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The group's and the company's derivative financial instruments for 2010 and 2009 are due within 1 to 3 years.

(i) Forward foreign exchange contracts

In the normal course of business, the group enters into foreign exchange forward contracts to hedge the currency exposure arising from certain purchase of consumables and supplies.

As at the year-end date, the group has the following outstanding forward foreign exchange contracts:

	2010		2009	
	Contract sum	**Fair value asset $**	**Contract sum**	**Fair value asset $**
Buy	–	–	USD 250,000	–
Sell	–	–	SGD 364,875	–
Total		–		–

The group did not adjust for the financial effect arising from the fair value difference of forward foreign exchange contracts in 2009 as the amount involved is not significant.

(ii) Commodity contracts

In the current year, the group has one (2009 : One) outstanding commodity contracts in respect of the purchase of up to 12,000 metric tonnes of copper depending on the floating prices to manage the risk arising from the fluctuation of copper prices.

The contract matures on July 1, 2010.

(iii) Interest Rate Swap

The group and company use interest rate swap to manage its exposure to interest rate movements on its borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. As at May 31, 2010, contract with nominal values of $13 million had fixed interest payments at 3.68% until December 18, 2012 against the floating interest rate at 0.25% per annum plus Swap Offered Rate .

At May 31, 2010, the fair value of the derivative instruments is estimated at a loss of $647,976 (2009 : $797,973). The fair value are measured based on estimation valuation derived from market quotation.

The group and company did not adopt hedge accounting in respect of these commodity and interest rate swap contracts.

The contracts are classified as held for trading.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

42 OPERATING LEASE ARRANGEMENTS

The group as a lessee

	Group	
	2010	2009
	$	$
Minimum lease payments under operating leases recognised as expense in the year	233,874	193,341

At the end of the reporting period, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2010	2009
	$	$
Within one year	221,195	125,373
In the second to fifth year inclusive	182,200	133,559
	403,395	258,932

Operating lease payments represent rentals payable by the group for certain of its office premises, warehouse and equipment. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

The group and company as lessor

The group rents out its investment property in Singapore. Property rental income earned during the year was $1,887,773 (2009 : $1,883,851).

At the end of the reporting period, the group has contracted with tenants for the following future minimum lease payments:

	Group and Company	
	2010	2009
	$	$
Within one year	1,876,315	1,876,315
In the second to fifth year inclusive	7,505,260	7,505,260
After five years	4,378,068	6,254,382
	13,759,643	15,635,957

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

43 COMMITMENTS

	2010 $	2009 $
Commitment for the payment of premium to joint developer (a)	8,550,000	–
Commitment for the construction of development property (b)	2,333,974	–
Commitment for the engineering projects (c)	167,877,955	205,313,290

(a) The group has agreed to pay an amount of $9 million to the joint developer ("JD") as it recognises the enhanced value that the JD brings to the joint development and of the JD's effort in facilitating the joint development. During the year, the group has paid $450,000 to the developer. There is no income or expense recognised in profit or loss during the financial year.

(b) The group has entered into a contract of $3 million for the construction of the 31 Dunsfold Drive development property. During the year, the group has paid part of its construction contract amounting to $666,026.

(c) The group has commitment for engineering projects of $168 million (2009: 205 million) for the outstanding order book of $198 million (2009: $256 million).

(d) At May 31, 2010 and 2009, the company does not have any commitments.

44 SEGMENT INFORMATION

For management purposes, the group is organised into two major operating divisions - Engineering and Real Estate. The divisions are the basis on which the group reports its primary segment information.

Engineering involves providing mechanical and electrical work 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. Real Estate involves developing properties and managing facilities, water tanks supply and installation, property and workers' dormitory rental services.

(a) Reportable Operating Segment Information

In accordance with FRS 108 - Operating Segments, management has determined the operating segments based on the reports regularly reviewed by the Group Chief Executive & Managing Director that are used to make strategic decisions.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the group's profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense 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 operating receivables, construction work in progress in excess of progress billings, inventories, development properties; and plant and equipment, net of allowances. Segment liabilities include all operating liabilities used by a segment and consist principally of operating payables, progress billings in excess of construction work-in-progress; and provision for maintenance costs. Capital expenditure includes the total cost incurred to acquire plant and equipment.

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

44 SEGMENT INFORMATION (CONT'D)

(a) Reportable Operating Segment Information (cont'd)

Inter-segment transfers: Segment revenue and expenses include transfers between operating segments. Inter-segment sales are charged at cost plus a percentage profit mark-up. These transfers are eliminated on consolidation.

Investment in associates: Income from associates is not allocated as they are not specifically attributable to any of the major operating segments, and correspondingly the investments in associates are included as unallocated assets of the group.

	Engineering		Real Estate		Elimination		Group	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Revenue								
External sales	135,315,174	90,360,176	15,137,998	6,099,477	–	–	150,453,172	96,459,653
Inter-segment sales	72,965,499	38,622,505	11,419,189	4,408,462	(84,384,688)	(43,030,967)	–	–
Total revenue	208,280,673	128,982,681	26,557,187	10,507,939	(84,384,688)	(43,030,967)	150,453,172	96,459,653
Result								
Segment result	13,215,076	10,738,476	3,289,177	650,728	–	–	16,504,253	11,389,204
Finance costs							(2,428,097)	(1,828,717)
Share of loss of associates							(74,964)	(658,474)
Profit before income tax							14,001,192	8,902,013
Income tax expense							(2,613,289)	(2,261,562)
Profit for the year							11,387,903	6,640,451
Statement of financial position								
Segment assets	64,648,857	42,024,460	82,426,377	74,418,088	–	–	147,075,234	116,442,548
Unallocated corporate assets							28,237,782	18,219,261
Consolidated total assets							175,313,016	134,661,809
Segment liabilities	45,130,233	31,374,846	49,178,715	59,904,972	–	–	94,308,948	91,279,818
Unallocated corporate liabilities							41,132,051	14,585,956
Consolidated total liabilities							135,440,999	105,865,774
Other information								
Capital expenditure	294,899	586,637	4,283	2,095	–	–	299,182	588,732
Depreciation	283,105	286,883	3,912	1,806	–	–	287,017	288,689

NOTES TO FINANCIAL STATEMENTS

May 31, 2010

44 SEGMENT INFORMATION (CONT'D)

b) 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 and capital expenditure: Segment non-current assets (excluding deferred tax assets) and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire plant and equipment.

	Revenue		Non-current Assets		Capital expenditure	
	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Singapore	150,069,571	96,021,345	22,577,193	21,134,249	263,205	351,498
Thailand	–	–	4,453,879	3,321,539	–	–
Malaysia	383,601	438,308	335,133	340,524	35,977	237,234
	150,453,172	96,459,653	27,366,205	24,796,312	299,182	588,732

c) Other information

In the current year, the group has three major customers from the engineering segment that contributes $83,171,296 (55.3%), $17,233,649 (11.5%), and $21,057,460 (14.0%) of the group's revenue respectively.

In 2009, the group has four major customers from the engineering segment that contributes $41,078,010 (42,6%), $12,212,963 (12.7%), $10,047,777 (10.4%), and $15,138,300 (15.7%) of the group's revenue respectively.

45 SUBSEQUENT EVENT

Subsequent to the financial year end, the company has increased the investment in its wholly-owned subsidiary, PBT Engineering Pte Ltd, by subscribing $3.5 million of its new shares. There is no change in the shareholding of PBT Engineering Pte Ltd.

SHAREHOLDERS' INFORMATION

As at 20 August 2010

Issued and fully paid-up capital :	S$15,573,604.96
No. of shares issued:	140,865,186 shares
Class of shares:	Ordinary shares
Voting rights:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1-999	318	23.73	31,865	0.02
1,000-10,000	685	51.12	2,791,217	1.98
10,001-1,000,000	315	23.51	20,397,448	14.48
1,000,001 and above	22	1.64	117,644,656	83.52
Grand Total	**1,340**	**100.00**	**140,865,186**	**100.00**

TOP TWENTY LARGEST SHAREHOLDERS

S/No.	Name of Shareholders	No. of Shares Held	%
1	Hong Leong Finance Nominees Pte Ltd	40,437,650	28.71
2	Phua Chian Kin	14,190,358	10.07
3	CIMB Nominees (S) Pte Ltd	11,960,000	8.49
4	SBS Nominees Pte Ltd	9,384,000	6.66
5	Lincoln Capital Pte Ltd	7,000,900	4.97
6	Morgan Stanley Asia (Singapore) Securities Pte Ltd	5,600,000	3.98
7	HSBC (Singapore) Nominees Pte Ltd	4,291,550	3.05
8	Phillip Securities Pte Ltd	3,579,973	2.54
9	4P Investments Pte Ltd	3,340,462	2.37
10	Tay Kuek Lee	3,105,000	2.20
11	Mayban Nominees (Singapore) Pte Ltd	2,323,150	1.65
12	Kim Eng Securities Pte Ltd	1,812,874	1.29
13	Cheng Shao Shiong @ Bertie Cheng	1,800,000	1.28
14	Raffles Nominees (Pte) Ltd	1,365,000	0.97
15	Ong Pang Aik	1,325,000	0.94
16	Ng Chin Hock	1,261,480	0.90
17	Ong Peck Eng	1,183,637	0.84
18	OCBC Nominees Singapore Private Limited	1,152,963	0.82
19	DBS Nominees Pte Ltd	1,119,919	0.80
20	Dato Timothy Ong Teck Mong	1,061,000	0.75
Total		**117,294,916**	**83.28**

SHAREHOLDERS' INFORMATION

As at 20 August 2010

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

	Direct Interest	%	Deemed Interest	%
Phua Chian Kin	75,020,068	53.26	6,445,462	4.58
Tay Kuek Lee	3,105,000	2.20	75,020,068	53.26

Note: -
Mr. Phua Chian Kin is deemed to have an interest in the 3,105,000 ordinary shares held by his spouse, Mdm. Tay Kuek Lee, and in the 3,340,462 ordinary shares held by 4P Investments Pte Ltd where he is a shareholder. A total of 60,829,710 ordinary shares held by Mr. Phua Chian Kin are registered in the name of Hong Leong Finance Nominees Pte Ltd, CIMB Nominees (S) Pte Ltd, SBS Nominees Pte Ltd, Phillip Securities Pte Ltd; and OCBC Nominees Singapore Private Limited.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 20 August 2010, approximately 37.47% 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 issued by the Singapore Exchange Securities Trading Limited.

WARRANTHOLDERS' INFORMATION

As at 20 August 2010

DISTRIBUTION OF WARRANTHOLDINGS - TEEW110427

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1-999	396	55.62	96,473	0.43
1,000-10,000	244	34.27	913,301	4.06
10,001-1,000,000	68	9.55	8,155,239	36.29
1,000,001 and above	4	0.56	13,309,479	59.22
Grand Total	**712**	**100.00**	**22,474,492**	**100.00**

TOP TWENTY LARGEST WARRANTHOLDERS

S/No.	Name of Warrantholders	No. of Warrants Held	%
1	Phua Chian Kin	8,412,279	37.43
2	CIMB Nominees (S) Pte Ltd	2,080,000	9.25
3	SBS Nominees Pte Ltd	1,632,000	7.26
4	Tan Soon Hoe	1,185,200	5.27
5	Morgan Stanley Asia (Singapore) Securities Pte Ltd	976,600	4.35
6	Mayban Nominees (Singapore) Pte Ltd	639,600	2.85
7	Phillip Securities Pte Ltd	611,775	2.72
8	4P Investments Pte Ltd	580,950	2.58
9	Tay Kuek Lee	540,000	2.40
10	Hong Leong Finance Nominees Pte Ltd	519,800	2.31
11	HSBC (Singapore) Nominees Pte Ltd	491,400	2.19
12	Ong Pang Aik	400,000	1.78
13	Koh Cheoh Liang Vincent	359,000	1.60
14	Ong Peck Eng	205,850	0.92
15	Citibank Consumer Nominees Pte Ltd	200,000	0.89
16	OCBC Nominees Singapore Private Limited	180,602	0.80
17	DBS Nominees Pte Ltd	178,762	0.80
18	Ng Chin Hock	154,040	0.69
19	Owen Livingston Samuel Doraisingam	140,600	0.63
20	Laurie Kelvin Laxon	133,000	0.59
Total		**19,621,458**	**87.31**

WARRANTHOLDERS' INFORMATION

As at 20 August 2010

DISTRIBUTION OF WARRANTHOLDINGS - TEEW130228

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1-999	6	2.37	2,062	0.00
1,000-10,000	126	49.80	754,608	1.07
10,001-1,000,000	109	43.08	9,960,914	14.16
1,000,001 and above	12	4.75	59,658,259	84.77
Grand Total	**253**	**100.00**	**70,375,843**	**100.00**

TOP TWENTY LARGEST WARRANTHOLDERS

S/No.	Name of Warrantholders	No. of Warrants Held	%
1	Phua Chian Kin	27,736,809	39.41
2	CIMB Nominees (S) Pte Ltd	5,980,000	8.50
3	SBS Nominees Pte Ltd	4,692,000	6.67
4	Phillip Securities Pte Ltd	3,765,405	5.35
5	Lincoln Capital Pte Ltd	3,500,450	4.97
6	Morgan Stanley Asia (Singapore) Securities Pte Ltd	2,940,000	4.18
7	UOB Kay Hian Pte Ltd	2,675,000	3.80
8	Hong Leong Finance Nominees Pte Ltd	2,410,925	3.42
9	HSBC (Singapore) Nominees Pte Ltd	1,951,000	2.77
10	Cheng Shao Shiong @ Bertie Cheng	1,800,000	2.56
11	Tay Kuek Lee	1,202,670	1.71
12	Mayban Nominees (Singapore) Pte Ltd	1,004,000	1.43
13	Kua Phek Long	950,000	1.35
14	OCBC Securities Private Ltd	649,450	0.92
15	Kim Eng Securities Pte Ltd	563,975	0.80
16	Raffles Nominees (Pte) Ltd	562,500	0.80
17	Koh Soy Poon	550,000	0.78
18	Ng Toong Seng	448,000	0.64
19	Ng Chin Hock	417,000	0.59
20	Dato Timothy Ong Teck Mong	400,000	0.57
Total		**64,199,184**	**91.22**

NOTICE OF TENTH ANNUAL GENERAL MEETING

TEE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(UEN.: 200007107D)

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of TEE International Limited ("the Company") will be held at York Hotel Singapore, 21 Mount Elizabeth, Singapore 228516 on 23 September 2010, Thursday, at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 May 2010 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (tax exempt one-tier) of 1.2 cents per ordinary share and special dividend (tax exempt one-tier) of 1.0 cent per ordinary share for the year ended 31 May 2010 (Year 2009 : 1.2 cents per ordinary share tax exempt one-tier). **(Resolution 2)**

3. To re-elect Mr. Phua Boon Kin who is retiring pursuant to Article 89 of the Articles of Association of the Company. **(Resolution 3)**

4. To re-appoint the following directors of the Company retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company:

   Mr. Tan Boen Eng **(Resolution 4)**
   Mr. Bertie Cheng Shao Shiong **(Resolution 5)**

   [See Explanatory Note (i)]

   * *Mr. Tan will, upon re-appointment as an Independent and Non-Executive Director of the Company, remain as the Chairman of the Audit Committee and a Member of the Nominating and Remuneration Committee and will be considered independent.*

   * *Mr. Cheng will, upon re-appointment as an Independent and Non-Executive Director of the Company, remain as the Non-Executive Chairman of the Company, Chairman of the Nominating and Remuneration Committee and Executive Committee and a Member of the Audit Committee respectively and will be considered independent.*

5. To approve the payment of additional Directors' fees of S$10,000 each to Mr. Tan Boen Eng and Mr. Bertie Cheng Shao Shiong for the year ended 31 May 2010. **(Resolution 6)**

6. To approve the payment of Directors' fees of S$155,000 for the year ending 31 May 2011 to be paid quarterly in arrears (Year 2010: S$140,000). **(Resolution 7)**

7. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF TENTH 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:

9. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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) 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) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) 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) shall be based on the total number of issued shares (excluding treasury shares) 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 Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association 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.
[See Explanatory Note (ii)] **(Resolution 9)**

NOTICE OF TENTH ANNUAL GENERAL MEETING

By Order of the Board

Ms. Lynn Wan Tiew Leng
Ms. Yeo Ai Mei
Company Secretaries

Singapore
8 September 2010

EXPLANATORY NOTES:

(i) The effect of the Ordinary Resolutions 4 & 5, is to re-appoint Directors of the Company who are over 70 years of age.

(ii) The Ordinary Resolution 9 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, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 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) will be calculated based on the total number of issued shares (excluding treasury shares) 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.

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Block 2024 Bukit Batok Street 23, #03-48, Singapore 659529 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 27 October 2010 for the purpose of determining the Members' entitlements to the dividend to be proposed at the Tenth Annual General Meeting of the Company to be held on 23 September 2010.

Duly completed registrable transfers in respect of ordinary shares in the Company received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to close of business at 5.00 p.m. on 27 October 2010 will be registered to determine Members' entitlements to the said dividend. Members whose Securities Accounts maintained with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 27 October 2010 will be entitled to the proposed dividend.

The proposed dividend if approved at the Tenth Annual General Meeting will be paid on 11 November 2010.

TEE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(UEN.: 200007107D)

IMPORTANT:
1. For investors who have used their CPF monies to buy TEE International Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

being a member/members of TEE International Limited (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 23 September 2010 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	**Resolutions relating to:**	**For**	**Against**
1	Directors' Report and Audited Accounts for the year ended 31 May 2010		
2	Payment of proposed final dividend (tax exempt one-tier) and a special dividend (tax exempt one-tier)		
3	Re-election of Mr. Phua Boon Kin as a Director		
4	Re-appointment of Mr. Tan Boen Eng as an Independent and Non-Executive Director		
5	Re-appointment of Mr. Bertie Cheng Shao Shiong as an Independent and Non-Executive Director		
6	Approval of additional Directors' fees amounting to S$20,000 for the year ended 31 May 2010		
7	Approval of Directors' fees amounting to S$155,000 for the year ending 31 May 2011 payable quarterly in arrears		
8	Re-appointment of Deloitte & Touche LLP as Company's Auditors		
9	Authority to issue new shares		

Dated this ____________ day of __________________ 2010

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

NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all shares held by the member.

2. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not to be a member of the Company.

3. Where a member appoints more than one proxy, he should specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Block 2024 Bukit Batok Street 23, #03-48, Singapore 659529 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent and Non-Executive Chairman
Mr. Bertie Cheng Shao Shiong

Group Chief Executive & Managing Director
Mr. Phua Chian Kin

Executive Director
Ms. Saw Chin Choo

Executive Director
Mr. Phua Boon Kin

Independent and Non-Executive Director
Mr. Tan Boen Eng

Independent and Non-Executive Director
Er. Lee Bee Wah

AUDIT COMMITTEE

Chairman
Mr. Tan Boen Eng

Members
Mr. Bertie Cheng Shao Shiong
Er. Lee Bee Wah

NOMINATING AND REMUNERATION COMMITTEE

Chairman
Mr. Bertie Cheng Shao Shiong

Members
Mr. Tan Boen Eng
Er. Lee Bee Wah
Mr. Phua Chian Kin

EXECUTIVE COMMITTEE

Chairman
Mr. Bertie Cheng Shao Shiong

Members
Er. Lee Bee Wah
Mr. Phua Chian Kin
Ms. Yeo Ai Mei

JOINT COMPANY SECRETARIES
Ms. Lynn Wan Tiew Leng
Ms. Yeo Ai Mei

REGISTERED OFFICE
UEN.: 200007107D
Block 2024 Bukit Batok Street 23
#03-48 Singapore 659529
Tel: (65) 6561 1066
Fax: (65) 6565 1738
Website: http://www.tee.com.sg

SHARE REGISTRAR
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel: (65) 6593 4848
Fax: (65) 6593 4847

SHARE LISTING
TEE has been listed on the SESDAQ, now renamed as the SGX Catalist, on 22 March 2001. Its listing was upgraded from the SGX Catalist to the SGX Mainboard with effect from 3 September 2008

INDEPENDENT AUDITOR
Deloitte & Touche LLP
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Audit Partner-in-charge:
Mr. Michael Kee Cheng Kong
(Appointed with effect from financial year ended 31 May 2007)

INVESTOR RELATIONS
Cogent Communications Pte Ltd
138 Cecil Street
#14-01/01A Cecil Court
Singapore 069538
Tel: (65) 6323 1060/3060
Fax: (65) 6222 1210
Email: roger@cogentcomms.com
Contact person: Mr. Roger Poh

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
Standard Chartered Bank

CORPORATE STRUCTURE

TEE

Singapore	
Trans Equatorial Engineering Pte Ltd	100%
PBT Engineering Pte Ltd	100%
TEE Management Pte Ltd	100%*
Security Pro-Telco Pte Ltd	100%
NexFrontier Solutions Pte Ltd	100%
TEE Development Pte Ltd	100%
TEE Realty Pte Ltd	100%
Unique Development Pte Ltd	20%*

Thailand	
Trans Equatorial Indochina Co., Ltd	49%*
Oscar Estate Management Co., Ltd	73.99%*+
Oscar Property Management Co., Ltd	73.99%*+
Oscar Design & Decoration Co., Ltd	69.09%*+
Chewathai Ltd	49%*
Chewathai Hup Soon Ltd	24.50%*

Malaysia	
Multi Amp Engineering Sdn Bhd	100%*
Foremost Prestige Sdn Bhd	25%
PBT Engineering Sdn Bhd	100%*

Philippines	
Trans Equatorial Philippines Inc	40%*

Cambodia	
TEE Chem Pte Ltd	70%

Brunei	
PBT Engineering Sdn Bhd	99%*

* Total effective interest held by TEE International Limited
\+ Although effective ownership is more than 50%, as the Group does not have legal control over the company, it is deemed as an associate of the Group.

CORPORATE DIRECTORY

TEE INTERNATIONAL LIMITED
UEN.: 200007107D

Block 2024, Bukit Batok Street 23,
#03-48, Singapore 659529
Tel: (65) 6561 1066
Fax: (65) 6565 1738
Website: http://www.tee.com.sg

SINGAPORE

Trans Equatorial Engineering Pte Ltd
TEE Management Pte Ltd
PBT Engineering Pte Ltd
TEE Development Pte Ltd
TEE Realty Pte Ltd
Block 2024, Bukit Batok Street 23
#03-48, Singapore 659529
Tel: (65) 6561 1066
Fax: (65) 6565 1738

Security Pro-Telco Pte Ltd
Nexfrontier Solutions Pte Ltd
Block 2024, Bukit Batok Street 23
#03-48, Singapore 659529
Tel : (65) 6665 0606
Fax : (65) 6665 1957

MALAYSIA

Multi Amp Engineering Sdn Bhd
Foremost Prestige Sdn Bhd
PBT Engineering Sdn Bhd
No.3 Jalan 1/7, Taman Industrial Selesa Jaya
Off Jalan Balakong, 43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel: (603) 8961 0878
Fax: (603) 8961 0893

BRUNEI

PBT Engineering Sdn Bhd
Unit No.1, 2nd Floor, Blk A,
Hassanin Complex, Lot 4879,
Spg 42, Jalan Muara
Kg Delima Satu, BSB BB4713
Brunei Darussalam
Tel : (673) 233 7093
Fax : (673) 233 7092

THAILAND

Trans Equatorial Indochina Co., Ltd
Oscar Property Management Co., Ltd
Oscar Design & Decoration Co., Ltd
Chewathai Ltd
Chewathai Hup Soon Ltd
1168/80 Lumpini Tower Building
27th Floor, Unit D, Rama IV Road
Kwaeng Tungmahamek, Khet Sathorn
Bangkok 10120, Thailand
Tel: (662) 679 8870/1/2/3/4
Fax: (662) 679 8875
Website: http://www.chewathai.com

Oscar Estate Management Co., Ltd
121 Moo 4, Rom Klao Road
Kwaeng Klong Song Ton Nun
Khet Lat Krabang
Bangkok 10520, Thailand
Tel: (662) 543 0844/5
Fax: (662) 543 0846

PHILIPPINES

Trans Equatorial Philippines Inc
Room 503 Fil-Am Resources Building
231 Binondo, Manila, Philippines
Tel: (632) 242 1689
Fax: (632) 242 1772

CAMBODIA

TEE Chem Pte Ltd
#32EO, Street 144
Sangkat Phsar Thmei III,
Khan Daun Penh,
Phnom Penh, Cambodia
Tel: (855) 11 338 833
Fax: (855) 23 997 817

TEE International Limited
UEN.: 200007107D

Block 2024, Bukit Batok Street 23,
#03-48, Singapore 659529
Tel: (65) 6561 1066   Fax: (65) 6565 1738
Website: http://www.tee.com.sg