



TEE International Limited

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200007107D)

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 May 2020

The Company is mandatorily required pursuant to the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") to continue with quarterly reporting of its financial statements with effect from 7 February 2020 in view of the modified opinion issued by the Company's statutory former auditors in its annual report for the financial year ended 31 May 2019.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		Increase/ (Decrease) %
	Full Year Ended		
	31/05/2020	31/05/2019	
		(Restated)	
<u>Continuing operations</u>			
Revenue	329,945	249,338	32.3
Cost of sales	(331,718)	(231,658)	43.2
Gross profit	(1,773)	17,680	NM
Other operating income	3,623	1,241	192.0
Administrative expenses	(16,011)	(15,854)	1.0
Other operating expenses	(4,378)	(2,017)	117.1
Share of results of associates and joint venture	746	568	31.3
Finance costs	(7,034)	(5,168)	36.1
Loss before tax	(24,827)	(3,550)	599.4
Income tax expense	(3,416)	(1,534)	122.7
Loss for the year from continuing operations	(28,243)	(5,084)	455.5
Discontinued operations ¹ , net of tax	(30,840)	(23,754)	29.8
Discontinued operations ² , net of tax	(4,525)	(772)	486.1
Loss for the year from discontinued operations	(35,365)	(24,526)	44.2
Loss for the year	(63,608)	(29,610)	114.8
Loss attributable to:			
Owners of the Company	(58,598)	(18,173)	222.4
Non-controlling interests	(5,010)	(11,437)	(56.2)
	(63,608)	(29,610)	114.8

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1(a)(i)

¹ Discontinued operations relate to the disposal of all the shares in TEE Land Limited ("TEE Land"). As announced on 13/01/2020, the Company had entered into a conditional sale and purchase agreement with Amcorp Supreme Pte. Ltd. for the sale of its entire 63.28% stake in TEE Land. The sale was completed on 03/02/2020, and the Company accounted for the results of TEE Land up to 31/01/2020.

²As announced on 30/06/2020, the expected completion date of the disposal of Arrow Waste Management Pte Ltd ("AWM") was on 29/05/2020. However, subsequently the Company and its subsidiary's, TEE Infrastructure Pte Ltd ("TEE Infra") has received termination notices of the proposed disposal from the Purchaser. As todate, TEE Infra and the Purchaser have commenced Without Prejudice negotiations. As the Company and its subsidiaries intend to cease operations of AWM's operations should the disposal did not materialise, the Group has accounted AWM operations as discontinued operations. For full financial year ended 31/05/2020, the discontinued operations of AWM recorded a loss of S\$4.5 million, which is in accordance with *SFRS (I) 5 - Non Current Assets Held For Sale and Discontinued Operations*.

NM - not meaningful

1(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		Increase/ (Decrease) %
	Full Year Ended		
	31/05/2020	31/05/2019	
		(Restated)	
Loss for the year			
Loss from continuing operations, net of tax	(28,243)	(5,084)	455.5
Loss from discontinued operations, net of tax	(35,365)	(24,526)	44.2
	(63,608)	(29,610)	114.8
Other comprehensive (loss) income for the year			
<i>Currency translation differences</i>			
Income from continuing operations, net of tax	461	344	34.0
Income (loss) from discontinued operations, net of tax	389	(910)	NM
	850	(566)	NM
Total comprehensive loss for the year	(62,758)	(30,176)	108.0

	The Group S\$'000		Increase/ (Decrease) %
	Full Year Ended		
	31/05/2020	31/05/2019	
		(Restated)	
Total comprehensive loss attributable to:			
Loss from continuing operations, net of tax	(26,266)	(3,339)	686.6
Loss from discontinued operations, net of tax	(31,338)	(14,748)	112.5
Owners of the Company	(57,604)	(18,087)	218.5
Loss from continuing operations, net of tax	(1,516)	(1,401)	8.2
Loss from discontinued operations, net of tax	(3,638)	(10,688)	(66.0)
Non-controlling interests	(5,154)	(12,089)	(57.4)
	(62,758)	(30,176)	108.0

NM - not meaningful

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1(a)(iii) Notes to the income statement

	The Group		Increase/ (Decrease) %
	S\$'000		
	Full Year Ended		
	31/05/2020	31/05/2019	
		(Restated)	
A Other operating income:			
Interest income	47	49	(4.0)
Amortisation of financial guarantee liabilities	75	78	(3.8)
Gain on disposal of an associate	-	139	NM
Government grant	2,422	415	483.6
Net foreign currency exchange adjustment gain	296	-	NM
Management fees income	319	345	(7.5)
Service fees income	110	90	22.2
Provision for loan rebate	200	-	NM
Others	154	125	23.2
	3,623	1,241	192.0
B Other operating expenses:			
Allowance (Write back) for doubtful trade receivables	53	(485)	NM
Allowance (Write back) for doubtful other receivables	169	(15)	NM
Amortisation of intangible assets	744	744	-
Change in fair value of financial assets at FVTPL	82	536	(84.7)
Change in fair value of investment property	500	-	NM
Goodwill written off	20	-	NM
Impairment loss on property, plant and equipment	1,588	-	NM
Loss on disposal of property, plant and equipment	7	55	(87.3)
Net foreign currency exchange adjustment loss	-	650	NM
Property, plant and equipment written off	225	261	(13.8)
Trade and other receivables written off	978	154	535.1
Other receivables written off	12	117	(89.7)
	4,378	2,017	117.1
C Finance costs:			
Leases	384	32	NM
Loan interests	2,882	2,842	1.4
Notes payable interest	3,768	2,294	64.3
	7,034	5,168	36.1
D Other information:			
Depreciation of property, plant and equipment	2,249	2,883	(22.0)
Depreciation of right-of-use assets	1,808	-	NM
Amortisation of deferred commission expenses	73	73	-
Amortisation of issuance costs on notes payable	282	210	34.3
Under (over) provision of income tax in respect of prior year	2,949	(714)	NM

NM - not meaningful

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1(a)(iii) Notes to the income statement

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

	TEE Land	AWM
	S\$'000	
	8MFY2020	FY2020
Revenue	47,877	-
Cost of sales	(39,253)	-
Gross profit	8,624	-
Other operating income	1,228	296
Selling and distribution expenses	(3,777)	-
Administrative expenses	(6,609)	(3,204)
Other operating expenses	(24,998)	(896)
Share of results of associates	(602)	-
Finance costs	(4,715)	(721)
Loss before tax	(30,849)	(4,525)
Income tax expense	9	-
Loss for the period / year ^{E, F}	(30,840)	(4,525)

E Other operating expenses of TEE Land is due mainly to additional buyer's stamp duty payable for a development project and S\$20.3 million impairment recognised based on net estimated fair value in accordance with SFRS(I)5 - Non-Current Assets Held for Sale and Discontinued Operation. TEE Land's discontinued operations financial results are for eight months ended 31/01/2020, being effective date of disposal for accounting purpose.

F Operating losses of AWM during the financial year is due mainly to provision of impairment losses approximately S\$2 million.

	TEE Land 8MFY2020 S\$'000
<u>Effects on disposal</u>	
Cash and bank balances	23,442
Trade receivables and other receivables	14,762
Contract assets and contract costs	39,240
Loans receivables	10,632
Inventories	45
Development properties	132,798
Completed properties and land held for sale	60,843
Investment in associates	4,854
Property, plant and equipment	56,749
Right-of-use assets	2,049
Investment properties	9,318
Deferred tax assets	4,329
Bank loans and overdraft	(1,165)
Trade payables and other payables	(38,517)
Contract liabilities	(9,205)
Finance lease	(18)
Long-term borrowings	(190,292)
Financial guarantee liabilities	(140)
Income tax payable	(409)
Lease liability	(2,024)
Deferred tax liabilities	(320)
Net assets in a subsidiary company	116,971
Less: Non-controlling interest in disposal group	(48,536)
Add: Foreign currency translation in disposal group	390
Net	68,825
Impairment recognised based on TEE Land's net estimated fair value	(20,309)
Consideration, net of transaction costs (Note)	48,516
Cash and short-term deposits disposed of	(23,442)
Net cash inflow from the disposal of a subsidiary	<u>25,074</u>
<u>Note</u>	
Consideration	50,617
Transaction costs	(2,101)
Net consideration	<u>48,516</u>

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at end of the immediately preceding financial year

	The Group S\$'000		The Company S\$'000	
	31/05/2020	31/05/2019	31/05/2020	31/05/2019
ASSETS				
Current assets				
Cash and cash equivalents	50,730	60,875	8,997	759
Bank balances pledged	3,615	3,290	-	-
Trade receivables	30,010	44,436	3,659	-
Other receivables	5,017	14,287	17,235	10,240
Lease receivables	10	-	-	-
Loans receivables	-	10,839	-	-
Financial assets at fair value through profit or loss	82	164	82	164
Inventories	77	203	-	-
Contract assets	147,201	176,333	-	-
Contract costs	-	1,240	-	-
Development properties	-	175,838	-	-
Completed properties and land held for sale	-	42,974	-	-
	236,742	530,479	29,973	11,163
Assets of disposal group classified as held-for-sale	17,041	-	-	-
Total current assets	253,783	530,479	29,973	11,163
Non-current assets				
Other receivables	1,132	1,360	777	941
Lease receivables	180	-	-	-
Investment in associates	9,646	13,655	-	-
Investment in joint venture	130	129	-	-
Investment in subsidiaries	-	-	43,926	116,854
Club membership	-	5	-	5
Intangible asset	310	1,054	-	-
Property, plant and equipment	6,791	71,067	41	93
Right-of-use assets	12,615	-	2,409	-
Investment properties	23,909	31,442	21,500	22,000
Deferred tax assets	651	3,997	-	-
Total non-current assets	55,364	122,709	68,653	139,893
Total assets	309,147	653,188	98,626	151,056
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	57,496	48,532	-	4,300
Trade payables	147,628	161,571	3,613	13
Other payables	22,573	30,251	59,555	52,541
Contract liabilities	661	6,661	-	-
Lease liabilities	1,796	-	128	-
Provision for maintenance costs	235	992	-	-
Current portion of finance leases	497	346	-	-
Current portion of long-term borrowings	2,635	93,670	2,510	1,268
Current portion of financial guarantee liabilities	75	185	75	75
Income tax payable	4,339	2,445	842	-
	237,935	344,653	66,723	58,197
Liabilities directly associated with disposal group classified as held-for-sale	19,840	-	-	-
Total current liabilities	257,775	344,653	66,723	58,197

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1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	31/05/2020	31/05/2019	31/05/2020	31/05/2019
<u>LIABILITIES AND EQUITY</u>				
Non-current liabilities				
Long-term borrowings	16,404	144,026	11,404	13,701
Financial guarantee liabilities	-	180	-	74
Notes payables	-	21,000	-	21,128
Long-term deposit	306	306	306	306
Other payables	40	9,767	-	-
Lease liabilities	14,805	1,143	2,309	-
Deferred tax liabilities	211	775	-	-
Total non-current liabilities	31,766	177,197	14,019	35,209
Capital and reserves and non-controlling interests				
Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	605	(245)	-	-
Capital reserve	-	18,561	(274)	(274)
Accumulated losses	(50,406)	(10,370)	(54,767)	(15,001)
Equity attributable to owners of the Company	23,124	80,871	17,884	57,650
Non-controlling interests	(3,518)	50,467	-	-
Net equity	19,606	131,338	17,884	57,650
Total liabilities and equity	309,147	653,188	98,626	151,056

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1(b)(i) Aggregate amount of group's borrowings and debt securities

The Group S\$'000				
As at 31/05/2020		As at 31/05/2019		
Unsecured	Secured	Unsecured	Secured	
(a) Amount repayable in one year or less, or on demand	2,821	57,807	24,694	117,854
(b) Amount repayable after one year	5,000	12,564	-	166,169
Total aggregate amount of group's borrowings and debt securities	7,821	70,371	24,694	284,023

Details of collateral:

The total secured borrowings are represented by:

- (i) Obligations under finance leases secured on certain motor vehicles of the Group; and
- (ii) Bank loans, long-term bank loans and notes payable secured by any security interest over any asset of the Group (and in this instance, security interest shall take into account any collateral over the relevant asset granted by the Group as reflected in the latest audited or unaudited financial statements of the Group and shall, in any event, include any security created over any receivables due to owing to the Group or paid or payable to the Group).
- (iii) In February 2020, the Company has fully redeemed the notes payable amounted S\$21 million.

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1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	S\$'000	
	Full Year Ended	
	31/05/2020	31/05/2019
Operating activities		
Loss before tax from continuing operations	(24,827)	(3,550)
Loss before tax from discontinued operations	(35,374)	(23,808)
Adjustments for:		
Share of results of associates and joint venture	(148)	226
Depreciation of property, plant and equipment	3,868	7,890
Depreciation of right-of-use assets	2,896	-
Amortisation of deferred commission expenses	1,733	4,554
Amortisation of deferred show flat costs	1,150	433
Amortisation of financial guarantee liabilities	(186)	(263)
Amortisation of issuance costs on notes payable	282	210
Amortisation of intangible asset	744	745
Allowance for doubtful trade receivables	53	178
Allowance for doubtful other receivables	169	166
Allowance for doubtful loan receivables	-	665
Allowance for diminution in value of completed properties and land held for sale	-	542
Impairment recognised based on net estimated fair value	20,309	-
Impairment loss on property, plant and equipment	2,484	-
Impairment loss on investment in associates	-	3,600
Change in fair value of investment properties	500	691
Change in fair value of financial assets at FVTPL	82	536
Trade receivables written off	978	117
Other receivables (write back) written off	(11)	154
Loss on disposal of property, plant and equipment	6	24
Gain on disposal of associate	-	(139)
Write back of loss allowance for contract assets	-	(658)
Plant and equipment written off	233	261
Provision for maintenance costs	462	1,620
Unrealised currency translation (gain) loss	(211)	1,376
Interest income	(229)	(398)
Interest expense	12,470	13,272
Operating cash flows before movements in working capital	(12,567)	8,444
Trade receivables	3,609	(13,850)
Other receivables	1,298	2,531
Inventories	81	(35)
Contract assets	(5,617)	(41,697)
Contract costs	(2,680)	(2,206)
Development properties	15,609	(5,591)
Completed properties and land held for sale	9,954	25,868
Trade payables	936	62,132
Other payables	5,325	2,306
Contract liabilities	3,662	(2,602)
Utilisation of provision for maintenance costs	(1,219)	(1,662)
Cash from operations	18,391	33,638
Interest paid	(11,732)	(12,714)
Income tax paid	(2,231)	(1,966)
Net cash from operating activities	4,428	18,958
Investing activities		
Proceeds on disposal of property, plant and equipment	443	801
Proceeds on disposal of financial assets at amortised cost	-	25
Proceeds on disposal of associate	-	5,000
Purchase of investment property	-	(45)
Purchase of property, plant and equipment	(548)	(2,683)
Investment in associates	(36)	(4,658)
Net cash inflow from the disposal of a subsidiary	25,074	-
Repayment of loans receivables	225	3,219
Loans receivables	(18)	(347)
Capital injection by non-controlling interest	20	-
Dividend received from an associate	-	2,366
Interest received	114	1,421
Net cash from investing activities	25,274	5,099

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(Continued)

1(c)

		The Group S\$'000	
		Full Year Ended	
		31/05/2020	31/05/2019
Financing activities			
Drawdown of bank loans		159,194	115,515
Repayment of bank loans		(145,938)	(116,943)
Drawdown of long-term borrowings		9,500	55,335
Repayment of long-term borrowings		(37,111)	(50,627)
Increase in bank balances pledged		(315)	(2,749)
Repayment of obligations under finance leases		(606)	(600)
Repayment of notes payable		(18,439)	(1,766)
Repayment of lease obligation		(3,004)	-
Loan from non-controlling interests		-	1,480
Repayment of loan to a director		-	(10,000)
Dividend paid to non-controlling interests		-	(656)
Payment of rights issue		-	(180)
Proceeds from right issue		-	14,493
Net cash (used in) from financing activities		(36,719)	3,302
Net (decrease) increase in cash and cash equivalents		(7,017)	27,359
Cash and cash equivalents at beginning of year		57,554	30,291
Effect of foreign exchange rate changes		33	(96)
Cash and cash equivalents at end of year (Note A)		50,570	57,554

Note A : Cash and cash equivalents

		The Group S\$'000	
		Full Year Ended	
		31/05/2020	31/05/2019
Continuing operations			
Cash at banks		26,725	39,443
Cash on hand		128	69
Fixed deposits		3,615	6,287
Project accounts (see Note below):			
Cash at banks		23,877	18,366
		54,345	64,165
Pledged fixed deposits		(3,615)	(3,290)
Bank overdrafts		(194)	(3,321)
		50,536	57,554

Discontinued operations

Cash at banks	34	-
Cash on hand	-	-
Fixed deposits	-	-
Project accounts (see Note below):		
Cash at banks	-	-
	34	-

Total cash and cash equivalents per consolidated statement of financial position

50,570 57,554

Note:

Project accounts are subject to restrictions under the Housing Developers (Project Account) Rules (1997 Ed) or the Malaysia Housing Development (Control and Licensing) Act, 1966. Withdrawals from these project accounts are restricted to payments for project expenditure incurred until the completion of the project.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Treasury shares	Currency translation reserves	Capital reserve	Accumulated (losses) profits	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 01/06/2019	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338
<i>Total comprehensive loss for the year:</i>								
Loss for the year	-	-	-	-	(58,597)	(58,597)	(5,011)	(63,608)
Other comprehensive loss for the year	-	-	461	-	-	461	(458)	3
Sale of interest in a subsidiary	-	-	389	(18,561)	18,561	389	(48,536)	(48,147)
Total comprehensive loss for the year	-	-	850	(18,561)	(40,036)	(57,747)	(54,005)	(111,752)
<i>Transaction with owners, recognised directly in equity:</i>								
Capital injection by non-controlling interest	-	-	-	-	-	-	20	20
Balance at 31/05/2020	73,194	(269)	605	-	(50,406)	23,124	(3,518)	19,606
Previous Corresponding Year								
Balance at 01/06/2018, as previously reported	58,701	(269)	321	18,741	7,803	85,297	62,802	148,099
<i>Total comprehensive loss for the year:</i>								
Loss for the year	-	-	-	-	(18,173)	(18,173)	(11,437)	(29,610)
Other comprehensive loss for the year	-	-	(566)	-	-	(566)	(652)	(1,218)
Total comprehensive loss for the year	-	-	(566)	-	(18,173)	(18,739)	(12,089)	(30,828)
<i>Transaction with owners, recognised directly in equity:</i>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(246)	(246)
Right issuance	14,493	-	-	-	-	14,493	-	14,493
Share issuance expenses	-	-	-	(180)	-	(180)	-	(180)
Balance at 31/05/2019	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 01/06/2019	73,194	(269)	(274)	(15,001)	57,650
Loss for the year, representing total comprehensive loss for the year	-	-	-	(39,766)	(39,766)
Balance at 31/05/2020	73,194	(269)	(274)	(54,767)	17,884
Balance at 01/06/2018	58,701	(269)	(94)	(6,003)	52,335
Loss for the year, representing total comprehensive loss for the year	-	-	-	(8,998)	(8,998)
Rights issuance	14,493	-	-	-	14,493
Share issuance expenses	-	-	(180)	-	(180)
Balance at 31/05/2019	73,194	(269)	(274)	(15,001)	57,650

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share capital

Balance as at 31/05/2019 and 31/05/2020

Treasury shares

Balance as at 31/05/2019 and 31/05/2020

The Company	
Number of shares	S\$'000
648,152,876	73,194
1,270,400	269

There were no changes in the share capital and treasury shares since the end of the previous year reported on.

The number of outstanding warrants as at 31/05/2020 was 57,193,798, which can be exercised at the adjusted exercise price of S\$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30/04/2018 and expiring at 5.00 p.m. on 30/10/2020. No warrants were exercised during the year ended 31/05/2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Total number of issued shares

Total number of treasury shares

Total number of issued shares excluding treasury shares

The Company	
31/05/2020	31/05/2019
648,152,876	648,152,876
(1,270,400)	(1,270,400)
646,882,476	646,882,476

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the financial year ended 31/05/2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures presented have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

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3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updated on the efforts taken to resolve each outstanding audit issue.

The auditors have issued a disclaimer opinion dated 8 November 2019 on the Group's financial statement for the previous financial year ended 31 May 2019 due to the unauthorised remittances of monies between the Company's subsidiaries and related parties (the "Unauthorised Remittances").

Please refer to the Company's announcements made on 4 September 2019, 6 September 2019, 13 September 2019, 3 March 2020 and 15 March for the follow-up actions taken by the Company.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

To its best knowledge, the Board of Directors confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Paragraph 5, the Group has adopted the same accounting policies and methods of computation for the current financial year as those adopted in the audited annual financial statements for the financial year ended 31/05/2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the SFRS(I) 16 *Leases* with effect from 01/06/2019. The Group has applied the modified retrospective method of adoption and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the 2018 reporting period as permitted under specific transition provisions in the standard.

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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Loss per ordinary share of the Group based on the net loss attributable to owners of the Company:

(i) Based on weighted average number of shares (cents)
- Weighted average number of shares (excluding treasury shares) ('000)

(ii) On a fully diluted basis (cents)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)

Continuing operations	
The Group	
31/05/2020	31/05/2019
(4.13)	(0.67)
646,882	554,077
(4.13)	(0.67)
646,882	554,077

Loss per ordinary share of the Group based on the net loss attributable to owners of the Company:

(i) Based on weighted average number of shares (cents)
- Weighted average number of shares (excluding treasury shares) ('000)

(ii) On a fully diluted basis (cents)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)

Discontinued operations	
The Group	
31/05/2020	31/05/2019
(4.93)	(2.61)
646,882	554,077
(4.93)	(2.61)
646,882	554,077

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year

The Group
The Company

Cents	
As at 31/05/2020	As at 31/05/2019
3.6	20.6
2.8	8.9

Net asset value per share is calculated based on 646,882,476 (31/05/2019: 646,882,476) ordinary shares (excluding treasury shares) on issue at the end of the year under review and of the immediately preceding financial year.

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Revenue increased by S\$80.6 million due mainly to higher revenue from engineering projects during the first nine months of the financial year. However, during the 4th quarter of the financial year, revenue have been significantly affected by the suspension of most of the on-going engineering projects since the start of Circuit Breaker period.

Cost of sales increased at a higher percentage rate of 43.2% over the last financial year, as compared to revenue increase of 32.3% due mainly to : (a) Additional costs incurred on completed engineering contracts in a Malaysian subsidiary due to writing off of certain costs which are no longer recoverable from customers who had become insolvent, costs provided for the defect liability period and other additional costs; (b) downward revision in gross profit margin for on-going engineering contracts taking into consideration COVID-19 impact; and (c) unavoidable costs incurred during the Circuit Breaker period even though construction have been suspended on most engineering contracts.

As a result, the Group recorded a gross loss of S\$1.8 million as compared to a gross profit of S\$17.7 million in the last financial year.

Other operating income increased by S\$2.4 million due mainly to government grants received.

Other operating expenses increased by S\$2.4 million mainly due to impairment on certain fixed assets amounting to S\$1.6 million and trade receivables written-off by a Malaysian subsidiary amounting to S\$0.7 million.

Finance costs increased by S\$1.1 million due mainly to redemption interest expense of S\$1.7 million incurred on the US\$15 million 3-year notes due 19 December 2020 which was prematurely redeemed in February 2020. Under the terms of the notes, penalty interest had to be paid for the early redemption.

Income tax expense increased by S\$1.9 million due mainly to under provision of income tax in respect of prior years of an overseas subsidiary. Additional provision for tax was made on the grounds of prudence even though the subsidiary is in the process of appealing to the tax authorities.

Loss from discontinued operations increased by S\$10.8 million to S\$35.4 million due to (a) S\$20.7 million loss on the disposal of TEE Land and S\$10.1 million losses attributable to TEE Land' as compared to S\$23.8 million losses attributable to TEE Land for last financial year; and (b) S\$4.5 million loss attributable to Arrow Waste Management Pte Ltd as compared to S\$0.8 million for the last financial year.

Overall, the Group reported loss after tax of S\$63.6 million for the financial year as compared to loss after tax of S\$29.6 million for last financial year.

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8. (Continued)

Statement of Financial Position

Total assets were S\$309.1 million as at end of the financial year. Excluding the total assets from disposal group of S\$392.7 million, the increase of S\$48.7 million from S\$260.4 million was due mainly to increase in right-of-use assets of S\$32.0 million arising from the adoption of SFRS(I) 16 Leases and increase in cash and cash equivalents and contract assets of approximately S\$14.9 million and S\$5.6 million respectively. The increase was partially offset by the decrease in property, plant and equipment of S\$4.3 million.

Total liabilities were S\$289.5 million as at end of the financial year. Excluding the total liabilities associated with the disposal group amounting to S\$266.1 million, the increase of S\$33.8 million was due mainly to increase in lease liabilities of S\$33.0 million, bank loans and overdraft of S\$11.0 million and other payables of S\$5.5 million. The increase was partially offset by the full redemption of notes payable of S\$21.0 million.

Statement of Cash flows

Operating activities

Net cash from operating activities was S\$4.8 million due mainly to net cash inflow arising from changes in working capital of S\$31.0 million being offset with cash outflows arising from operating cash flows before movements in working capital of S\$12.1 million, interest paid of S\$11.7 million and tax paid of S\$2.2 million.

Investing activities

Net cash from investing activities was S\$24.1 million due mainly to net cash inflows from disposal of a subsidiary.

Financing activities

Net cash used in financing activities was S\$35.9 million due mainly to repayment of borrowing and full redemption of notes payable.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$7.0 million.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There was no forecast or any prospect statement previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Most of the construction works for the Group's on-going projects have been suspended and the construction sites have been closed during the Circuit Breaker till date. In view of the easing of Circuit Breaker measures, the Group's engineering & construction projects are expected to gradually resume construction activities in fourth quarter of 2020. The Group's outstanding engineering order book stands at approximately S\$272.3 million as at 31 May 2020.

The environmental business remains challenging and the Management will strive to improve its operational efficiency, while efforts to dispose of the Group's remaining infrastructure assets are continuing.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

No.

(c) Date payable

Not applicable.

(d) Record Date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No interim dividend has been declared or recommended for the current reporting year as the Company is in a loss-making position.

13. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).

The Company hereby confirms that it has procured undertakings from all its Directors and executive officers in accordance with Rule 720(1) of the Listing Manual.

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15. **Segmented revenue and results for business or geographical segment (of the group) in the form presented the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Continuing operations						Discontinued operations and disposal group held for sale		Elimination		The Group	
	Corporate & Others		Engineering		Infrastructure		2020	2019	2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019						
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Segment revenue												
External sales	1,937	1,935	292,423	203,182	35,585	44,221	47,877	113,963	-	-	377,822	363,301
Inter-segment sales	3,613	439	507	14,062	12	8	813	1,204	(4,944)	(15,713)	-	-
Total revenue	5,550	2,374	292,930	217,244	35,597	44,229	48,690	115,167	(4,944)	(15,713)	377,822	363,301
Segment results												
Segment results	(34,599)	(5,770)	(11,251)	6,676	(2,851)	(6,384)	(10,622)	(17,324)	11,449	8,942	(47,874)	(13,860)
Share of results of associates and joint venture	-	-	(4)	69	750	499	(602)	(794)	-	-	144	(226)
Finance costs	(4,333)	(2,984)	(2,296)	(2,033)	(1,438)	(1,204)	(5,435)	(8,037)	1,031	986	(12,471)	(13,272)
(Loss) Profit before tax	(38,932)	(8,754)	(13,551)	4,712	(3,539)	(7,089)	(16,659)	(26,155)	12,480	9,928	(60,201)	(27,358)
Income tax expense	(1,354)	(467)	(2,466)	(1,537)	350	470	9	(718)	54	-	(3,407)	(2,252)
(Loss) Profit for the year	(40,286)	(9,221)	(16,017)	3,175	(3,190)	(6,619)	(16,650)	(26,873)	12,534	9,928	(63,608)	(29,610)
Segment assets												
Segment assets	58,594	24,406	191,688	204,265	31,398	23,249	17,041	383,487	-	-	298,721	635,407
Investment in associates and joint venture	-	-	130	129	9,646	8,246	-	5,409	-	-	9,776	13,784
Deferred tax assets	-	-	560	136	90	-	-	3,861	-	-	650	3,997
Total assets	58,594	24,406	192,378	204,530	41,134	31,495	17,041	392,757	-	-	309,147	653,188
Segment liabilities												
Segment liabilities	7,188	2,310	153,131	147,260	26,640	14,315	19,840	46,028	-	-	206,799	209,913
Loans and borrowings	13,914	40,268	62,496	42,987	1,782	5,805	-	219,657	-	-	78,192	308,717
Income tax payable	842	-	3,488	2,326	9	82	-	37	-	-	4,339	2,445
Deferred tax liabilities	-	-	-	-	211	388	-	387	-	-	211	775
Total liabilities	21,944	42,578	219,115	192,573	28,642	20,590	19,840	266,109	-	-	289,541	521,850

15. (Continued)

	Continuing operations						Discontinued operations and disposal group held for sale		Elimination		The Group	
	Corporate & Others		Engineering		Infrastructure		2020	2019	2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019						
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Other information												
Depreciation	76	73	184	209	1,989	1,990	1,619	5,618	-	-	3,868	7,890
Allowance for diminution in value of completed properties and land held for sale	-	-	-	-	-	-	-	542	-	-	-	542
Change in fair value of investment properties	500	-	-	-	-	-	-	691	-	-	500	691
Allowance for doubtful trade receivables	-	-	53	85	-	86	-	7	-	-	53	178
Write back of loss allowance for contract assets	-	-	-	(658)	-	-	-	-	-	-	-	(658)
Allowance for doubtful other receivables	9	-	-	(15)	160	-	-	181	-	-	169	166
Impairment loss on investment in associates	-	-	-	-	-	-	-	3,600	-	-	-	3,600
Loss (Gain) on disposal of property, plant and equipment	-	-	71	17	(65)	37	-	(30)	-	-	6	24
Gain on the disposal of an associate	-	-	-	-	-	(139)	-	-	-	-	-	(139)
Property, plant and equipment written off	-	-	-	9	225	252	8	-	-	-	233	261
Amortisation of intangible assets	-	-	-	-	744	745	-	-	-	-	744	745
Change in fair value of financial assets at FVTPL	82	536	-	-	-	-	-	-	-	-	82	536
Purchase of property, plant and equipment	11	28	139	259	1,156	3,177	32	257	-	-	1,338	3,721

15. (Continued)

Geographical information:

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment non-current assets: Segment non-current assets (excluding bank balances pledged, held-to-maturity financial assets, other receivables, loans receivables and deferred tax assets) are analysed based on the location of those assets.

	Revenue					
	Continuing operations		Discontinued operations		Total	
	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Singapore	324,655	237,585	41,550	77,878	366,205	315,463
Malaysia	-	197	473	27,141	473	27,338
Brunei	-	-	-	-	-	-
Thailand	2,987	2,851	-	-	2,987	2,851
Vietnam	-	-	419	436	419	436
Hong Kong	2,303	8,705	-	-	2,303	8,705
Australia/New Zealand	-	-	5,435	8,508	5,435	8,508
Total	329,945	249,338	47,877	113,963	377,822	363,301

	Non-current assets					
	Continuing operations		Discontinued operations		Total	
	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Singapore	42,583	42,371	16,950	27,386	59,533	69,757
Malaysia	-	9	-	44	-	53
Brunei	-	15	-	-	-	15
Thailand	11,033	-	-	-	11,033	-
Vietnam	-	-	-	-	-	-
Hong Kong	144	132	-	-	144	132
Australia/New Zealand	-	-	-	47,395	-	47,395
Total	53,760	42,527	16,950	74,825	70,710	117,352

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the geographical segments.

Please refer to note 8.

17. A breakdown of sales

	The Group				Increase /(Decrease) %
	Continuing operations		Discontinued operations		
	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	
(a) Sales reported for first half year	172,218	84,633	36,411	55,284	49
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(3,145)	(3,924)	(37,912)	(6,099)	304
(c) Sales reported for second half year	157,727	164,705	11,466	58,679	(24)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(25,098)	(1,160)	2,547	(18,427)	18

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

No dividend was declared for latest and previous full year.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Cher Chuan	50	Nephew of Phua Boon Kin, Interim Group Chief Executive and Managing Director of the Company	<p>Executive Director (Special Function) of the Group since July 2017</p> <p><u>Other Directorships:</u></p> <p>Director of TEE Technology Pte Ltd since October 2008</p> <p>Director of NexFrontier Solutions Pte Ltd since July 2008</p> <p>Director of CMTE Technology Sdn Bhd since December 2014</p> <p>Director of TEEGreen Agriculture Pte Ltd since December 2018</p>	<p>Director of TEE Water Pte Ltd since 30 October 2019</p> <p>Director of TEE Infrastructure Private Limited since 30 October 2019</p> <p>Director of TEE Solar Pte Ltd since 30 October 2019</p> <p>Director of G3 Environmental Private Limited since 30 October 2019</p> <p>Director of TEE Management Pte Ltd since 11 November 2019</p>

BY ORDER OF THE BOARD

Phua Boon Kin
Interim Group Chief Executive

Saw Chin Choo
Executive Director

Dated 30 July 2020