



TEE International Limited

(Incorporated in the Republic of Singapore)
Company Registration No: 200007107D

Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 28 February 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) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Revenue	134,149	64,743	NM	273,721	179,770	52.3
Cost of sales	(124,373)	(54,593)	NM	(248,685)	(155,508)	59.9
Gross profit	9,776	10,150	(3.7)	25,036	24,262	3.2
Other operating income	540	1,805	(70.1)	1,801	3,528	(49.0)
Selling & distribution expenses	(1,636)	(3,644)	(55.1)	(4,843)	(7,888)	(38.6)
Administrative expenses	(5,774)	(5,577)	3.5	(17,171)	(15,521)	10.6
Other operating expenses	511	(1,238)	NM	(1,973)	(9,191)	(78.5)
Share of results of associates and joint venture	201	1,642	(87.8)	(239)	4,306	NM
Finance costs	(2,352)	(2,166)	8.6	(7,684)	(6,427)	19.6
Profit (Loss) before tax	1,266	972	30.2	(5,073)	(6,931)	(26.8)
Income tax expense	(955)	-	NM	(1,306)	(582)	NM
Profit (Loss) for the period	311	972	(68.0)	(6,379)	(7,513)	(15.1)
Profit (Loss) attributable to:						
Owners of the Company	708	374	89.3	(5,028)	(5,761)	(12.7)
Non-controlling interests	(397)	598	NM	(1,351)	(1,752)	(22.9)
	311	972	(68.0)	(6,379)	(7,513)	(15.1)

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) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Profit (Loss) for the period	311	972	(68.0)	(6,379)	(7,513)	(15.1)
Other comprehensive (loss) income:						
Currency translation differences	(773)	1,124	NM	(1,370)	3,039	NM
Other comprehensive (loss) income for the period	(773)	1,124	NM	(1,370)	3,039	NM
Total comprehensive (loss) income for the period	(462)	2,096	NM	(7,749)	(4,474)	73.2
Total comprehensive (loss) income attributable to:						
Owners of the Company	566	1,022	(44.6)	(5,823)	(4,869)	19.6
Non-controlling interests	(1,028)	1,074	NM	(1,926)	395	NM
	(462)	2,096	NM	(7,749)	(4,474)	73.2

NM – not meaningful

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018	28/02/2019	28/02/2018		
A Other operating income:						
Interest income	88	224	(60.7)	311	696	(55.3)
Amortisation of financial guarantee liabilities	65	69	(5.8)	197	266	(25.9)
Gain on disposal of an associate	139	-	NM	139	-	NM
Gain on disposal of property, plant and equipment	-	14	(100.0)	-	14	(100.0)
Gain on disposal of non-current asset held for sale	-	-	-	31	-	NM
Management fees income	108	105	2.9	326	243	34.2
Deposit forfeited for an aborted sale of completed property	-	-	-	316	-	NM
Net foreign exchange adjustment gain	-	1,199	(100.0)	-	1,970	(100.0)
Others	140	194	(27.8)	481	339	41.9
	540	1,805	(70.1)	1,801	3,528	(49.0)
B Finance costs:						
Loan interests	1,257	2,005	(37.3)	4,400	5,465	(19.5)
Term notes interest	-	-	-	-	791	(100.0)
Notes payable interest	1,083	156	NM	3,255	156	NM
Finance leases	12	5	NM	29	15	93.3
	2,352	2,166	8.6	7,684	6,427	19.6
C Other operating expenses:						
Amortisation of intangible assets	186	-	NM	558	-	NM
Trade receivables written off	1	1	-	2	2	-
Property, plant and equipment written off	-	10	(100.0)	10	10	-
Non-current asset held for sale written off	-	83	(100.0)	-	83	(100.0)
Loss on disposal of property, plant and equipment	-	-	-	24	-	NM
Option fee forfeited for an aborted purchase of land	-	-	-	420	-	NM
Impairment loss on investment in associates	-	1,144	(100.0)	-	7,297	(100.0)
Allowance for diminution in value of completed properties and land held for sale	-	-	-	-	1,799	(100.0)
Net foreign exchange adjustment loss	(698)	-	NM	959	-	NM
	(511)	1,238	NM	1,973	9,191	(78.5)
D Depreciation of property, plant and equipment	777	378	NM	2,429	1,150	NM
E Amortisation of issuance costs on term notes	-	-	-	-	60	(100.0)
F Amortisation of issuance costs on notes payable	80	-	NM	241	-	NM
G Amortisation of deferred commission expenses	1,095	2,206	(50.4)	2,981	3,739	(20.3)
H Amortisation of deferred show flat expenses	-	31	(100.0)	149	457	(67.4)
I Adjustment for (over) under provision of income tax in respect of prior year	(1)	526	NM	(59)	545	NM

NM – not meaningful

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

	The Group S\$'000		The Company S\$'000	
	28/02/2019	31/05/2018	28/02/2019	31/05/2018
ASSETS		(Restated)*		
Current assets				
Cash and cash equivalents	37,517	34,902	623	990
Bank balances pledged	2,887	52	-	-
Trade receivables	96,180	70,074	76	34
Other receivables	21,153	22,180	25,424	24,033
Loans receivables from associates	11,417	14,376	-	-
Financial assets at amortised cost	-	25	-	25
Financial assets at fair value through profit or loss	700	700	700	700
Inventories	241	168	-	-
Contract assets	113,567	71,142	-	-
Development properties	209,902	227,757	-	-
Completed properties and land held for sale	44,100	46,538	-	-
Non-current asset held for sale	45,076	47,617	-	-
Total current assets	582,740	535,531	26,823	25,782
Non-current assets				
Bank balances pledged	482	471	-	-
Other receivables	1,516	1,211	982	1,104
Investment in associates	17,020	19,563	-	-
Investment in joint venture	118	270	-	-
Investment in subsidiaries	-	-	109,930	109,930
Club membership	5	5	5	5
Intangible asset	1,241	1,799	-	-
Property, plant and equipment	30,908	31,253	85	138
Investment properties	32,276	32,405	22,000	22,000
Deferred tax assets	4,318	4,364	-	-
Total non-current assets	87,884	91,341	133,002	133,177
Total assets	670,624	626,872	159,825	158,959
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	42,156	51,250	4,300	4,481
Trade payables	155,657	104,081	-	54
Other payables	32,589	46,972	53,174	65,608
Contract liabilities	38	-	-	-
Provision for maintenance costs	1,083	1,034	-	-
Current portion of finance leases	379	607	-	-
Current portion of long-term borrowings	82,679	91,857	1,261	1,920
Current portion of financial guarantee liabilities	25	67	75	76
Income tax payable	3,104	2,537	-	-
Total current liabilities	317,710	298,405	58,810	72,139

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1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	28/02/2019	31/05/2018	28/02/2019	31/05/2018
LIABILITIES AND EQUITY		(Restated)*		
Non-current liabilities				
Finance leases	1,205	330	-	-
Long-term borrowings	156,211	142,830	14,022	12,762
Notes payable	24,045	21,089	24,159	21,267
Financial guarantee liabilities	230	385	93	150
Long-term deposit	306	306	306	306
Other payables	9,545	8,074	-	-
Deferred tax liabilities	1,485	1,951	-	-
Total non-current liabilities	193,027	174,965	38,580	34,485
Capital, reserves and non-controlling interests				
Share capital	73,194	58,701	73,194	58,701
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(474)	321	-	-
Capital reserve	18,628	18,741	(207)	(94)
Accumulated profits (losses)	5,752	10,780	(10,283)	(6,003)
Equity attributable to owners of the Company	96,831	88,274	62,435	52,335
Non-controlling interests	63,056	65,228	-	-
Net equity	159,887	153,502	62,435	52,335
Total liabilities and equity	670,624	626,872	159,825	158,959

* Restated due to first-time adoption of Singapore Financial Reporting Standards (International), the impact of which is essentially transferring the negative currency translation reserve to accumulated profits at the date of initial application.

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

Amount repayable in one year or less, or on demand

The Group S\$'000 As at 28/02/2019		The Group S\$'000 As at 31/05/2018	
Secured	Unsecured	Secured	Unsecured
103,773	21,441	110,962	32,752

Amount repayable after one year

The Group S\$'000 As at 28/02/2019		The Group S\$'000 As at 31/05/2018	
Secured	Unsecured	Secured	Unsecured
181,461	-	163,605	644

Details of any 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 or owing to the Group or paid or payable to the Group).

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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		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Operating activities				
Profit (Loss) before tax	1,266	972	(5,073)	(6,931)
Adjustments for:				
Share of results of associates and joint venture	(201)	(1,642)	239	(4,306)
Gain on disposal of an associate	(139)	-	(139)	-
Depreciation of property, plant and equipment	777	378	2,429	1,150
Amortisation of deferred commission expenses	1,095	2,206	2,981	3,739
Amortisation of deferred show flat costs	-	31	149	457
Amortisation of financial guarantee liabilities	(65)	(69)	(197)	(266)
Amortisation of issuance costs on term notes	-	-	-	60
Amortisation of issuance costs on notes payable	80	-	241	-
Amortisation of intangible assets	186	-	558	-
Impairment loss on investment in associates	-	1,144	-	7,297
Allowance for diminution in value of completed properties and land held for sale	-	-	-	1,799
Trade receivables written off	1	1	2	2
Property, plant and equipment written off	-	10	10	10
Non-current asset held for sale written off	-	83	-	83
(Gain) Loss on disposal of property, plant and equipment	-	(14)	24	(14)
Gain on disposal of non-current asset held for sale	-	-	(31)	-
Provision for maintenance costs	235	311	1,570	389
Unrealised currency translation (gain) loss	(921)	(1,076)	474	(1,332)
Interest income	(88)	(224)	(311)	(696)
Interest expense	2,352	2,166	7,684	6,427
Operating cash flows before movements in working capital	4,578	4,277	10,610	7,868
Trade receivables	35,244	(2,521)	(26,261)	(4,914)
Other receivables	(8,706)	(6,171)	(3,178)	(8,142)
Inventories	(26)	(1)	(73)	(34)
Contract assets	(67,844)	997	(42,546)	13,230
Development properties	(22,286)	(90,730)	(5,503)	(86,250)
Completed properties and land held for sale	6,409	(7,017)	28,553	4,809
Trade payables	53,197	439	52,014	(15,849)
Other payables	(1,343)	7,098	(2,271)	13,573
Contract liabilities	(870)	203	38	267
Utilisation of provision for maintenance costs	(772)	(245)	(1,521)	(692)
Cash (used in) generated from operations	(2,419)	(93,671)	9,862	(76,134)
Interest paid	(2,183)	(2,686)	(9,207)	(7,877)
Income tax paid	(475)	(2,759)	(1,188)	(3,896)
Net cash used in operating activities	(5,077)	(99,116)	(533)	(87,907)
Investing activities				
Proceeds on disposal of property, plant and equipment	-	14	362	14
Proceeds on disposal of non-current asset held for sale	(2)	-	304	-
Proceeds on disposal of an associate	5,000	4,856	5,000	4,856
Proceeds from financial assets at amortised cost	25	25	25	25
Purchase of property, plant and equipment	(1,982)	(37)	(2,496)	(99)
Purchase of non-current asset held for sale	(18)	(142)	(152)	(992)
Investment in associates	-	(106)	(4,658)	(1,574)
Loans receivables from associates	(189)	-	(225)	(889)
Repayment of loans receivables from associates	678	1,066	3,184	8,003
Dividend received from associates and joint venture	22	447	2,366	1,005
Interest received	653	169	1,085	2,372
Net cash generated from investing activities	4,187	6,292	4,795	12,721

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Financing activities				
Drawdown of bank loans	23,758	23,303	89,845	92,999
Repayment of bank loans	(35,322)	(28,653)	(96,036)	(82,285)
Drawdown of long-term borrowings	4,500	82,730	48,635	88,305
Repayment of long-term borrowings	(1,371)	(12,282)	(43,056)	(35,075)
Repayment of term notes	-	-	-	(30,000)
Issuance of notes payable	-	20,175	-	20,175
Decrease (Increase) in bank balances pledged	1,749	1,437	(2,835)	2,372
Increase of obligations under finance lease	1,385	-	1,385	-
Repayment of obligations under finance leases	(457)	(31)	(739)	(76)
Loan from a director	-	-	-	10,600
Repayment of loan from a director	(1,000)	(600)	(10,000)	(600)
Share issuance expenses	(113)	-	(113)	-
Proceeds from rights issue	14,493	-	14,493	-
Deemed capital injection by non-controlling interests	-	800	-	1,137
Repayment of deemed capital to non-controlling interests	-	-	-	(4,345)
Dividend paid to non-controlling interests	-	-	(246)	(1,841)
Net cash generated from financing activities	7,622	86,879	1,333	61,366
Net increase (decrease) in cash and cash equivalents	6,732	(5,945)	5,595	(13,820)
Cash and cash equivalents at beginning of period	29,074	25,462	30,291	33,439
Effect of foreign exchange rate changes	3	199	(77)	97
Cash and cash equivalents at end of period (Note A)	35,809	19,716	35,809	19,716

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Cash at banks	18,780	13,843	18,780	13,843
Cash on hand	65	36	65	36
Fixed deposits	6,353	3,055	6,353	3,055
Project accounts (see Note below):				
Cash at banks	15,688	7,109	15,688	7,109
	40,886	24,043	40,886	24,043
Pledged fixed deposits	(3,369)	(526)	(3,369)	(526)
Bank overdrafts	(1,708)	(3,801)	(1,708)	(3,801)
Total cash and cash equivalents	35,809	19,716	35,809	19,716

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 reserve	Capital reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 01/06/2018, as previously reported	58,701	(269)	(690)	18,741	11,791	88,274	65,228	153,502
Effect of transition to Singapore Financial Reporting Standards (International) ("SFRS(I)")	-	-	1,011	-	(1,011)	-	-	-
Balance at 01/06/2018, as restated	58,701	(269)	321	18,741	10,780	88,274	65,228	153,502
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(5,028)	(5,028)	(1,351)	(6,379)
Other comprehensive loss for the period	-	-	(795)	-	-	(795)	(575)	(1,370)
Total comprehensive loss for the period	-	-	(795)	-	(5,028)	(5,823)	(1,926)	(7,749)
<i>Transactions with owners, recognised directly in equity</i>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(246)	(246)
Rights issuance	14,493	-	-	-	-	14,493	-	14,493
Share issuance expenses	-	-	-	(113)	-	(113)	-	(113)
Balance at 28/02/2019	73,194	(269)	(474)	18,628	5,752	96,831	63,056	159,887
Previous Corresponding Period								
Balance at 01/06/2017, as previously reported	58,701	(269)	(1,011)	18,793	19,396	95,610	70,016	165,626
Effect of transition to Singapore Financial Reporting Standards (International) ("SFRS(I)")	-	-	1,011	-	(1,011)	-	-	-
Balance at 01/06/2017, as restated	58,701	(269)	-	18,793	18,385	95,610	70,016	165,626
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(5,761)	(5,761)	(1,752)	(7,513)
Other comprehensive income for the period	-	-	892	-	-	892	2,147	3,039
Total comprehensive loss for the period	-	-	892	-	(5,761)	(4,869)	395	(4,474)
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	1,137	1,137
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,841)	(1,841)
Balance at 28/02/2018	58,701	(269)	892	18,793	12,624	90,741	65,362	156,103

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1(d)(i) (Continued)

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated loss S\$'000	Total S\$'000
<u>The Company</u>					
Balance at 01/06/2018	58,701	(269)	(94)	(6,003)	52,335
Loss for the period, representing total comprehensive loss for the period	-	-	-	(4,280)	(4,280)
Rights issuance	14,493	-	-	-	14,493
Share issuance expenses	-	-	(113)	-	(113)
Balance at 28/02/2019	73,194	(269)	(207)	(10,283)	62,435
<u>Previous Corresponding Period</u>					
Balance at 01/06/2017	58,701	(269)	(42)	(2,861)	55,529
Loss for the period, representing total comprehensive loss for the period	-	-	-	(2,466)	(2,466)
Balance at 28/02/2018	58,701	(269)	(42)	(5,327)	53,063

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues 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

	The Company	
	No of shares	Amount S\$'000
<u>Share Capital</u>		
Balance as at 30/11/2018	503,223,039	58,701
Issue of shares arising from exercise of rights issue	144,929,837	14,493
Balance as at 28/02/2019	648,152,876	73,194
<u>Treasury Shares</u>		
Balance as at 30/11/2018 and 28/02/2019	1,270,400	269

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1(d)(ii) (Continued)

Shares

Pursuant to a renounceable non-underwritten rights issue announced on 29 November 2018 (the "Rights Issue"), the Company issued a total of 144,929,837 new ordinary shares which rank pari passu in all respects with all other existing shares in issue ("Rights Shares"). The Company raised net proceeds of approximately S\$14.3 million (after deducting estimated expenses of approximately S\$0.2 million) from the Rights Issue. Following the allotment and issuance of the Rights Shares, the number of issued Shares in the Company increased from 503,223,039 ordinary shares to 648,152,876 ordinary shares.

There is no update to the announcement dated 20 February 2019 on the use of proceeds arising from the Rights Issue.

As announced, pending deployment of the net proceeds, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit. The Company intends to utilise the net proceeds of the Rights Issue as follows:

- (a) up to 80% to fund the expansion and growth of existing businesses, acquisitions and new investments; and
- (b) up to 20% for general working capital purposes.

Warrants

Pursuant to the terms and conditions of the deed poll dated 16 April 2018 (the "Deed Poll"), the proposed Rights Issue constitutes an event giving rise to an adjustment to the exercise price and the number of the existing warrants ("Adjustments"). The Adjustments were effective from 15 February 2019, being the market day next following the closing date of the Rights Issue.

Accordingly, the exercise price of the existing bonus warrants has been adjusted from S\$0.215 to S\$0.189 per warrant on 15 February 2019 and 6,998,778 new warrants have been issued and allotted on 4 March 2019 ("Adjusted Warrants") pursuant to the Adjustments. Each new Adjusted Warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an adjusted exercise price of S\$0.189 for each new share. Following the allotment and issuance of the Adjusted Warrants, the total number of existing bonus warrants of the Company has increased from 50,195,020 bonus warrants to 57,193,798 bonus warrants.

As at to date, the number of outstanding bonus warrants are 57,193,798 and 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 April 2018 and expiring at 5.00 p.m. on 30 October 2020. As the bonus warrants were issued free to the shareholders, there were no immediate proceeds from the bonus warrants issue and the Adjustments and no warrants have been exercised as at to date.

The Company intends to utilise the net proceeds arising from the exercise of bonus warrants for financing working capital, reduction of existing loans and new investments and capital expenditure requirements of the Group as the Directors may deem fit. As the actual amount of net proceeds to be received by the Company from the exercise of the bonus warrants will depend on when and the extent to which the bonus warrants are exercised, the percentage allocation for the aforementioned intended uses cannot be determined as at to date. The Company will make periodic announcements on the utilisation of the actual net proceeds as and when such net proceeds are available and materially disbursed, and whether the use of the net proceeds is in accordance with the stated use.

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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

	The Company	
	28/02/2019	31/05/2018
Total number of issued shares	648,152,876	503,223,039
Total number of treasury shares	(1,270,400)	(1,270,400)
Total number of issued shares excluding treasury shares	646,882,476	501,952,639

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

There were no sales, transfers, cancellation and/or use of treasury shares during the period ended 28/02/2019.

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.

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

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and the new and revised standards which are effective for annual financial periods beginning on or after 1 June 2018.

The same accounting policies and methods of computation have been applied in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 May 2018.

On transition to SFRS(I), the Group elected the option to reset the translation reserve to zero on 1 June 2017, and accordingly, has reclassified an amount of S\$1.0 million from translation reserve to the opening retained earnings as at 1 June 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

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4 (Continued)

Borrowing Costs Relating to Development Property

In November 2018, IFRS Interpretations Committee (“IFRIC”) issued a tentative agenda decision where it presented its views that borrowing costs relating to the construction of a residential multi-unit real estate development that is ready for its intended use or sale should not be capitalised but should instead, be expensed when incurred. In March 2019, IFRIC issued a finalised agenda decision which is consistent with the tentative agenda decision. The Group is currently determining the potential change in accounting policy as a result of an agenda decision. Upon finalising its assessment and quantification of the impact on the financial statements, the Group will apply the change in accounting policy retrospectively.

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**

There has been no change in accounting policy which has a material effect on the results and financial position of the Group and of the Company for the current and the previous financial periods except as those stated in paragraph 4.

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**

	The Group		The Group	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Earnings (Loss) per ordinary share of the Group based on net profit (loss) attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	0.14	0.07	(0.96)	(1.12)
- Weighted average number of shares (excluding treasury shares) ('000)	522,374	515,575	522,374	515,575
(ii) On a fully diluted basis (cents)	0.14	0.07	(0.96)	(1.12)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	522,374	515,575	522,374	515,575

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**

	Cents	
	As at 28/02/2019	As at 31/05/2018
The Group	15.0	17.6
The Company	9.7	10.4

Net asset value per share is calculated based on 646,882,476 ordinary shares (excluding treasury shares) (31/05/2018: 501,952,639) on issue at the end of the period 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

Third Quarter Ended 28/02/2019 ("3QFY2019") against Third Quarter Ended 28/02/2018 ("3QFY2018")

Revenue increased by S\$69.4 million due mainly to the higher contribution of progressive revenue from on-going engineering projects and inclusion of revenue from the waste and recycling management subsidiaries. Cost of sales correspondingly increased by S\$69.8 million.

Other operating income was lower by S\$1.3 million due mainly to the absence of unrealised foreign exchange gain.

Selling and distribution expenses decreased by S\$2.0 million due mainly to the lower promotional expense incurred for the sale of TEE Land's completed projects.

Other operating expenses decreased by S\$1.7 million due mainly to the absence of the one-off impairment losses recognised on the disposal of an associate by TEE Land in 3QFY2018.

Profit contribution from associates and joint venture was lower by S\$1.4 million due mainly to the share of higher losses from TEE Land's associated companies.

Finance costs increased by S\$0.2 million due mainly to additional borrowings for the acquisition of the waste and recycling management subsidiaries.

At the Group level, there was a profit after tax of S\$0.3 million in 3QFY2019 compared to a profit of S\$1.0 million in 3QFY2018.

Nine Months Ended 28/02/2019 ("9MFY2019") against Nine Months Ended 28/02/2018 ("9MFY2018")

Revenue increased by S\$94.0 million due mainly to the higher contribution of progressive revenue from on-going engineering projects and inclusion of revenue from the waste and recycling management subsidiaries. Cost of sales correspondingly increased by S\$93.2 million.

Other operating income was lower by S\$1.7 million due mainly to the absence of unrealised foreign exchange gain.

Selling and distribution expenses decreased by S\$3.0 million due mainly to the lower promotional expense incurred for the sale of TEE Land's completed projects.

Administrative expenses increased by S\$1.7 million due mainly to the inclusion of expenses incurred by the waste and recycling management subsidiaries.

Other operating expenses decreased by S\$7.2 million due mainly to the absence of the one-off impairment losses recognised on the disposal of an associate by TEE Land in 9MFY2018.

Profit contribution from associates and joint venture was lower by S\$4.5 million due mainly to the share of higher losses from TEE Land's associated companies.

Finance costs increased by S\$1.3 million due mainly to additional borrowings for the acquisition of the waste and recycling management subsidiaries.

At the Group level, there was a loss after tax of S\$6.4 million in 9MFY2019 compared to a loss of S\$7.5 million in 9MFY2018.

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8 (Continued)

Statement of Financial Position

Financial Position as at 28/02/2019 against Financial Position as at 31/05/2018

Trade receivables increased by S\$26.1 million due mainly to increased sales of properties and completion of engineering projects.

Loans receivables from associates decreased by S\$3.0 million due to repayments by TEE Land's associated companies.

Total contract assets increased by S\$42.4 million due mainly to on-going engineering projects.

Investment in associates decreased by S\$2.5 million due mainly to dividends received and share of loss from TEE Land's associates.

Trade payables increased by S\$51.6 million due mainly to on-going engineering projects.

Total other payables decreased by S\$12.9 million due mainly to repayment of loan and reduction of advances received from the customers.

Statement of Cash Flows

Nine Months Ended 28/02/2019 ("9MFY2019")

Operating activities

There was a net cash of S\$0.5 million used in operating activities.

Investing activities

Net cash generated from investing activities was S\$4.8 million, due mainly to loan repayments from associates and dividends received from associates and joint venture.

Financing activities

Net cash generated from financing activities was S\$1.3 million, due mainly to proceeds from rights issue offset by repayment of loans.

At the Group level, there was a net increase in cash of S\$5.6 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.

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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

The business outlook remains uncertain.

The Engineering business remains focused on delivering projects while working on initiatives that would value-add to existing projects and future tenders. As at 28 February 2019, the outstanding book order was S\$425 million.

The Real Estate business remains challenging. As announced on 25 February 2019, the Company had entered into a non-binding term sheet with Top Capital Securities Pte. Ltd. for the proposed sale of shares in TEE Land. Negotiations are in progress and the Company will make the necessary announcements as and when there are further developments.

The Infrastructure business continues to expand steadily while building up its capabilities through strategic investments and partnerships.

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) Books closure date

Not applicable.

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

No dividend has been declared because it is not the Company's practice to pay dividend quarterly.

13 If the Group has obtained a general mandate from 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 pursuant to Rule 720(1) of the Listing Manual

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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NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Phua Boon Kin and Saw Chin Choo, being two Directors of TEE International Limited (the “Company”), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 28 February 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Boon Kin
Deputy Group Managing Director

Saw Chin Choo
Executive Director

Dated 10 April 2019