



## TEE International Limited

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

### Unaudited First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 August 2018

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) %
	First Quarter Ended 31/08/2018	31/08/2017	
<b>Revenue</b>	78,472	70,128	11.9
<b>Cost of sales</b>	(72,020)	(63,046)	14.2
<b>Gross profit</b>	6,452	7,082	(8.9)
Other operating income	796	466	70.8
Selling & distribution expenses	(1,269)	(1,973)	(35.7)
Administrative expenses	(5,864)	(4,852)	20.9
Other operating expenses	(1,652)	(148)	NM
Share of results of associates and joint venture	(390)	911	NM
Finance costs	(2,726)	(2,070)	31.7
<b>Loss before tax</b>	(4,653)	(584)	NM
Income tax expense	(123)	(338)	(63.6)
<b>Loss for the period</b>	(4,776)	(922)	NM
Loss attributable to:			
Owners of the company	(3,848)	(918)	NM
Non-controlling interests	(928)	(4)	NM
	(4,776)	(922)	NM

**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) %
	First Quarter Ended 31/08/2018	31/08/2017	
Loss for the period	(4,776)	(922)	NM
Other comprehensive (loss) income:			
Currency translation differences	(685)	522	NM
Other comprehensive (loss) income for the period	(685)	522	NM
<b>Total comprehensive loss for the period</b>	(5,461)	(400)	NM
Total comprehensive loss attributable to:			
Owners of the company	(4,433)	(821)	NM
Non-controlling interests	(1,028)	421	NM
	(5,461)	(400)	NM

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended		
	31/08/2018	31/08/2017	
A Other operating income:			
Interest income	159	276	(42.4)
Amortisation of financial guarantee liabilities	66	81	(18.5)
Gain on disposal of property, plant and equipment	36	-	NM
Management fees income	106	59	79.7
Deposit forfeited for an aborted sale of completed property	316	-	NM
Others	113	50	NM
	796	466	70.8
B Finance costs:			
Loan interests	1,628	1,573	3.5
Term notes interest	-	492	(100.0)
Notes payable interest	1,089	-	NM
Finance leases	9	5	80.0
	2,726	2,070	31.7
C Other operating expenses:			
Net foreign currency exchange adjustment loss	1,045	148	NM
Amortisation of intangible assets	186	-	NM
Trade receivables written off	1	-	NM
Option fee forfeited for an aborted purchase of land	420	-	NM
	1,652	148	NM
D Depreciation of property, plant and equipment	836	391	NM
E Amortisation of issuance costs on term notes	-	45	(100.0)
F Amortisation of issuance costs on notes payable	81	-	NM
G Amortisation of deferred commission expenses	713	584	22.1
H Amortisation of deferred show flat expenses	133	117	13.7

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	
	31/08/2018	31/05/2018	31/08/2018	31/05/2018
<b>ASSETS</b>		(Restated)*		
<b>Current assets</b>				
Cash and cash equivalents	27,563	34,902	924	990
Bank balances pledged	3,886	52	-	-
Trade receivables	75,696	70,074	-	34
Other receivables	12,802	22,180	24,248	24,033
Loans receivables	12,260	14,376	-	-
Held-to-maturity financial asset	25	25	25	25
Held for trading investment	700	700	700	700
Inventories	231	168	-	-
Amount due from customers for contract work	79,701	71,142	-	-
Development properties	231,733	227,757	-	-
Completed properties and land held for sale	27,684	46,538	-	-
Non-current asset classified as held for sale	46,546	47,617	-	-
<b>Total current assets</b>	<b>518,827</b>	<b>535,531</b>	<b>25,897</b>	<b>25,782</b>
<b>Non-current assets</b>				
Bank balances pledged	471	471	-	-
Other receivables	1,176	1,211	1,064	1,104
Investment in associates	21,919	19,563	-	-
Investment in joint venture	310	270	-	-
Investment in subsidiaries	-	-	109,930	109,930
Club membership	5	5	5	5
Intangible asset	1,613	1,799	-	-
Property, plant and equipment	30,376	31,253	119	138
Investment properties	32,163	32,405	22,000	22,000
Deferred tax assets	4,466	4,364	-	-
<b>Total non-current assets</b>	<b>92,499</b>	<b>91,341</b>	<b>133,118</b>	<b>133,177</b>
<b>Total assets</b>	<b>611,326</b>	<b>626,872</b>	<b>159,015</b>	<b>158,959</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and overdrafts	56,932	51,250	4,481	4,481
Trade payables	102,104	104,081	14	54
Other payables	38,828	46,972	64,683	65,608
Provision for maintenance costs	633	1,034	-	-
Current portion of finance leases	491	607	-	-
Current portion of long-term borrowings	86,861	91,857	1,473	1,920
Current portion of financial guarantee liabilities	55	67	76	76
Income tax payable	2,496	2,537	-	-
<b>Total current liabilities</b>	<b>288,400</b>	<b>298,405</b>	<b>70,727</b>	<b>72,139</b>

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## 1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	31/08/2018	31/05/2018	31/08/2018	31/05/2018
<b>LIABILITIES AND EQUITY</b>		(Restated)*		
<b>Non-current liabilities</b>				
Finance leases	246	330	-	-
Long-term borrowings	141,121	142,830	14,667	12,762
Notes payable	22,525	21,089	22,671	21,267
Financial guarantee liabilities	331	385	131	150
Long-term deposit	306	306	306	306
Other payables	8,345	8,074	-	-
Deferred tax liabilities	2,011	1,951	-	-
<b>Total non-current liabilities</b>	<b>174,885</b>	<b>174,965</b>	<b>37,775</b>	<b>34,485</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	58,701	58,701	58,701	58,701
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(264)	321	-	-
Capital reserve	18,741	18,741	(94)	(94)
Accumulated profits (losses)	6,932	10,780	(7,825)	(6,003)
Equity attributable to owners of the Company	83,841	88,274	50,513	52,335
Non-controlling interests	64,200	65,228	-	-
Net equity	148,041	153,502	50,513	52,335
<b>Total liabilities and equity</b>	<b>611,326</b>	<b>626,872</b>	<b>159,015</b>	<b>158,959</b>

\* 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		The Group S\$'000	
<u>As at 31/08/2018</u>		<u>As at 31/05/2018</u>	
Secured	Unsecured	Secured	Unsecured
103,933	40,351	110,962	32,752

### Amount repayable after one year

The Group S\$'000		The Group S\$'000	
<u>As at 31/08/2018</u>		<u>As at 31/05/2018</u>	
Secured	Unsecured	Secured	Unsecured
163,756	136	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 secured notes 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	
	First Quarter Ended	
	31/08/2018	31/08/2017
<b>Operating activities</b>		
Loss before tax	(4,653)	(584)
Adjustments for:		
Share of results of associates and joint venture	390	(911)
Depreciation of property, plant and equipment	836	391
Amortisation of deferred commission expenses	713	584
Amortisation of deferred show flat expenses	133	117
Amortisation of financial guarantee liabilities	(66)	(81)
Amortisation of issuance costs on term notes	-	45
Amortisation of issuance costs on notes payable	81	-
Amortisation of intangible asset	186	-
Trade receivables written off	1	-
Gain on disposal of property, plant and equipment	(36)	-
Provision for maintenance costs	25	23
Unrealised currency translation loss (gain)	991	(44)
Interest income	(159)	(276)
Interest expense	2,726	2,070
Operating cash flows before movements in working capital	1,168	1,334
Trade receivables	(5,699)	(4,262)
Other receivables	9,265	(1,313)
Inventories	(63)	(2)
Amounts due from customers for contract work	(8,631)	530
Development properties	(1,110)	(104)
Completed properties and land held for sale	16,682	11,683
Trade payables	(1,683)	(344)
Other payables	(2,984)	2,999
Utilisation of provision for maintenance costs	(426)	(103)
Cash generated from operations	6,519	10,418
Interest paid	(3,975)	(2,493)
Income tax paid	(227)	(212)
Net cash generated from operating activities	2,317	7,713
<b>Investing activities</b>		
Proceeds on disposal of property, plant and equipment	241	-
Purchase of non-current asset classified as held for sale	(38)	(239)
Purchase of property, plant and equipment	(177)	(33)
Investment in associates	(4,658)	(1,468)
Loans receivables	-	(486)
Repayment of loans receivables	2,116	2,103
Dividend received from an associate	1,891	-
Interest received	330	1,119
Net cash (used in) generated from investing activities	(295)	996

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1(c) (Continued)

	The Group S\$'000	
	First Quarter Ended	
	31/08/2018	31/08/2017
<b>Financing activities</b>		
Drawdown of bank loans	29,627	27,747
Repayment of bank loans	(23,818)	(24,428)
Drawdown of long-term borrowings	15,900	4,593
Repayment of long-term borrowings	(21,871)	(17,139)
Increase in bank balances pledged	(3,834)	(205)
Repayment of obligations under finance leases	(199)	(22)
Repayment of loan from a director	(5,000)	-
Repayment of deemed capital to non-controlling interests	-	(4,345)
Dividends paid to non-controlling interests	-	(1,841)
Net cash used in financing activities	(9,195)	(15,640)
Net decrease in cash and cash equivalents	(7,173)	(6,931)
Cash and cash equivalents at beginning of period	30,291	33,439
Effect of foreign exchange rate changes	(39)	593
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>23,079</b>	<b>27,101</b>

## Note A: Cash and cash equivalents

	The Group S\$'000	
	First Quarter Ended	
	31/08/2018	31/08/2017
Cash at banks	12,313	14,478
Cash on hand	101	46
Fixed deposits	7,223	6,167
Project accounts (see Note below):		
Cash at banks	10,273	11,493
Fixed deposits	2,010	1,217
	31,920	33,401
Pledged fixed deposits	(4,357)	(3,045)
Bank overdrafts	(4,484)	(3,255)
<b>Total cash and cash equivalents</b>	<b>23,079</b>	<b>27,101</b>

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
<b>The Group</b>								
<b>Balance at 01/06/2018, as previously reported</b>	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)	-	-	-
<b>Balance at 01/06/2018, as restated</b>	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	-	-	-	-	(3,848)	(3,848)	(928)	(4,776)
Other comprehensive loss for the period	-	-	(585)	-	-	(585)	(100)	(685)
Total comprehensive loss for the period	-	-	(585)	-	(3,848)	(4,433)	(1,028)	(5,461)
<b>Balance at 31/08/2018</b>	58,701	(269)	(264)	18,741	6,932	83,841	64,200	148,041
<b>Previous Corresponding Period</b>								
<b>Balance at 01/06/2017, as previously reported</b>	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)	-	-	-
<b>Balance at 01/06/2017, as restated</b>	58,701	(269)	-	18,793	18,385	95,610	70,016	165,626
<i>Total comprehensive income for the period:</i>								
Loss for the period	-	-	-	-	(918)	(918)	(4)	(922)
Other comprehensive income for the period	-	-	97	-	-	97	425	522
Total comprehensive income for the period	-	-	97	-	(918)	(821)	421	(400)
<i>Transactions with owners, recognised directly in equity:</i>								
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
<b>Balance at 31/08/2017</b>	58,701	(269)	97	18,793	17,467	94,789	66,092	160,881

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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
<b>The Company</b>					
<b>Balance at 01/06/2018</b>	58,701	(269)	(94)	(6,003)	52,335
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,822)	(1,822)
<b>Balance at 31/08/2018</b>	<b>58,701</b>	<b>(269)</b>	<b>(94)</b>	<b>(7,825)</b>	<b>50,513</b>
<b>Previous Corresponding Period</b>					
<b>Balance at 01/06/2017</b>	58,701	(269)	(42)	(2,861)	55,529
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,931)	(1,931)
<b>Balance at 31/08/2017</b>	<b>58,701</b>	<b>(269)</b>	<b>(42)</b>	<b>(4,792)</b>	<b>53,598</b>

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
Share Capital		
Balance as at 31/05/2018 and 31/08/2018	503,223,039	58,701

	The Company	
	No of shares	Amount S\$'000
Treasury Shares		
Balance as at 31/05/2018 and 31/08/2018	1,270,400	269

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

The number of outstanding warrants as at 31/08/2018 was 50,195,020, which can be exercised at an exercise price of S\$0.215 per warrant payable in cash within the period from 30/04/2018 (Date of issue) and expiring on 30/10/2020. No warrants were exercised during the period ended 31/08/2018.



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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	
	31/08/2018	31/05/2018
Total number of issued shares	503,223,039	503,223,039
Total number of treasury shares	(1,270,400)	(1,270,400)
Total number of issued shares excluding treasury share	501,952,639	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 31/08/2018.

- 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.

- 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.

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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**

	The Group	
	First Quarter Ended	
	31/08/2018	31/08/2017
Loss per ordinary share of the Group based on net loss attributable to owners of the Company:		
(i) Based on the weighted average number of shares (cents)	(0.77)	(0.18)
- Weighted average number of shares (excluding treasury shares) ('000)	501,953	501,953
(ii) On a fully diluted basis (cents)	(0.77)	(0.18)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	501,953	501,953

- 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 31/08/2018	As at 31/05/2018
The Group	16.7	17.6
The Company	10.1	10.4

Net asset value per share is calculated based on 501,952,639 (31/05/2018: 501,952,639) ordinary shares (excluding treasury shares) on issue at the end of the period under review and of the immediately preceding financial year.

- 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

First Quarter Ended 31/08/2018 ("1QFY2019") against First Quarter Ended 31/08/2017 ("1QFY2018")

Revenue increased by S\$8.3 million due mainly to the inclusion of revenue from the waste and recycling management subsidiaries which were acquired in December 2017.

Selling and distribution expenses decreased by S\$0.7 million due mainly to the absence of a one-off promotional expense incurred for a completed property held for sale in 1QFY2018.

Administrative expenses increased by S\$1.0 million due mainly to the inclusion of expenses incurred by the waste and recycling management subsidiaries.

Other operating expenses increased by S\$1.5 million due mainly to option fee forfeited for the aborted purchase of land by TEE Land and unrealised foreign exchange losses in 1QFY2019.

Share of results of associates and joint venture decreased by S\$1.3 million due mainly to the share of losses from TEE Land's associated companies.

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### 8 (Continued)

Finance costs increased by S\$0.7 million due mainly to additional borrowings for the acquisition of waste and recycling management subsidiaries.

Overall, the Group reported a loss after tax of S\$4.8 million in 1QFY2019 compared to a loss after tax of S\$0.9 million in 1QFY2018.

Loss attributable to owners of the Company was S\$3.8 million in 1QFY2019 compared to a loss of S\$0.9 million in 1QFY2018.

#### **Statement of Financial Position**

##### Financial Position as at 31/08/2018 against Financial Position as at 31/05/2018

Trade receivables increased by S\$5.6 million due mainly to increased sales of completed properties.

Total other receivables decreased by S\$9.4 million due mainly to receipt of remaining proceeds related to the disposal of an associate by TEE Land.

Loans receivables decreased by S\$2.1 million due to repayments by associated companies.

Amount due from customers for contract work increased by S\$8.6 million due to on-going engineering projects.

Completed properties held for sale decreased by S\$18.9 million due to the sales of some completed units.

Investment in associates increased by S\$2.4 million due mainly to investment in a new associate.

Total other payables decreased by S\$7.9 million due mainly to partial repayment of loan payable and reduction of advances received from the customers.

#### **Statement of Cash Flows**

##### First Quarter Ended 31/08/2018 ("1QFY2019") against First Quarter Ended 31/08/2017 ("1QFY2018")

#### **Operating activities**

Net cash generated from operating activities was S\$2.3 million, due mainly to the sale of completed properties.

#### **Investing activities**

Net cash used in investing activities was S\$0.3 million, due mainly to payment for investment in a new associate.

#### **Financing activities**

Net cash used in financing activities was S\$9.2 million, due mainly to repayment of borrowings and loan payable.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$7.2 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 landscape remains challenging and uncertain.

The Engineering business remains focused on delivering projects while working on initiatives that would value-add to existing projects and future tenders. To-date, the outstanding book order was S\$304 million.

The Real Estate business remains cautious due to recent cooling measures in Singapore. TEE Land will continue to actively realise value in its investments.

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/recommended, a statement to that effect**

No interim dividend has been declared or recommend in the current reporting period.

**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.

## **TEE International Limited**

### **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 first quarter ended 31 August 2018 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 12 October 2018