



TEE International Limited

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

Unaudited Second Quarter Financial Statements and Dividend Announcement for the Period Ended 30 November 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) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
Revenue	61,100	44,899	36.1	139,572	115,027	21.3
Cost of sales	(52,292)	(37,869)	38.1	(124,312)	(100,915)	23.2
Gross profit	8,808	7,030	25.3	15,260	14,112	8.1
Other operating income	501	1,405	(64.3)	1,261	1,723	(26.8)
Selling & distribution expenses	(1,938)	(2,271)	(14.7)	(3,207)	(4,244)	(24.4)
Administrative expenses	(5,533)	(5,092)	8.7	(11,397)	(9,944)	14.6
Other operating expenses	(868)	(7,953)	(89.1)	(2,484)	(7,953)	(68.8)
Share of results of associates and joint venture	(50)	1,753	NM	(440)	2,664	NM
Finance costs	(2,606)	(2,191)	18.9	(5,332)	(4,261)	25.1
Loss before tax	(1,686)	(7,319)	(77.0)	(6,339)	(7,903)	(19.8)
Income tax expense	(228)	(244)	(6.6)	(351)	(582)	(39.7)
Loss for the period	(1,914)	(7,563)	(74.7)	(6,690)	(8,485)	(21.2)
Loss attributable to:						
Owners of the Company	(1,888)	(5,217)	(63.8)	(5,736)	(6,135)	(6.5)
Non-controlling interests	(26)	(2,346)	(98.9)	(954)	(2,350)	(59.4)
	(1,914)	(7,563)	(74.7)	(6,690)	(8,485)	(21.2)

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
Loss for the period	(1,914)	(7,563)	(74.7)	(6,690)	(8,485)	(21.2)
Other comprehensive income (loss):						
Currency translation differences	88	1,393	(93.7)	(597)	1,915	NM
Other comprehensive income (loss) for the period	88	1,393	(93.7)	(597)	1,915	NM
Total comprehensive loss for the period	(1,826)	(6,170)	(70.4)	(7,287)	(6,570)	10.9
Total comprehensive loss attributable to:						
Owners of the Company	(1,956)	(5,070)	(61.4)	(6,389)	(5,891)	8.5
Non-controlling interests	130	(1,100)	NM	(898)	(679)	32.3
	(1,826)	(6,170)	(70.4)	(7,287)	(6,570)	10.9

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
A Other operating income:						
Interest income	64	196	(67.3)	223	472	(52.8)
Amortisation of financial guarantee liabilities	66	116	(43.1)	132	197	(33.0)
Gain on disposal of non-current asset held for sale	31	-	NM	31	-	NM
Management fees income	112	79	41.8	218	138	58.0
Deposit forfeited for an aborted sale of completed property	-	-	-	316	-	NM
Net foreign exchange adjustment gain	-	919	(100.0)	-	771	(100.0)
Others	228	95	NM	341	145	NM
	501	1,405	(64.3)	1,261	1,723	(26.8)
B Finance costs:						
Loan interests	1,515	1,887	(19.7)	3,143	3,460	(9.2)
Term notes interest	-	299	(100.0)	-	791	(100.0)
Notes payable interest	1,083	-	NM	2,172	-	NM
Finance leases	8	5	60.0	17	10	70.0
	2,606	2,191	18.9	5,332	4,261	25.1
C Other operating expenses:						
Amortisation of intangible assets	186	-	NM	372	-	NM
Trade receivables written off	-	1	(100.0)	1	1	-
Property, plant and equipment written off	10	-	NM	10	-	NM
Loss on disposal of property, plant and equipment	60	-	NM	24	-	NM
Option fee forfeited for an aborted purchase of land	-	-	-	420	-	NM
Impairment loss on investment in associates	-	6,153	(100.0)	-	6,153	(100.0)
Allowance for diminution in value of completed properties and land held for sale	-	1,799	(100.0)	-	1,799	(100.0)
Net foreign exchange adjustment loss	612	-	NM	1,657	-	NM
	868	7,953	(89.1)	2,484	7,953	(68.8)
D Depreciation of property, plant and equipment	816	381	NM	1,652	772	NM
E Amortisation of issuance costs on term notes	-	15	(100.0)	-	60	(100.0)
F Amortisation of issuance costs on notes payable	80	-	NM	161	-	NM
G Amortisation of deferred commission expenses	1,173	949	23.6	1,886	1,533	23.0
H Amortisation of deferred show flat expenses	16	309	(94.8)	149	426	(65.0)
I Adjustment for (over) under provision of income tax in respect of prior year	(58)	28	NM	(58)	19	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	
	30/11/2018	31/05/2018	30/11/2018	31/05/2018
ASSETS		(Restated)*		
Current assets				
Cash and cash equivalents	33,102	34,902	840	990
Bank balances pledged	4,635	52	-	-
Trade receivables	131,356	70,074	7	34
Other receivables	14,378	22,180	25,152	24,033
Loans receivables	11,906	14,376	-	-
Held-to-maturity financial asset	25	25	25	25
Held for trading investment	700	700	700	700
Inventories	215	168	-	-
Amounts due from customers for contract work	45,627	71,142	-	-
Development properties	185,808	227,757	-	-
Completed properties and land held for sale	50,270	46,538	-	-
Non-current asset held for sale	46,954	47,617	-	-
Total current assets	524,976	535,531	26,724	25,782
Non-current assets				
Bank balances pledged	469	471	-	-
Other receivables	1,273	1,211	1,023	1,104
Investment in associates	21,615	19,563	-	-
Investment in joint venture	91	270	-	-
Investment in subsidiaries	-	-	109,930	109,930
Club membership	5	5	5	5
Intangible asset	1,427	1,799	-	-
Property, plant and equipment	29,706	31,253	103	138
Investment properties	32,450	32,405	22,000	22,000
Deferred tax assets	4,660	4,364	-	-
Total non-current assets	91,696	91,341	133,061	133,177
Total assets	616,672	626,872	159,785	158,959
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	56,039	51,250	4,300	4,481
Trade payables	102,111	104,081	-	54
Other payables	34,884	46,972	66,252	65,608
Amounts due to customers for contract work	908	-	-	-
Provision for maintenance costs	1,620	1,034	-	-
Current portion of finance leases	381	607	-	-
Current portion of long-term borrowings	82,897	91,857	1,314	1,920
Current portion of financial guarantee liabilities	39	67	75	76
Income tax payable	2,747	2,537	-	-
Total current liabilities	281,626	298,405	71,941	72,139

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1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	30/11/2018	31/05/2018	30/11/2018	31/05/2018
LIABILITIES AND EQUITY		(Restated)*		
Non-current liabilities				
Finance leases	272	330	-	-
Long-term borrowings	153,986	142,830	14,339	12,762
Notes payable	23,555	21,089	23,667	21,267
Financial guarantee liabilities	281	385	112	150
Long-term deposit	306	306	306	306
Other payables	8,984	8,074	-	-
Deferred tax liabilities	1,693	1,951	-	-
Total non-current liabilities	189,077	174,965	38,424	34,485
Capital, reserves and non-controlling interests				
Share capital	58,701	58,701	58,701	58,701
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(332)	321	-	-
Capital reserve	18,741	18,741	(94)	(94)
Accumulated profits (losses)	5,044	10,780	(8,918)	(6,003)
Equity attributable to owners of the Company	81,885	88,274	49,420	52,335
Non-controlling interests	64,084	65,228	-	-
Net equity	145,969	153,502	49,420	52,335
Total liabilities and equity	616,672	626,872	159,785	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		The Group S\$'000	
As at 30/11/2018		As at 31/05/2018	
Secured	Unsecured	Secured	Unsecured
112,026	27,291	110,962	32,752

Amount repayable after one year

The Group S\$'000		The Group S\$'000	
As at 30/11/2018		As at 31/05/2018	
Secured	Unsecured	Secured	Unsecured
177,813	-	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	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Operating activities				
Loss before tax	(1,686)	(7,319)	(6,339)	(7,903)
Adjustments for:				
Share of results of associates and joint venture	50	(1,753)	440	(2,664)
Depreciation of property, plant and equipment	816	381	1,652	772
Amortisation of deferred commission expenses	1,173	949	1,886	1,533
Amortisation of deferred show flat costs	16	309	149	426
Amortisation of financial guarantee liabilities	(66)	(116)	(132)	(197)
Amortisation of issuance costs on term notes	-	15	-	60
Amortisation of issuance costs on notes payable	80	-	161	-
Amortisation of intangible assets	186	-	372	-
Impairment loss on investment in associates	-	6,153	-	6,153
Allowance for diminution in value of completed properties and land held for sale	-	1,799	-	1,799
Trade receivables written off	-	1	1	1
Property, plant and equipment written off	10	-	10	-
Loss on disposal of property, plant and equipment	60	-	24	-
Gain on disposal of non-current asset held for sale	(31)	-	(31)	-
Provision for maintenance costs	1,310	55	1,335	78
Unrealised currency translation loss (gain)	404	(212)	1,395	(256)
Interest income	(64)	(196)	(223)	(472)
Interest expense	2,606	2,191	5,332	4,261
Operating cash flows before movements in working capital	4,864	2,257	6,032	3,591
Trade receivables	(55,806)	1,869	(61,505)	(2,393)
Other receivables	(3,737)	(658)	5,528	(1,971)
Inventories	16	(31)	(47)	(33)
Amounts due from customers for contract works	33,929	11,703	25,298	12,233
Development properties	17,893	4,584	16,783	4,480
Completed properties and land held for sale	5,462	143	22,144	11,826
Trade payables	500	(15,944)	(1,183)	(16,288)
Other payables	2,056	3,476	(928)	6,475
Amounts due to customers for contract works	908	64	908	64
Utilisation of provision for maintenance costs	(323)	(344)	(749)	(447)
Cash generated from operations	5,762	7,119	12,281	17,537
Interest paid	(3,049)	(2,698)	(7,024)	(5,191)
Income tax paid	(486)	(925)	(713)	(1,137)
Net cash generated from operating activities	2,227	3,496	4,544	11,209
Investing activities				
Proceeds on disposal of property, plant and equipment	121	-	362	-
Proceeds on disposal of non-current asset held for sale	306	-	306	-
Purchase of property, plant and equipment	(337)	(29)	(514)	(62)
Purchase of non-current asset held for sale	(96)	(611)	(134)	(850)
Investment in associates	-	-	(4,658)	(1,468)
Loans receivables	(36)	(403)	(36)	(889)
Repayment of loans receivables	390	4,834	2,506	6,937
Dividend received from associates and joint venture	453	558	2,344	558
Interest received	102	1,084	432	2,203
Net cash generated from investing activities	903	5,433	608	6,429

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Financing activities				
Drawdown of bank loans	36,460	41,949	66,087	69,696
Repayment of bank loans	(36,896)	(29,204)	(60,714)	(53,632)
Drawdown of long-term borrowings	28,235	982	44,135	5,575
Repayment of long-term borrowings	(19,814)	(5,654)	(41,685)	(22,793)
Repayment of term notes	-	(30,000)	-	(30,000)
(Increase) Decrease in bank balances pledged	(750)	1,140	(4,584)	935
Repayment of obligations under finance leases	(83)	(23)	(282)	(45)
Loan from a director	-	10,600	-	10,600
Repayment of loan from a director	(4,000)	-	(9,000)	-
Deemed capital injection by non-controlling interests	-	337	-	337
Repayment of deemed capital to non-controlling interests	-	-	-	(4,345)
Dividend paid to non-controlling interests	(246)	-	(246)	(1,841)
Net cash generated from (used in) financing activities	2,906	(9,873)	(6,289)	(25,513)
Net increase (decrease) in cash and cash equivalents	6,036	(944)	(1,137)	(7,875)
Cash and cash equivalents at beginning of period	23,079	27,101	30,291	33,439
Effect of foreign exchange rate changes	(41)	(695)	(80)	(102)
Cash and cash equivalents at end of period (Note A)	29,074	25,462	29,074	25,462

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Cash at banks	15,153	9,100	15,153	9,100
Cash on hand	106	42	106	42
Fixed deposits	8,046	4,618	8,046	4,618
Project accounts (see Note below):				
Cash at banks	14,901	15,611	14,901	15,611
	38,206	29,371	38,206	29,371
Pledged fixed deposits	(5,104)	(1,910)	(5,104)	(1,910)
Bank overdrafts	(4,028)	(1,999)	(4,028)	(1,999)
Total cash and cash equivalents	29,074	25,462	29,074	25,462

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	-	-	-	-	(5,736)	(5,736)	(954)	(6,690)
Other comprehensive loss for the period	-	-	(653)	-	-	(653)	56	(597)
Total comprehensive loss for the period	-	-	(653)	-	(5,736)	(6,389)	(898)	(7,287)
<i>Transactions with owners, recognised directly in equity</i>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(246)	(246)
Balance at 30/11/2018	58,701	(269)	(332)	18,741	5,044	81,885	64,084	145,969
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	-	-	-	-	(6,135)	(6,135)	(2,350)	(8,485)
Other comprehensive income for the period	-	-	244	-	-	244	1,671	1,915
Total comprehensive loss for the period	-	-	244	-	(6,135)	(5,891)	(679)	(6,570)
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	337	337
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,841)	(1,841)
Balance at 30/11/2017	58,701	(269)	244	18,793	12,250	89,719	63,488	153,207

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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	-	-	-	(2,915)	(2,915)
Balance at 30/11/2018	58,701	(269)	(94)	(8,918)	49,420
<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	-	-	-	(3,640)	(3,640)
Balance at 30/11/2017	58,701	(269)	(42)	(6,501)	51,889

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**

<u>Share Capital</u>	The Company	
	No of shares	Amount S\$'000
Balance as at 31/08/2018 and 30/11/2018	503,223,039	58,701

<u>Treasury Shares</u>	The Company	
	No of shares	Amount S\$'000
Balance as at 31/08/2018 and 30/11/2018	1,270,400	269

The 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 30/11/2018 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 30/11/2018.

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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	
	30/11/2018	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 shares	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 30/11/2018.

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		The Group	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
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)	(0.38)	(1.04)	(1.14)	(1.22)
- Weighted average number of shares (excluding treasury shares) ('000)	501,953	501,953	501,953	501,953
(ii) On a fully diluted basis (cents)	(0.38)	(1.04)	(1.14)	(1.22)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	501,953	501,953	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 30/11/2018	As at 31/05/2018
The Group	16.3	17.6
The Company	9.8	10.4

Net asset value per share is calculated based on 501,952,639 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.

- 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

Second Quarter Ended 30/11/2018 ("2QFY2019") against Second Quarter Ended 30/11/2017 ("2QFY2018")

Revenue increased by S\$16.2 million due mainly to the inclusion of revenue from the waste and recycling management subsidiaries, which were acquired in December 2017. Cost of sales correspondingly increased by S\$14.4 million.

Other operating income was lower by S\$0.9 million due mainly to the absence of unrealised foreign exchange gain from the strengthening of the Malaysia Ringgit in 2QFY2018.

Selling and distribution expenses decreased by S\$0.3 million due mainly to the absence of an one-off promotional expense incurred for a completed property held for sale in 2QFY2018.

Administrative expenses increased by S\$0.4 million due mainly to the inclusion of expenses incurred by the waste and recycling management subsidiaries.

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8 (Continued)

Other operating expenses decreased by S\$7.1 million due mainly to the absence of the one-off impairment losses recognised on the disposal of an associate by TEE Land.

Profit contribution from associates and joint venture was lower by S\$1.8 million due mainly to the share of losses from TEE Land's associated companies.

Finance costs increased by S\$0.4 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\$1.9 million in 2QFY2019 compared to a loss of S\$7.6 million in 2QFY2018.

Attributable to owners of the Company was a loss of S\$1.9 million in 2QFY2019 compared to a loss of S\$5.2 million in 2QFY2018.

Half Year Ended 30/11/2018 ("1HFY2019") against Half Year Ended 30/11/2017 ("1HFY2018")

Revenue increased by S\$24.5 million due mainly to the inclusion of revenue from the waste and recycling management subsidiaries, which were acquired in December 2017. Cost of sales correspondingly increased by S\$23.4 million.

Other operating income was lower by S\$0.5 million due mainly to the absence of unrealised foreign exchange gain from the strengthening of the Malaysia Ringgit in 1HFY2018.

Selling and distribution expenses decreased by S\$1.0 million due mainly to the absence of an one-off promotional expense incurred for a completed property held for sale in 1HFY2018.

Administrative expenses increased by S\$1.5 million due mainly to the inclusion of expenses incurred by the waste and recycling management subsidiaries.

Other operating expenses decreased by S\$5.5 million due mainly to the absence of the one-off impairment losses recognised on the disposal of an associate in 1HFY2018.

Profit contribution from associates and joint venture was lower by S\$3.1 million due mainly to the share of losses from TEE Land's associated companies.

Finance costs increased by S\$1.1 million due mainly to additional borrowings for the acquisition of the waste and recycling management subsidiaries. There was no interest payment on the term notes, which were fully repaid in October 2017.

At the Group level, there was a loss after tax of S\$6.7 million in 1HFY2019 compared to a loss of S\$8.5 million in 1HFY2018.

Attributable to owners of the Company was a loss of S\$5.7 million in 1HFY2019 compared to a loss of S\$6.1 million in 1HFY2018.

Statement of Financial Position

Financial Position as at 30/11/2018 against Financial Position as at 31/05/2018

Trade receivables increased by S\$61.3 million due mainly to increased sales of completed properties and progress billings from the completed engineering projects.

Total other receivables decreased by S\$7.7 million due mainly to receipt of remaining proceeds related to the disposal of an associate by TEE Land.

Loans receivables decreased by S\$2.5 million due to repayments by TEE Land's associated companies.

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8 (Continued)

Total amounts due from customers for contract work decreased by S\$26.4 million due mainly to progress billings from the completed engineering projects.

Development properties decreased by S\$41.9 million due mainly to transfer of the development costs of TEE Land's Malaysia project to completed properties held for sale.

Investment in associates increased by S\$2.1 million due mainly to investment in a new medical waste treatment business in September 2018.

Total other payables decreased by S\$11.2 million due mainly to repayment of loan and reduction of advances received from the customers.

Statement of Cash Flows

Half Year Ended 30/11/2018 ("1HFY2019")

Operating activities

There was a net cash generation of S\$4.5 million from operating activities.

Investing activities

Net cash generated from investing activities was S\$0.6 million, due mainly to loan repayments from associates and dividends received from associates and joint venture, offset by investment in a new medical waste treatment business in September 2018.

Financing activities

Net cash used in financing activities was S\$6.2 million, due mainly to repayment of loan and increase in bank deposits.

At the Group level, there was a net decrease in cash and cash equivalents of S\$1.1 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**

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 30 November 2018, the outstanding book order was S\$292 million.

The Real Estate business remains challenging. As such, the Company is currently undertaking a strategic review to evaluate opportunities and positioning, with a view to maximising potential value for stakeholders.

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

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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) 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 interim dividend has been declared or recommended for the current reporting period on grounds of prudencey.

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 second quarter and half year ended 30 November 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 11 January 2019