



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 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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
Continuing operations		(Restated)		(Restated)		
Revenue	97,453	40,048	NM	172,218	84,633	NM
Cost of sales	(93,929)	(36,498)	NM	(163,569)	(77,341)	NM
Gross profit	3,524	3,550	(0.7)	8,649	7,292	18.6
Other operating income	581	208	NM	782	467	67.5
Administrative expenses	(4,474)	(3,413)	31.1	(8,212)	(7,028)	16.8
Other operating expenses	(22,531)	(386)	NM	(22,690)	(1,061)	NM
Share of results of associates and joint venture	74	207	(64.3)	(94)	264	NM
Finance costs	(1,763)	(1,806)	(2.4)	(3,257)	(3,628)	(10.2)
Loss before tax	(24,589)	(1,640)	NM	(24,822)	(3,694)	NM
Income tax expense	(152)	(97)	56.7	(634)	(230)	NM
Loss for the period from continuing operations	(24,741)	(1,737)	NM	(25,456)	(3,924)	NM
Discontinued operation¹						
Loss for the period from discontinued operation	(13,797)	(2,520)	NM	(15,601)	(6,099)	NM
Loss for the period	(38,538)	(4,257)	NM	(41,057)	(10,023)	NM
Loss attributable to:						
Owners of the Company	(35,917)	(3,218)	NM	(37,775)	(7,513)	NM
Non-controlling interests	(2,621)	(1,039)	NM	(3,282)	(2,510)	30.8
	(38,538)	(4,257)	NM	(41,057)	(10,023)	NM

¹ Discontinued operation relates to TEE Land Limited ("TEE Land"), of which, the Company had obtained shareholders' approval for the proposed disposal of shares in TEE Land based on the minimum price of 17.9 Singapore cents per share on 06/05/2019. Correspondingly, all assets and liabilities of TEE Land Group have been presented as Disposal Group Held for Sale as at 30/11/2019.

As announced on 13 January 2020, the Company had entered into a conditional sale and purchase agreement with Amcorp Supreme Pte. Ltd. For the sale of its 63.28% stake in TEE Land, the Company will make the necessary announcements upon the completion of the sale.

For Half Year ended 30/11/2019 ("1HFY2020"), the discontinued operation recorded a loss of S\$15.6 million from TEE Land Group's operation, which was attributable to i) losses of S\$8.5 million from TEE Land Group's operation; and ii) impairment recognised based on estimated fair value less costs to sell of S\$7.1 million in relation to the proposed disposal of shares in TEE Land which is in accordance with SFRS(I) 5 - *Non Current Assets Held for Sale and Discontinued Operations*.

NM - not meaningful

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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		
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
		(Restated)			(Restated)	
Loss for the period						
Loss from continuing operations, net of tax	(24,741)	(1,737)	NM	(25,456)	(3,924)	NM
Loss from discontinued operation, net of tax	(13,797)	(2,520)	NM	(15,601)	(6,099)	NM
	(38,538)	(4,257)	NM	(41,057)	(10,023)	NM
Other comprehensive loss for the period :						
Currency translation differences						
Income from continuing operations, net of tax	378	(57)	NM	(71)	(58)	22.4
(Loss) income from discontinued operation, net of tax	(238)	146	NM	(536)	(539)	(0.6)
Other comprehensive loss for the period	140	89	57.3	(607)	(597)	1.7
Total comprehensive loss for the period	(38,398)	(4,168)	NM	(41,664)	(10,620)	NM

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
		(Restated)			(Restated)	
Total comprehensive loss attributable to:						
Loss from continuing operations, net of tax	(24,128)	(682)	NM	(24,883)	(1,243)	NM
Loss from discontinued operation, net of tax	(11,519)	(2,604)	NM	(13,100)	(6,923)	89.2
Owners of the Company	(35,647)	(3,286)	NM	(37,983)	(8,166)	NM
Loss from continuing operations, net of tax	(235)	(200)	17.5	(644)	(439)	46.7
Loss from discontinued operation, net of tax	(2,516)	(682)	NM	(3,037)	(2,015)	50.7
Non-controlling interests	(2,751)	(882)	NM	(3,681)	(2,454)	50.0
	(38,398)	(4,168)	NM	(41,664)	(10,620)	NM

NM - not meaningful

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

	Continuing operations S\$'000		Increase/ (Decrease) %	Continuing operations S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
A Other operating income:		(Restated)		(Restated)		
Interest income	13	1	NM	19	40	(52.5)
Amortisation of financial guarantee liabilities	19	19	NM	37	39	(5.1)
Gain (Loss) on disposal of property, plant and equipment	7	(36)	NM	7	-	NM
Government grant	75	86	(12.8)	103	89	15.7
Net foreign currency exchange adjustment gain	291	-	NM	291	-	NM
Management fees income	78	91	(14.3)	169	164	3.0
Service fees income	21	19	10.5	41	51	(19.6)
Others	77	27	NM	115	84	36.9
	581	207	NM	782	467	67.5
B Other operating expenses:						
Amortisation of intangible assets	186	186	NM	372	372	NM
(Gain) Loss on disposal of property, plant and equipment	(8)	24	NM	-	24	NM
Impairment recognised based on estimated fair value less costs to sell	22,311	-	NM	22,311	-	NM
Net foreign currency exchange adjustment loss	36	166	(78.3)	-	654	NM
Property, plant and equipment written off	2	10	(80.0)	2	10	(80.0)
Trade receivables written off	4	-	NM	5	1	NM
	22,531	386	NM	22,690	1,061	NM
C Finance costs:						
Finance leases	16	7	NM	30	16	87.5
Loan interests	737	604	22.0	1,507	1,440	4.7
Notes payable interest	694	1,195	(41.9)	1,403	2,172	(35.4)
Interest on right-of-use assets	316	-	NM	317	-	NM
	1,763	1,806	(2.4)	3,257	3,628	(10.2)
D Other information:						
Depreciation of property, plant and equipment	733	552	32.8	1,488	1,121	32.8
Depreciation of right-of-use assets	1,196	-	NM	1,209	-	NM
Amortisation of deferred commission expenses	18	18	(0.8)	36	37	(2.7)
Amortisation of issuance costs on notes payable	72	80	(10.0)	144	161	(10.6)
Adjustment for (over) under provision of income tax in respect of prior year	(21)	-	NM	9	-	NM

NM - not meaningful

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

The results of the discontinued operation and the re-measurement of the disposal group is as follows:

	Discontinued operation S\$'000		Increase/ (Decrease) %	Discontinued operation S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
		(Restated)		(Restated)		
Revenue^E	16,013	21,405	(25.2)	36,411	55,284	(34.1)
Cost of sales^F	(12,155)	(17,720)	(31.4)	(28,879)	(48,966)	(41.0)
Gross profit^F	3,858	3,685	4.7	7,532	6,318	19.2
Other operating income	(95)	257	NM	603	794	(24.1)
Selling and distribution expenses ^G	(1,212)	(1,938)	(37.5)	(2,972)	(3,207)	(7.3)
Administrative expenses ^H	(2,448)	(2,119)	15.5	(4,814)	(4,369)	10.2
Other operating expenses ^I	(11,723)	(446)	NM	(11,803)	(1,422)	NM
Share of results of associates	(226)	(257)	(12.1)	(445)	(704)	(36.8)
Finance costs	(1,682)	(1,865)	(9.8)	(3,589)	(3,914)	(8.3)
Loss before tax	(13,528)	(2,683)	NM	(15,488)	(6,504)	NM
Income tax expense	(269)	163	NM	(113)	405	NM
Loss for the period	(13,797)	(2,520)	NM	(15,601)	(6,099)	NM

E Revenue for Second Quarter ended 30/11/19 ("2QFY2020") decreased by S\$5.4 million and S\$18.9 million for 1HFY2020 due mainly to lower revenue from development projects.

F Correspondingly, cost of sales decreased by S\$5.6 million for 2QFY2020 and S\$20.1 million for 1HFY2020. Higher gross profit recorded in 2QFY2020 and 1HFY2020 was mainly due to higher gross profit margin from development projects, and higher portion generated from hotel and rental income.

G Selling and distribution expenses for 2QFY2020 decreased by S\$0.7 million and S\$0.2 million for 1HFY2020 due mainly to lower sales commission and selling related expenses arising from lower revenue from development projects.

H Administrative expenses increased by S\$0.3 million for 2QFY2020 and S\$0.4 million for 1HFY2020 million due mainly to depreciation charge for Larmont Hotel as the Hotel was reclassified from non-current asset held for sale to property, plant and equipment at year-end of FY2019. This was offset to some extent by lower staff cost for Malaysia subsidiary.

I Other operating expenses for 2QFY2020 increased by S\$11.3 million and S\$10.4 million for 1HFY2020 due mainly to additional buyer's stamp duty payable for a development project and impairment recognised based on estimated fair value less costs to sell, offset by the absence of deposit forfeited from the aborted purchase of Teck Guan Ville and lower foreign currency exchange loss.

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

	The Group S\$'000		The Company S\$'000	
	30/11/2019	31/05/2019	30/11/2019	31/05/2019
ASSETS				
Current assets				
Cash and cash equivalents	36,349	60,875	527	759
Bank balances pledged	3,343	3,290	-	-
Trade receivables	39,163	44,436	32	-
Other receivables	3,291	14,287	15,994	10,240
Loans receivables	-	10,839	-	-
Financial assets at fair value through profit or loss	164	164	164	164
Inventories	93	203	-	-
Contract assets	151,475	176,333	-	-
Contract costs	-	1,240	-	-
Development properties	-	175,838	-	-
Completed properties and land held for sale	-	42,974	-	-
Assets of disposal group classified as held for sale	331,787	-	-	-
Total current assets	565,665	530,479	16,717	11,163
Non-current assets				
Other receivables	1,452	1,360	859	941
Investment in associates	8,307	13,655	-	-
Investment in joint venture	128	129	-	-
Investment in subsidiaries	-	-	94,543	116,854
Club membership	5	5	5	5
Intangible asset	682	1,054	-	-
Property, plant and equipment	10,731	71,067	64	93
Right-of-use assets	24,792	-	2,563	-
Investment properties	22,000	31,442	22,000	22,000
Deferred tax assets	164	3,997	-	-
Total non-current assets	68,261	122,709	120,034	139,893
Total assets	633,926	653,188	136,751	151,056
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	60,226	48,532	3,250	4,300
Trade payables	154,265	161,571	-	13
Other payables	18,650	30,251	65,589	52,541
Contract liabilities	633	6,661	-	-
Lease liabilities	2,138	-	129	-
Provision for maintenance costs	990	992	-	-
Current portion of finance leases	483	346	-	-
Current portion of long-term borrowings	4,742	93,670	3,267	1,268
Current portion of financial guarantee liabilities	75	185	75	75
Current portion of notes payable	18,136	-	18,211	-
Income tax payable	2,449	2,445	-	-
Liabilities directly associated with disposal group classified as held for sale	243,639	-	-	-
Total current liabilities	506,426	344,653	90,521	58,197

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1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	30/11/2019	31/05/2019	30/11/2019	31/05/2019
<u>LIABILITIES AND EQUITY</u>				
Non-current liabilities				
Bank loans and overdrafts	1,604	-	-	-
Finance leases	1,422	1,143	-	-
Long-term borrowings	11,072	144,026	11,072	13,701
Financial guarantee liabilities	37	180	37	74
Notes payables	-	21,000	-	21,128
Long-term deposit	306	306	306	306
Other payables	32	9,767	-	-
Lease liabilities	23,044	-	2,466	-
Deferred tax liabilities	309	775	-	-
Total non-current liabilities	37,826	177,197	13,881	35,209
Capital and reserves and non-controlling interests				
Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(453)	(245)	-	-
Capital reserve	18,561	18,561	(274)	(274)
Accumulated losses	(48,145)	(10,370)	(40,302)	(15,001)
Equity attributable to owners of the Company	42,888	80,871	32,349	57,650
Non-controlling interests	46,786	50,467	-	-
Net equity	89,674	131,338	32,349	57,650
Total liabilities and equity	633,926	653,188	136,751	151,056

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1(b)(i) (Continued)

In accordance with SFRS(I) 5 *Non-current Assets Held for Sales and Discontinued Operations*, the details of the assets of disposal group classified as held for sale and details of liabilities directly associated with disposal group classified as held for sale have been presented as follows:

	Disposal Group S\$'000
	30/11/2019
Assets of disposal group classified as held for sale	
Cash and bank balances	23,084
Trade receivables ^J	7,665
Other receivables	6,107
Loans receivables	10,632
Inventories	45
Contract assets	31,210
Contract costs	2,569
Development properties ^K	105,320
Completed properties and land held for sale ^L	66,974
Investment in associates	5,011
Property, plant and equipment	57,623
Right-of-use assets ^M	2,049
Investment properties	9,293
Deferred tax assets	4,205
Total assets	331,787
Liabilities directly associated with disposal group classified as held for sale	
Bank loans and overdraft ^N	1,300
Trade payables	15,386
Other payables ^O	22,141
Contract liabilities ^P	11,078
Finance lease	20
Long-term borrowings	190,792
Financial guarantee liabilities	168
Income tax payable	404
Lease liability	2,031
Deferred tax liabilities	319
Total liabilities	243,639
Reserve of disposal group classified as held for sale	
Other reserve	18,962
Accumulated losses	(21,590)
Equity attributable to owners of the Company	(2,628)
Non-controlling interests	49,452
	46,824

J Trade receivables decreased due mainly to collections received.

K Development properties decreased due mainly to the 10 commercial units of 183 Longhaus being transferred to completed properties held for sale, as the development projects received its Temporary Occupation Permit on 31 July 2019.

L Completed properties and land held for sale increased due mainly to the transfer of commercial units of 183 Longhaus from development properties, as explained above.

M Right-of-use assets relates to the economics benefit from the lease of TEE Building for the duration of lease period as required by the new accounting standard SFRS(I) 16 *Leases*. The corresponding liability is the lease liability.

N Bank loans decreased due to repayment of bank loans.

O Other payables increased due mainly to the additional buyer's stamp duty payable.

P Contract liabilities increased due mainly to deposits received from customers for the purchase of development projects, mainly for Lattice One and 35 Gilstead.

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

The Group S\$'000				
As at 30/11/2019		As at 31/05/2019		
Unsecured	Secured	Unsecured	Secured	
(a) Amount repayable in one year or less, or on demand	15,036	117,814	24,694	117,854
(b) Amount repayable after one year	1,604	155,343	-	166,169
Total aggregate amount of group's borrowings and debt securities	16,640	273,157	24,694	284,023

Details of collateral:

The total secured borrowings are represented by:

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

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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	
	30/11/2019	30/11/2018	30/11/2019	30/11/2018
		(Restated)		(Restated)
Operating activities				
Loss before tax from continuing operations	(24,589)	(1,640)	(24,822)	(3,694)
Loss before tax from discontinued operation	(13,528)	(2,683)	(15,488)	(6,504)
Adjustments for:				
Share of results of associates and joint venture	152	50	539	440
Depreciation of property, plant and equipment	1,172	816	2,385	1,652
Depreciation of right-of-use assets	1,196	-	1,209	-
Amortisation of deferred commission expenses	663	1,173	1,347	1,886
Amortisation of deferred show flat costs	244	16	863	149
Amortisation of financial guarantee liabilities	(67)	(66)	(121)	(132)
Amortisation of issuance costs on notes payable	72	80	144	161
Amortisation of intangible asset	186	186	372	372
Impairment recognised based on estimate fair value less costs to sell	29,434	-	29,434	-
Trade receivables written off	4	-	5	1
(Gain) Loss on disposal of property, plant and equipment	(15)	60	(7)	24
Gain on disposal of non-current asset held for sale	-	(31)	-	(31)
Plant and equipment written off	2	10	2	10
Provision for maintenance costs	214	1,310	265	1,335
Unrealised currency translation (loss) gain	(86)	251	(195)	1,242
Interest income	(80)	(64)	(156)	(223)
Interest expense	3,445	3,671	6,846	7,542
Operating cash flows before movements in working capital	(1,581)	3,139	2,622	4,230
Trade receivables	21,268	6,599	(3,554)	(792)
Other receivables	1,231	(4,985)	3,900	3,057
Inventories	62	16	65	(47)
Contract assets	(6,400)	(30,861)	(5,340)	(40,528)
Contract costs	(1,282)	1,248	(2,640)	2,471
Development properties	6,031	(10,219)	12,767	(8,192)
Completed properties and land held for sale	624	36,263	4,178	53,002
Trade payables	(6,241)	1,233	8,165	159
Other payables	3,246	4,223	1,069	1,247
Contract liabilities	2,248	(571)	5,060	(1,577)
Utilisation of provision for maintenance costs	(107)	(323)	(267)	(749)
Cash generated from operations	19,099	5,762	26,025	12,281
Interest paid	(3,132)	(3,049)	(6,560)	(7,024)
Income tax paid	(823)	(486)	(794)	(713)
Net cash flows from operating activities	15,144	2,227	18,671	4,544
Investing activities				
Proceeds on disposal of property, plant and equipment	171	121	234	362
Proceeds on disposal of non-current assets held-for-sale	-	306	-	306
Purchase of non-current asset held for sale	-	(96)	-	(134)
Purchase of property, plant and equipment	(278)	(337)	(1,065)	(514)
Investment in associates	(36)	-	(36)	(4,658)
Repayment of loans receivables	-	390	225	2,506
Loans receivables	(18)	(36)	(18)	(36)
Dividend received from an associate	-	453	-	2,344
Interest received	12	102	100	432
Net cash flows (used in) from investing activities	(149)	903	(560)	608

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2019	30/11/2018	30/11/2019	30/11/2018
		(Restated)		(Restated)
Financing activities				
Drawdown of bank loans	55,988	36,460	83,343	66,087
Repayment of bank loans	(47,743)	(36,896)	(67,296)	(60,714)
Drawdown of long-term borrowings	-	28,235	4,500	44,135
Repayment of long-term borrowings	(22,045)	(19,814)	(34,835)	(41,685)
Increase in bank balances pledged	-	(750)	(34)	(4,584)
Repayment of obligations under finance leases	(216)	(83)	(357)	(282)
Increase of obligation under finance leases	48	-	790	-
Repayment of notes payable	(1,366)	-	(3,013)	-
Repayment of lease obligation	(1,145)	-	(1,183)	-
Dividend paid to non-controlling interests	-	(246)	-	(246)
Repayment of loan to a director	-	(4,000)	-	(9,000)
Net cash flows (used in) from financing activities	(16,479)	2,906	(18,085)	(6,289)
Net (decrease) increase in cash and cash equivalents	(1,484)	6,036	26	(1,137)
Cash and cash equivalents at beginning of period	59,077	23,079	57,554	30,291
Effect of foreign exchange rate changes	(33)	(41)	(20)	(80)
Cash and cash equivalents at end of period (Note A)	57,560	29,074	57,560	29,074

Note A : Cash and cash equivalents
Continuing operations

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2019	30/11/2018	30/11/2019	30/11/2018
Cash at banks	36,083	6,658	36,083	6,658
Cash on hand	209	102	209	102
Fixed deposits	3,400	5,104	3,400	5,104
Pledged fixed deposits	(3,343)	(5,104)	(3,343)	(5,104)
Bank overdrafts	(1,873)	(4,028)	(1,873)	(4,028)
	34,476	2,732	34,476	2,732

Discontinued operations

	30/11/2019	30/11/2018	30/11/2019	30/11/2018
Cash at banks	5,333	8,495	5,333	8,495
Cash on hand	3	4	3	4
Fixed deposits	3,004	2,942	3,004	2,942
Project accounts (see Note below):				
Cash at banks	14,744	14,901	14,744	14,901
	23,084	26,342	23,084	26,342
Total cash and cash equivalents per consolidated statement of financial position	57,560	29,074	57,560	29,074

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

	Equity attributable to owners of the Company					Non-controlling interest of disposal group classified as		
	Share capital	Treasury shares	Other reserves	Accumulated profits(losses)	Reserve of disposal group classified as held for sale	Non-controlling interest	held for sale	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 01/06/2019	73,194	(269)	18,316	(10,370)	-	50,467	-	131,338
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	(37,775)	-	(3,282)	-	(41,057)
Other comprehensive loss for the period	-	-	(208)	-	-	(399)	-	(607)
Total comprehensive loss for the period	-	-	(208)	(37,775)	-	(3,681)	-	(41,664)
Reserve and non-controlling interest attributable to disposal group classified as held for sale	-	-	(18,962)	21,590	(2,628)	(49,452)	49,452	-
Balance at 30/11/2019	73,194	(269)	(854)	(26,555)	(2,628)	(2,666)	49,452	89,674
Previous Corresponding Period								
Balance at 01/06/2018, as previously reported	58,701	(269)	19,062	7,803	-	62,802	-	148,099
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	(7,513)	-	(2,510)	-	(10,023)
Other comprehensive (loss) income for the period	-	-	(654)	-	-	56	-	(598)
Total comprehensive loss for the period	-	-	(654)	(7,513)	-	(2,454)	-	(10,621)
Dividend paid to non-controlling interest	-	-	-	-	-	(246)	-	(246)
Balance at 30/11/2018	58,701	(269)	18,408	290	-	60,102	-	137,232

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 01/06/2019	73,194	(269)	(274)	(15,001)	57,650
Loss for the period, representing total comprehensive loss for the period	-	-	-	(25,301)	(25,301)
Balance at 30/11/2019	73,194	(269)	(274)	(40,302)	32,349
Balance at 01/06/2018	58,701	(269)	(94)	(6,003)	52,335
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,822)	(1,822)
Balance at 30/11/2018	58,701	(269)	(94)	(7,825)	50,513

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

Share capital

Balance as at 31/08/2019 and 30/11/2019

Treasury shares

Balance as at 31/08/2019 and 30/11/2019

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

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

The number of outstanding warrants as at 30/11/2019 was 57,193,798, which can be exercised at the adjusted exercise price of S\$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30/04/2018 and expiring at 5.00 p.m. on 30/10/2020. No warrants were exercised during the period ended 30/11/2019.

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

Total number of issued shares

Total number of treasury shares

Total number of issued shares excluding treasury shares

The Company	
30/11/2019	31/05/2019
648,152,876	648,152,876
(1,270,400)	(1,270,400)
646,882,476	646,882,476

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

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 30/11/2019.

- 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.

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

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

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

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

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

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

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

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

Continuing operations		Continuing operations	
Second Quarter Ended		Half Year Ended	
30/11/2019	30/11/2018	30/11/2019	30/11/2018
(3.79)	(0.31)	(3.85)	(0.69)
646,882	501,953	646,882	501,953
(3.79)	(0.31)	(3.85)	(0.69)
646,882	501,953	646,882	501,953

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

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

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

Discontinued operation		Discontinued operation	
Second Quarter Ended		Half Year Ended	
30/11/2019	30/11/2018	30/11/2019	30/11/2018
(1.77)	(0.34)	(1.99)	(0.80)
646,882	501,953	646,882	501,953
(1.77)	(0.34)	(1.99)	(0.80)
646,882	501,953	646,882	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

The Group
The Company

Cents	
As at 30/11/2019	As at 31/05/2019
6.6	12.5
5.0	8.9

Net asset value per share is calculated based on 646,882,476 (31/05/2019: 646,882,476) ordinary shares (excluding treasury shares) on issue at the end of the 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

Second Quarter Ended 30/11/2019 ("2QFY2020") against Second Quarter Ended 30/11/2018 ("2QFY2019")

Revenue increased by S\$57.4 million due mainly to higher contribution of progressive revenue from on-going engineering projects in 2QFY2020. Cost of sales correspondingly increased by S\$57.4 million.

Other operating income increased by S\$0.4 million due mainly to net foreign currency exchange adjustment gain from fluctuations of United States Dollar and Thai Baht.

Administrative expenses increased by S\$1.0 million due mainly to higher professional fees incurred and increase of depreciation of right-of-use assets arising from adoption of SFRS(I) 16 *Leases*.

Other operating expenses increased by S\$23.0 million due mainly to impairment recognised based on estimated fair value less cost to sell in relation to the proposed disposal of shares in TEE Land.

Loss from the period from discontinued operation was S\$13.8 million in 2QFY2020.

Overall, the Group reported a loss after tax of S\$38.5 million in 2QFY2020 as compared to a loss after tax of S\$4.3 million in 2QFY2019.

Attributable to owners of the Company was a loss of S\$35.9 million in 2QFY2020 as compared to a loss of S\$3.2 million in 2QFY2019.

Half Year Ended 30/11/2019 ("1HFY2020") against Half Year Ended 30/11/2018 ("1HFY2019")

Revenue increased by S\$87.6 million due mainly to higher contribution of progressive revenue from on-going engineering projects in 1HFY2020. Cost of sales correspondingly increased by S\$86.2 million.

Other operating income increased by S\$0.3 million due mainly to net foreign currency exchange adjustment gain from fluctuations of United States Dollar and Thai Baht.

Administrative expenses increased by S\$1.1 million due mainly to higher professional fees incurred and increase of depreciation of right-of-use assets arising from adoption of SFRS(I) 16 *Leases*.

Other operating expenses increased by S\$21.6 million due mainly to impairment recognised based on estimated fair value less cost to sell in relation to the proposed disposal of shares in TEE Land.

Share of results of associates decreased by S\$0.4 million due mainly to a Thai associated company.

Finance costs decreased by S\$0.4 million due to repayment of borrowings.

Loss from the period from discontinued operation was S\$15.6 million in 1HFY2020.

Overall, the Group reported a loss after tax of S\$41.1 million in 1HFY2020 as compared to a loss after tax of S\$10.0 million in 1HFY2019.

Attributable to the owners of the Company was a loss of S\$37.8 million in 1HFY2020 as compared to a loss of S\$7.5 million in 1HFY2019.

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8. (Continued)

Statement of Financial Position

Total assets were S\$633.9 million as at 30 November 2019. The decrease of S\$19.3 million from S\$653.2 million as at 30 November 2018 was mainly due to increase of S\$24.8 million right-of-use assets arising from adoption of SFRS(I) 16 *Leases*. The increase was offset by the decrease in other receivables due to repayment of S\$3.0 million by a related party, Oscar Investment Private Limited and decrease of S\$17.1 million assets held for sale from discontinued operation due to completion of development projects.

Total liabilities were S\$544.3 million as at 30 November 2019. The increase of S\$22.4 million from S\$521.9 million as at 30 November 2018 was mainly due to increase of S\$25.2 million lease liability arising from adoption of SFRS(I) 16 *Leases*, increase of S\$11.7 million bank loan and overdraft and increase of S\$78.1 million trade payables for on-going engineering projects. The increase was offset by the decrease of S\$26.8 million long-term borrowings from liabilities associated with the disposal group due mainly to repayment of bank loans from funds received from sale/milestone billings of development properties.

Statement of Cash flows

Half Year Ended 30/11/2019 ("1HFY2020")

Operating activities

There was net cash generation of S\$18.7 million from operating activities.

Investing activities

Net cash used in investing activities was S\$0.6 million, due mainly to purchase of property, plant and equipment.

Financing activities

Net cash used in financing activities was S\$18.1 million, due mainly to repayment of borrowings.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$26,000.

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**

Engineering Business

The Engineering team continues to focus on delivering on-going projects, exercise stringent cost control, as well as actively tendering for engineering and AEI projects. The outstanding engineering order book stands at approximately S\$286 million as at 30 November 2019. Pending the completion of its statutory audit, one of the subsidiaries' BCA grading has been temporarily downgraded.

Real Estate Business

As announced on 13 January 2020, the Company had entered into a conditional sale and purchase agreement with Amcorp Supreme Pte. Ltd. for the sale of its 63.28% stake in TEE Land. The Company will make the necessary announcements upon the completion of the sale.

Infrastructure Business

The Infrastructure team remains focused on improving operational efficiency for the environmental business. It will also continue to explore opportunities to divest its investment in its existing assets.

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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) Book Closure Date

Not applicable.

12. If no dividend has been declared/recommended, 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.

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

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

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

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

15. 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 results for the half year ended 30/11/2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Phua Boon Kin
Interim Group Chief Executive

Saw Chin Choo
Executive Director

Dated 14 January 2020