



**TEE International Limited**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200007107D)

**Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 29 February 2020**

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

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2020	28/02/2019		29/02/2020	28/02/2019	
		(Restated)		(Restated)		
<b>Continuing operations</b>						
Revenue	100,595	102,514	(1.9)	272,813	187,147	45.8
Cost of sales	(100,732)	(95,624)	5.3	(264,301)	(172,965)	52.8
<b>Gross profit</b>	<b>(137)</b>	<b>6,890</b>	NM	<b>8,512</b>	<b>14,182</b>	(40.0)
Other operating income	305	793	(61.5)	1,087	805	35.0
Administrative expenses	(4,987)	(3,885)	28.4	(13,199)	(10,912)	21.0
Other operating expenses	(879)	(187)	NM	(1,258)	(794)	58.4
Share of results of associates and joint venture	231	306	(24.5)	137	570	(76.0)
Finance costs	(3,277)	(1,804)	81.7	(6,534)	(5,432)	20.3
<b>Loss (Profit) before tax</b>	<b>(8,744)</b>	<b>2,113</b>	NM	<b>(11,255)</b>	<b>(1,581)</b>	NM
Income tax expense	(3,042)	(740)	NM	(3,676)	(970)	NM
<b>Loss (Profit) for the period from continuing operations</b>	<b>(11,786)</b>	<b>1,373</b>	NM	<b>(14,931)</b>	<b>(2,551)</b>	NM
<b>Discontinued operation<sup>1</sup></b>						
Profit (Loss) for the period from discontinued operation	6,730	(1,630)	NM	(31,182)	(7,729)	NM
<b>Loss for the period</b>	<b>(5,056)</b>	<b>(257)</b>	NM	<b>(46,113)</b>	<b>(10,280)</b>	NM
(Loss) Profit attributable to:						
Owners of the Company	(4,070)	435	NM	(41,845)	(7,078)	NM
Non-controlling interests	(986)	(692)	42.5	(4,268)	(3,202)	33.3
	<b>(5,056)</b>	<b>(257)</b>	NM	<b>(46,113)</b>	<b>(10,280)</b>	NM

## TEE International Limited

### 1(a)(i)

<sup>1</sup> Discontinued operation relates to TEE Land Limited ("TEE Land"). As announced on 13/01/2020, the Company had entered into a conditional sale and purchase agreement with Amcorp Supreme Pte. Ltd. for the sale of its 63.28% stake in TEE Land. The sale was completed on 03/02/2020, and the Company accounted for the results of TEE Land up to 31/01/2020. The loss of discontinued operation comprised the following:

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Discontinued operation			Discontinued operation		
	29/02/2020	28/02/2019	29/02/2020	28/02/2019		
Operating losses of TEE Land	(2,044)	(1,630)	25.4	(10,522)	(7,729)	36.1
Reversal (Impairment) recognised based on net estimated fair value	8,774	-	NM	(20,660)	-	NM
	<b>6,730</b>	<b>(1,630)</b>	<b>NM</b>	<b>(31,182)</b>	<b>(7,729)</b>	<b>NM</b>

*NM - not meaningful*

## TEE International Limited

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2020	28/02/2019		29/02/2020	28/02/2019	
		(Restated)			(Restated)	
<b>Loss for the period</b>						
(Loss) Profit from continuing operations, net of tax	(11,786)	1,373	NM	(14,931)	(2,551)	NM
Profit (Loss) from discontinued operation, net of tax	6,730	(1,630)	NM	(31,182)	(7,729)	NM
	<b>(5,056)</b>	<b>(257)</b>	NM	<b>(46,113)</b>	<b>(10,280)</b>	NM
<b>Other comprehensive loss for the period :</b>						
Currency translation differences						
(Loss) Income from continuing operations, net of tax	(671)	113	NM	(293)	56	NM
Income (loss) from discontinued operation, net of tax	628	(997)	NM	390	(851)	NM
Other comprehensive income (loss) for the period	<b>(43)</b>	<b>(884)</b>	(95.1)	<b>97</b>	<b>(795)</b>	NM
<b>Total comprehensive loss for the period</b>	<b>(5,099)</b>	<b>(1,141)</b>	NM	<b>(46,016)</b>	<b>(11,075)</b>	NM

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2020	28/02/2019		29/02/2020	28/02/2019	
		(Restated)			(Restated)	
<b>Total comprehensive loss attributable to:</b>						
(Loss) Profit from continuing operations, net of tax	(12,320)	1,915	NM	(14,443)	(1,627)	NM
Profit (Loss) from discontinued operation, net of tax	7,959	(1,733)	NM	(27,155)	(5,671)	NM
<b>Owners of the Company</b>	<b>(4,360)</b>	<b>182</b>	NM	<b>(41,597)</b>	<b>(7,298)</b>	NM
Loss from continuing operations, net of tax	(137)	(429)	(68.1)	(781)	(868)	(10.0)
Loss from discontinued operation, net of tax	(601)	(894)	(32.8)	(3,638)	(2,909)	25.1
<b>Non-controlling interests</b>	<b>(738)</b>	<b>(1,323)</b>	(44.2)	<b>(4,419)</b>	<b>(3,777)</b>	17.0
	<b>(5,098)</b>	<b>(1,141)</b>	NM	<b>(46,016)</b>	<b>(11,075)</b>	NM

NM - not meaningful

# TEE International Limited

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

	Continuing operations S\$'000		Increase/ (Decrease) %	Continuing operations S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2020	28/02/2019 (Restated)		29/02/2020	28/02/2019 (Restated)	
<b>A Other operating income:</b>						
Interest income	10	2	NM	29	42	(31.0)
Amortisation of financial guarantee liabilities	19	19	NM	56	58	(3.4)
Gain on disposal of an associate	-	139	NM	-	139	NM
Gain on disposal of property , plant and equipment	-	-	NM	7	-	NM
Government grant	40	49	(18.4)	143	138	3.6
Net foreign currency exchange adjustment gain	79	455	(82.6)	370	-	NM
Management fees income	78	90	(13.3)	247	254	(2.8)
Service fees income	27	20	35.0	68	71	(4.2)
Others	52	19	NM	167	103	62.1
	<b>305</b>	<b>793</b>	<b>(61.5)</b>	<b>1,087</b>	<b>805</b>	<b>35.0</b>
<b>B Other operating expenses:</b>						
Amortisation of intangible assets	186	186	NM	558	558	NM
Loss on disposal of property plant and equipment	-	-	NM	-	24	NM
Net foreign currency exchange adjustment loss	-	-	NM	-	200	NM
Property, plant and equipment written off	-	-	NM	2	10	(80.0)
Trade receivables written off	693	1	NM	698	2	NM
	<b>879</b>	<b>187</b>	<b>NM</b>	<b>1,258</b>	<b>794</b>	<b>58.4</b>
<b>C Finance costs:</b>						
Finance leases	14	12	16.7	44	28	57.1
Loan interests	743	1,411	(47.3)	2,250	2,851	(21.1)
Notes payable interest	2,365	381	NM	3,768	2,553	47.6
Interest on right-of-use assets	155	-	NM	472	-	NM
	<b>3,277</b>	<b>1,804</b>	<b>81.7</b>	<b>6,534</b>	<b>5,432</b>	<b>20.3</b>
<b>D Other information:</b>						
Depreciation of property, plant and equipment	649	556	16.7	2,137	1,677	27.4
Depreciation of right-of-use assets	623	-	NM	1,833	-	NM
Amortisation of deferred commission expenses	19	18	5.6	55	55	NM
Amortisation of issuance costs on notes payable	119	80	48.8	263	241	9.1
Adjustment for under (over) provision of income tax in respect of prior year	2,963	(11)	NM	2,951	(11)	NM

NM - not meaningful

## TEE International Limited

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

The results of the 8 months discontinued operation and the re-measurement of the disposal group is as follows:

	<b>S\$'000</b>
	<b>8MFY2020<sup>F</sup></b>
<b>Revenue</b>	47,887
<b>Cost of sales</b>	(39,253)
<b>Gross profit</b>	<b>8,634</b>
Other operating income	1,228
Selling and distribution expenses	(3,777)
Administrative expenses	(6,610)
Other operating expenses <sup>E</sup>	(25,349)
Share of results of associates	(602)
Finance costs	(4,715)
<b>Loss before tax</b>	<b>(31,191)</b>
Income tax expense	9
<b>Loss for the period</b>	<b>(31,182)</b>

E Other operating expenses is due mainly to additional buyer's stamp duty payable for a development project and S\$20.7 million impairment recognised based on net estimated fair value in accordance with SFRS(I)5 - Non-Current Assets Held for Sale and Discontinued Operation.

F The unaudited discontinued operation financial results is for eight months ended 31/01/2020, being effective date of disposal for accounting purpose.

	<b>S\$'000</b>
	<b>3QFY2020</b>
<u>Effects on disposal</u>	
Cash and bank balances	23,442
Trade receivables and other receivables	14,762
Contract assets and contract costs	39,240
Loans receivables	10,632
Inventories	45
Development properties	132,798
Completed properties and land held for sale	60,843
Investment in associates	4,854
Property, plant and equipment	56,749
Right-of-use assets	2,049
Investment properties	9,318
Deferred tax assets	4,329
Bank loans and overdraft	(1,165)
Trade payables and other payables	(38,517)
Contract liabilities	(9,205)
Finance lease	(18)
Long-term borrowings	(190,292)
Financial guarantee liabilities	(140)
Income tax payable	(409)
Lease liability	(2,024)
Deferred tax liabilities	(320)
Net assets in a subsidiary company	116,971
Less: Non-controlling interest	(48,536)
Add: Foreign currency translation	390
Net	68,825
Impairment recognised based on TEE Land's net estimated fair value	(20,660)
Consideration, net of transaction costs (Note)	48,165
Cash and short-term deposits disposed of	(23,442)
Net cash inflow from the disposal of a subsidiary	<u>24,723</u>
<u>Note</u>	
Consideration	50,617
Transaction costs	(2,452)
Net consideration	<u>48,165</u>

## TEE International Limited

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	
	29/02/2020	31/05/2019	29/02/2020	31/05/2019
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	24,680	60,875	11,716	759
Bank balances pledged	3,409	3,290	-	-
Trade receivables	48,129	44,436	54	-
Other receivables	4,646	14,287	17,484	10,240
Lease receivables	10	-	-	-
Loans receivables	-	10,839	-	-
Financial assets at fair value through profit or loss	164	164	164	164
Inventories	107	203	-	-
Contract assets	175,380	176,333	-	-
Contract costs	-	1,240	-	-
Development properties	-	175,838	-	-
Completed properties and land held for sale	-	42,974	-	-
Total current assets	256,525	530,479	29,418	11,163
<b>Non-current assets</b>				
Other receivables	1,171	1,360	818	941
Lease receivables	183	-	-	-
Investment in associates	8,443	13,655	-	-
Investment in joint venture	125	129	-	-
Investment in subsidiaries	-	-	43,926	116,854
Club membership	5	5	5	5
Intangible asset	496	1,054	-	-
Property, plant and equipment	10,219	71,067	52	93
Right-of-use assets	24,250	-	2,563	-
Investment properties	22,000	31,442	22,000	22,000
Deferred tax assets	21	3,997	-	-
Total non-current assets	66,913	122,709	69,364	139,893
<b>Total assets</b>	<b>323,438</b>	<b>653,188</b>	<b>98,782</b>	<b>151,056</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and overdrafts	58,403	48,532	-	4,300
Trade payables	159,617	161,571	-	13
Other payables	23,265	30,251	55,986	52,541
Contract liabilities	1,083	6,661	-	-
Lease liabilities	4,541	-	2,611	-
Provision for maintenance costs	70	992	-	-
Current portion of finance leases	483	346	-	-
Current portion of long-term borrowings	3,457	93,670	3,257	1,268
Current portion of financial guarantee liabilities	75	185	75	75
Income tax payable	3,150	2,445	-	-
Total current liabilities	254,144	344,653	61,929	58,197

**TEE International Limited**

**1(b)(i) (Continued)**

	The Group S\$'000		The Company S\$'000	
	29/02/2020	31/05/2019	29/02/2020	31/05/2019
<b>LIABILITIES AND EQUITY</b>				
<b>Non-current liabilities</b>				
Finance leases	1,298	1,143	-	-
Long-term borrowings	10,765	144,026	10,764	13,701
Financial guarantee liabilities	19	180	19	74
Notes payables	-	21,000	-	21,128
Long-term deposit	306	306	306	306
Other payables	31	9,767	-	-
Lease liabilities	20,286	-	-	-
Deferred tax liabilities	269	775	-	-
<b>Total non-current liabilities</b>	<b>32,974</b>	<b>177,197</b>	<b>11,089</b>	<b>35,209</b>
<b>Capital and reserves and non-controlling interests</b>				
Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(148)	(245)	-	-
Capital reserve	-	18,561	(274)	(274)
Accumulated losses	(33,654)	(10,370)	(46,887)	(15,001)
<b>Equity attributable to owners of the Company</b>	<b>39,123</b>	<b>80,871</b>	<b>25,764</b>	<b>57,650</b>
Non-controlling interests	(2,803)	50,467	-	-
<b>Net equity</b>	<b>36,320</b>	<b>131,338</b>	<b>25,764</b>	<b>57,650</b>
<b>Total liabilities and equity</b>	<b>323,438</b>	<b>653,188</b>	<b>98,782</b>	<b>151,056</b>

## TEE International Limited

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

		The Group S\$'000			
		As at 29/02/2020		As at 31/05/2019	
		Unsecured	Secured	Unsecured	Secured
(a)	Amount repayable in one year or less, or on demand	6,959	55,384	24,694	117,854
(b)	Amount repayable after one year	-	12,063	-	166,169
Total aggregate amount of group's borrowings and debt securities		<b>6,959</b>	<b>67,447</b>	<b>24,694</b>	<b>284,023</b>

#### Details of collateral:

The total secured borrowings are represented by:

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



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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2020	28/02/2019 (Restated)	29/02/2020	28/02/2019 (Restated)
<b>Operating activities</b>				
Loss before tax from continuing operations	(8,744)	2,113	(11,255)	(1,581)
Loss before tax from discontinued operation	6,608	(1,602)	(31,191)	(8,106)
Adjustments for:				
Share of results of associates and joint venture	(74)	(201)	465	239
Depreciation of property, plant and equipment	939	777	3,324	2,429
Depreciation of right-of-use assets	624	-	1,833	-
Amortisation of deferred commission expenses	368	1,095	1,715	2,981
Amortisation of deferred show flat costs	287	-	1,150	149
Amortisation of financial guarantee liabilities	(46)	(65)	(167)	(197)
Amortisation of issuance costs on notes payable	119	80	263	241
Amortisation of intangible asset	186	186	558	558
Impairment recognised based on net estimated fair value	(8,774)	-	20,660	-
Trade receivables written off	693	1	698	2
Other receivables write back	(1)	-	(1)	-
(Gain) Loss on disposal of property, plant and equipment	-	-	(7)	24
Gain on disposal of non-current asset held for sale	-	-	-	(31)
Gain on disposal of associate	-	(139)	-	(139)
Plant and equipment written off	8	-	10	10
Provision for maintenance costs	(643)	235	(378)	1,570
Unrealised currency translation (gain) loss	(721)	(768)	(916)	474
Interest income	(56)	(88)	(212)	(311)
Interest expense	4,402	3,690	11,248	11,232
Operating cash flows before movements in working capital	(4,825)	5,314	(2,203)	9,544
Trade receivables	(10,427)	(17,000)	(13,981)	(17,792)
Other receivables	(2,013)	(9,750)	1,887	(6,693)
Inventories	(14)	(26)	51	(73)
Contract assets	(28,719)	6,670	(34,059)	(33,858)
Contract costs	(40)	1,044	(2,680)	3,515
Development properties	2,842	(17,366)	15,609	(25,558)
Completed properties and land held for sale	5,776	(16,515)	9,954	36,487
Trade payables	4,678	53,282	12,843	53,441
Other payables	2,263	457	3,332	1,704
Contract liabilities	(504)	(4,209)	4,556	(5,786)
Utilisation of provision for maintenance costs	(277)	(772)	(544)	(1,521)
Cash (used in) from operations	(31,260)	1,129	(5,235)	13,410
Interest paid	(4,351)	(5,731)	(10,911)	(12,755)
Income tax paid	(1,523)	(475)	(2,317)	(1,188)
Net cash used in operating activities	(37,134)	(5,077)	(18,463)	(533)
<b>Investing activities</b>				
Proceeds on disposal of property, plant and equipment	-	-	234	362
Proceeds on disposal of non-current asset held for sale	-	(2)	-	304
Proceeds on disposal of associate company	-	5,000	-	5,000
Proceeds from financial assets at amortised cost	-	25	-	25
Purchase of non-current asset held for sale	-	(18)	-	(152)
Purchase of property, plant and equipment	(241)	(1,982)	(1,306)	(2,496)
Investment in associates	-	-	(36)	(4,658)
Net cash inflow from the disposal of a subsidiary	24,723	-	24,723	-
Repayment of loans receivables	-	678	225	3,184
Loans receivables	-	(189)	(18)	(225)
Dividend received from an associate	-	22	-	2,366
Interest received	5	653	105	1,085
Net cash from investing activities	24,487	4,187	23,927	4,795

## TEE International Limited

### 1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2020	28/02/2019 (Restated)	29/02/2020	28/02/2019 (Restated)
<b>Financing activities</b>				
Drawdown of bank loans	60,966	23,758	144,309	89,845
Repayment of bank loans	(63,478)	(35,322)	(130,774)	(96,036)
Drawdown of long-term borrowings	-	4,500	4,500	48,635
Repayment of long-term borrowings	(2,093)	(1,371)	(36,928)	(43,056)
Increase in bank balances pledged	(77)	1,749	(111)	(2,835)
Repayment of obligations under finance leases	(125)	(457)	(482)	(739)
Increase of obligation under finance leases	-	1,385	790	1,385
Repayment of notes payable	(15,686)	-	(18,699)	-
Repayment of lease obligation	(610)	-	(1,793)	-
Repayment of loan to a director	-	(1,000)	-	(10,000)
Dividend paid to non-controlling interests	-	-	-	(246)
Share issue expenses	-	(113)	-	(113)
Proceeds from right issue	-	14,493	-	14,493
Net cash (used in) from financing activities	(21,103)	7,622	(39,188)	1,333
Net (decrease) increase in cash and cash equivalents	(33,750)	6,732	(33,724)	5,595
Cash and cash equivalents at beginning of period	57,560	29,074	57,554	30,291
Effect of foreign exchange rate changes	48	3	28	(77)
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>23,858</b>	<b>35,809</b>	<b>23,858</b>	<b>35,809</b>

#### Note A : Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2020	28/02/2019	29/02/2020	28/02/2019
<b>Continuing operations</b>				
Cash at banks	24,421	9,940	24,421	9,940
Cash on hand	205	62	205	62
Fixed deposits	3,463	3,369	3,463	3,369
Pledged fixed deposits	(3,409)	(3,369)	(3,409)	(3,369)
Bank overdrafts	(822)	(1,708)	(822)	(1,708)
	23,858	8,294	23,858	8,294

#### Discontinued operation

Cash at banks	-	8,840	-	8,840
Cash on hand	-	2	-	2
Fixed deposits	-	2,985	-	2,985
Project accounts (see Note below):				
Cash at banks	-	15,688	-	15,688
	-	27,515	-	27,515

#### Total cash and cash equivalents per consolidated statement of financial position

	23,858	35,809	23,858	35,809
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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.

## TEE International Limited

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

	Share capital	Treasury shares	Currency translation reserves	Capital reserve	Accumulated profits(losses)	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<b>Balance at 01/06/2019</b>	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(41,845)	(41,845)	(4,269)	(46,114)
Other comprehensive loss for the period	-	-	(293)	-	-	(293)	(465)	(758)
Sale of interest in a subsidiary	-	-	390	(18,561)	18,561	390	(48,536)	(48,146)
Total comprehensive loss for the period	-	-	97	(18,561)	(23,284)	(41,748)	(53,270)	(95,018)
<b>Balance at 29/02/2020</b>	<b>73,194</b>	<b>(269)</b>	<b>(148)</b>	<b>-</b>	<b>(33,654)</b>	<b>39,123</b>	<b>(2,803)</b>	<b>36,320</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 01/06/2018, as previously reported</b>	58,701	(269)	321	18,741	7,803	85,297	62,802	148,099
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(7,078)	(7,078)	(3,202)	(10,280)
Other comprehensive loss for the period	-	-	(795)	-	-	(795)	(575)	(1,370)
Total comprehensive loss for the period	-	-	(795)	-	(7,078)	(7,873)	(3,777)	(11,650)
Dividend paid to non-controlling interest	-	-	-	-	-	-	(246)	(246)
Right issuance	14,493	-	-	-	-	14,493	-	14,493
Share issuance expenses	-	-	-	(113)	-	(113)	-	(113)
<b>Balance at 28/02/2019</b>	<b>73,194</b>	<b>(269)</b>	<b>(474)</b>	<b>18,628</b>	<b>725</b>	<b>91,804</b>	<b>58,779</b>	<b>150,583</b>

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>					
<b>Balance at 01/06/2019</b>	73,194	(269)	(274)	(15,001)	57,650
Loss for the period, representing total comprehensive loss for the period	-	-	-	(31,886)	(31,886)
<b>Balance at 29/02/2020</b>	<b>73,194</b>	<b>(269)</b>	<b>(274)</b>	<b>(46,887)</b>	<b>25,764</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	-	-	-	(4,280)	(4,280)
Rights issuance	14,493	-	-	-	14,493
Share issuance expenses	-	-	(113)	-	(113)
<b>Balance at 28/02/2019</b>	<b>73,194</b>	<b>(269)</b>	<b>(207)</b>	<b>(10,283)</b>	<b>62,435</b>

## TEE International Limited

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 30/11/2019 and 29/02/2020

Treasury shares

Balance as at 30/11/2019 and 29/02/2020

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

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

The number of outstanding warrants as at 29/02/2020 was 57,193,798, which can be exercised at the adjusted exercise price of S\$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30/04/2018 and expiring at 5.00 p.m. on 30/10/2020. No warrants were exercised during the period ended 29/02/2020.

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

Total number of issued shares

Total number of treasury shares

Total number of issued shares excluding treasury shares

The Company	
29/02/2020	31/05/2019
648,152,876	648,152,876
(1,270,400)	(1,270,400)
646,882,476	646,882,476

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

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 29/02/2020.

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

Not applicable.

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

The figures presented have not been audited or reviewed.

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

Not applicable.

## TEE International Limited

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

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

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

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

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Except as disclosed in Paragraph 5, the Group has adopted the same accounting policies and methods of computation for the current financial 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.

## TEE International Limited

**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**

	Continuing operations		Continuing operations	
	Third Quarter Ended		Nine Months Ended	
	29/02/2020	28/02/2019	29/02/2020	28/02/2019
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)	(1.79)	0.32	(2.19)	(0.33)
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	550,263	646,882	518,056
(ii) On a fully diluted basis (cents)	(1.79)	0.32	(2.19)	(0.33)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	550,263	646,882	518,056

	Discontinued operation		Discontinued operation	
	Third Quarter Ended		Nine Months Ended	
	29/02/2020	28/02/2019	29/02/2020	28/02/2019
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)	1.16	(0.24)	(4.28)	(1.03)
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	550,263	646,882	518,056
(ii) On a fully diluted basis (cents)	1.16	(0.24)	(4.28)	(1.03)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	550,263	646,882	518,056

**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 29/02/2020	As at 31/05/2019
The Group	6.0	12.5
The Company	4.0	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.

## TEE International Limited

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

### Income Statement

#### Third Quarter Ended 29/02/2020 ("3QFY2020") against Third Quarter Ended 28/02/2019 ("3QFY2019")

Revenue decreased by S\$1.9 million due mainly to lower contribution of revenue from infrastructure business. However, cost of sales increased by S\$5.1 million in the infrastructure businesses and engineering projects, resulting in an overall gross loss position.

Other operating income decreased by S\$0.5 million due mainly to absence for foreign currency exchange gain.

Administrative expenses increased by S\$1.1 million due mainly to one-off professional fees incurred for the unauthorised remittances and operating lease that translated into depreciation of right-of-use assets in accordance to SFRS (I) 16 Leases for an infrastructure subsidiary acquired in December 2018.

Other operating expenses increased by S\$0.7 million due mainly to trade receivables written off from an overseas subsidiary.

Finance costs increased by S\$1.5 million due mainly to full redemption of notes payable.

Income tax expense increased by S\$2.3 million due mainly to under provision of income tax in respect of prior years from an overseas subsidiary.

Profit for the period from discontinued operation was S\$6.7 million due mainly to partial reversal of impairment loss on disposal of a subsidiary.

Overall, the Group reported a loss after tax of S\$5.1 million in 3QFY2020 as compared to a loss after tax of S\$0.3 million in 3QFY2019.

Attributable to owners of the Company was a loss of S\$4.1 million in 3QFY2020 as compared to a profit of S\$0.4 million in 3QFY2019.

#### Nine Months Ended 29/02/2020 ("9MFY2020") against Nine Months Ended 29/02/2019 ("9MFY2019")

Revenue increased by S\$85.7 million due mainly to higher contribution of progressive revenue from on-going engineering projects. However, cost of sales increased by S\$91.3 million in the infrastructure businesses and engineering projects, resulting in an overall decrease in gross margin.

Other operating income increased by S\$0.3 million due mainly to net foreign currency exchange adjustment gain.

Administrative expenses increased by S\$2.3 million due mainly to one-off professional fees incurred for the unauthorised remittances and operating lease that translated into depreciation of right-of-use assets in accordance to SFRS (I) 16 Leases for an infrastructure business acquired in December 2018.

Other operating expenses increased by S\$0.5 million due mainly to trade receivables written off from an overseas subsidiary.

Finance costs increased by S\$1.1 million due mainly to full redemption of notes payable.

Income tax expense increased by S\$2.7 million due mainly to under provision of income tax in respect of prior years from an overseas subsidiary.

Loss for the period from discontinued operation was S\$31.2 million.

Overall, the Group reported a loss after tax of S\$46.1 million in 9MFY2020 as compared to a loss after tax of S\$10.3 million in 9MFY2019.

Attributable to the owners of the Company was a loss of S\$41.8 million in 9MFY2020 as compared to a loss of S\$7.1 million in 9MFY2019.

## TEE International Limited

### 8. (Continued)

#### Statement of Financial Position

Total assets were S\$323.4 million as at 29 February 2020. Excluding the total assets as at 31 May 2019 from the disposal group of S\$392.8 million, the increase of S\$63 million from S\$260.4 million as at 31 May 2019 was due mainly to increase in right-of-use assets of S\$24.3 million arising from adoption of SFRS(I) 16 Leases, increase in contract assets and trade receivables which amounted S\$33.7 million and S\$19.3 million respectively from on-going engineering projects and higher progress billing of engineering business. The increase was partially 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 in cash and cash equivalents.

Total liabilities were S\$287.1 million as at 29 February 2020. Excluding the total liabilities associated with the disposal group amounting to S\$264.1 million as at 31 May 2019, the increase of S\$29.4 million from S\$257.7 million as at 31 May 2019 was due mainly to increase in lease liabilities of S\$24.8 million arising from adoption of SFRS(I) 16 Leases, S\$14.6 million in trade payables for on-going engineering projects and S\$9.9 million in bank loans and overdraft. The increase was offset by the partial repayment of long-term borrowings amounted S\$5.8 million and full redemption of notes payable amounted S\$21 million.

#### Statement of Cash flows

##### Nine Months Ended 29/02/2020 ("9MFY2020")

##### **Operating activities**

Net cash used in operating activities was S\$18.5 million, due mainly to higher contract assets from on-going engineering projects, and interest paid for the full redemption of notes payable and repayment of borrowings.

##### **Investing activities**

Net cash from investing activities was S\$24.0 million, due mainly to net cash inflow from the disposal of a subsidiary.

##### **Financing activities**

Net cash used in financing activities was S\$39.2 million, due mainly to repayment of borrowings and full redemption of notes payable.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$33.7 million.

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

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

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

Most of the construction works for the Group's on-going projects have been suspended and the construction sites have been closed during the Circuit Breaker Period from 7 April to 4 May 2020 except for three construction projects, which have been granted approval to continue as exempted activities under the Construction, Facilities Management and Critical Public Infrastructure sector category.

The Group's environmental business of waste collection has continued to operate as an essential service during the Circuit Breaker Period. The environmental business remains challenging and the Management will strive to improve its operational efficiency, while efforts to dispose of the Group's remaining infrastructure assets are continuing.

The above developments have resulted in significant disruptions to the Group's business and operations and will have an adverse impact on the Group's profitability.

The outstanding engineering order book stands at approximately S\$298.0 million as at 29 February 2020.



## TEE International Limited

### 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 interim dividend has been declared or recommended for the current reporting period as the Company is in a loss-making position.

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

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

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

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

### 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 third quarter ended 29/02/2020 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 April 2020