



TEE International Limited

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

Unaudited Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30 November 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 auditors in its annual report for the financial year ended 31 May 2020.

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

1(a)(i) An income statement and 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		
	30-11-2020	30-11-2019		30-11-2020	30-11-2019	
Continuing operations		(Restated)			(Restated)	
Revenue	46,432	97,453	(52.4)	66,826	172,218	(61.2)
Cost of sales	(43,284)	(93,929)	(53.9)	(60,881)	(163,569)	(62.8)
Gross profit	3,148	3,524	(10.7)	5,945	8,649	(31.3)
Other operating income	1,748	581	200.9	4,402	782	462.9
Administrative expenses	(2,795)	(4,215)	(33.7)	(5,753)	(7,504)	(23.3)
Other operating expenses	(424)	(220)	92.7	(1,055)	(379)	178.4
Share of results of associates and joint venture	189	74	155.4	456	(94)	NM
Finance costs	(599)	(1,508)	(60.3)	(1,335)	(3,002)	(55.5)
Profit/(Loss) before tax	1,267	(1,764)	NM	2,660	(1,548)	NM
Income tax expense	(124)	(152)	(18.4)	(195)	(634)	(69.2)
Profit/(Loss) for the period from continuing operations	1,143	(1,916)	NM	2,465	(2,182)	NM
Discontinued operations ¹ , net of tax	(291)	(514)	(43.4)	(618)	(963)	(35.8)
Discontinued operations ² , net of tax	-	(36,108)	NM	-	(37,912)	NM
Loss for the period from discontinued operations	(291)	(36,622)	(99.2)	(618)	(38,875)	(98.4)
Profit/(Loss) for the period	852	(38,538)	NM	1,847	(41,057)	NM

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1(a)(i) (Continued)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30-11-2020	30-11-2019		30-11-2020	30-11-2019	
		(Restated)		(Restated)		
Profit/(Loss) attributable to:						
Owners of the Company	547	(35,918)	NM	1,014	(37,775)	NM
Non-controlling interests	305	(2,620)	NM	833	(3,282)	NM
	852	(38,538)	NM	1,847	(41,057)	NM
Other comprehensive (loss) /profit for the period :						
<i>Currency translation differences</i>						
Owners of the Company	(82)	271	NM	(515)	(208)	147.6
Non-controlling interests	(11)	(131)	(91.6)	7	(399)	NM
Total comprehensive (loss) /profit	(93)	140	NM	(508)	(607)	(16.3)
<u>Profit/(Loss) attributable to:</u>						
Owners of the Company						
Profit/(Loss) from continuing operations, net of tax	837	(1,674)	NM	1,632	(1,622)	NM
Loss from discontinued operations , net of tax	(291)	(34,244)	(99.2)	(618)	(36,153)	(98.3)
Non-controlling interests	306	(2,620)	NM	833	(3,282)	NM
	852	(38,538)	NM	1,847	(41,057)	NM
<u>Total comprehensive profit/(loss) attributable to:</u>						
Owners of the Company						
Profit/(Loss) from continuing operations, net of tax	755	(1,373)	NM	1,117	(1,609)	NM
Loss from discontinued operations , net of tax	(291)	(34,274)	(99.2)	(618)	(36,374)	(98.3)
Non-controlling interests	295	(2,751)	NM	840	(3,681)	NM
	759	(38,398)	NM	1,339	(41,664)	NM

Restatement

The 30 November 2019 comparative figures have been restated to show the discontinued operations of the following 2 subsidiaries.

¹As announced on 30 June 2020, the expected completion date of the disposal of Arrow Waste Management Pte. Ltd. ("AWM") was on 29 May 2020. However, subsequent to that, the Company and its subsidiary, TEE Infrastructure Private Limited ("TEE Infra") has received notices of termination of the proposed disposal from the Purchaser. The Company, TEE Infra, AWM and the Purchaser and the Purchaser's holding company Nutara Investment Pte. Ltd. have on 18 December 2020 entered into a settlement agreement. Accordingly, TEE Infra and the Purchaser will not be proceeding with the Proposed Disposal. The Group has accounted the disposal group as discontinued operations and recognised S\$50,000 rebate from purchaser during the second quarter ended 30 November 2020.

²Discontinued operations relate to the disposal of the entire stake of 63.28% shares in TEE Land Limited ("TEE Land"). As announced on 13 January 2020, the sale of TEE Land shares was completed on 3 February 2020.

NM - not meaningful

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

Continuing operations

A Other operating income:

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30-11-2020	30-11-2019		30-11-2020	30-11-2019	
		(Restated)		(Restated)		
Interest income	6	13	(53.8)	14	19	(26.3)
Amortisation of financial guarantee liabilities	18	19	(5.3)	37	37	-
Change in fair value of financial assets at FVTPL	402	-	NM	588	-	NM
(Loss) /gain on disposal of property, plant and equipment	(207)	7	NM	-	7	NM
Government grant	1,410	75	NM	3,568	103	NM
Net foreign currency exchange adjustment gain	-	291	NM	-	291	NM
Management fees income	20	78	(74.4)	55	169	(67.5)
Allowance for doubtful other receivables written back	51	-	NM	51	-	NM
Service fees income	22	21	4.8	50	41	22.0
Others	26	77	(66.2)	39	115	(66.1)
	1,748	581	200.9	4,402	782	462.9

B Other operating expenses:

Amortisation of intangible assets	124	186	(33.3)	310	372	(16.7)
Change in fair value of investment property	353	-	NM	713	-	NM
Gain on disposal of property, plant and equipment	-	(8)	NM	-	-	NM
Net foreign currency exchange adjustment (gain) /loss	(56)	36	NM	27	-	NM
Property, plant and equipment written off	1	2	(50.0)	1	2	(50.0)
Trade receivables written off	2	4	(50.0)	4	5	(20.0)
	424	220	92.7	1,055	379	178.4

C Finance costs:

Leases	135	77	75.3	326	92	254.3
Loan interests	464	737	(37.0)	1,009	1,507	(33.0)
Notes payable interest	-	694	NM	-	1,403	NM
	599	1,508	(60.3)	1,335	3,002	(55.5)

D Other information:

Depreciation of property, plant and equipment	685	1,929	(64.5)	1,397	2,697	(48.2)
Amortisation of deferred commission expenses	18	18	-	36	36	-
Amortisation of issuance costs on notes payable	17	72	(76.4)	34	144	(76.4)
Adjustment for under provision of income tax in respect of prior year	17	-	NM	17	9	88.9

NM - not meaningful

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

The results of the discontinued operations and the re-measurement of the respective disposal group are as follows:

	AWM S\$'000		Increase/ (Decrease) %	AWM S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30-11-2020	30-11-2019 (Restated)		30-11-2020	30-11-2019 (Restated)	
Revenue	-	-	NM	-	-	NM
Cost of sales	-	-	NM	-	-	NM
Gross profit	-	-	NM	-	-	NM
Other operating income	50	-	NM	50	-	NM
Administrative expenses ³	(341)	(259)	31.7	(668)	(708)	(5.6)
Other operating expenses	-	-	NM	-	-	NM
Share of results of associates	-	-	NM	-	-	NM
Finance costs	-	(255)	NM	-	(255)	NM
Loss before tax	(291)	(514)	(43.4)	(618)	(963)	(35.8)
Income tax expense	-	-	NM	-	-	NM
Loss for the period	(291)	(514)	(43.4)	(618)	(963)	(35.8)

	TEE Land S\$'000		Increase/ (Decrease) %	TEE Land S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30-11-2020	30-11-2019 (Restated)		30-11-2020	30-11-2019 (Restated)	
Revenue	-	16,013	NM	-	36,411	NM
Cost of sales	-	(12,155)	NM	-	(28,879)	NM
Gross profit	-	3,858	NM	-	7,532	NM
Other operating (loss) /income	-	(95)	NM	-	603	NM
Selling and distribution expenses	-	(1,212)	NM	-	(2,972)	NM
Administrative expenses	-	(2,448)	NM	-	(4,814)	NM
Other operating expenses ⁴	-	(34,034)	NM	-	(34,114)	NM
Share of results of associates	-	(226)	NM	-	(445)	NM
Finance costs	-	(1,682)	NM	-	(3,589)	NM
Loss before tax	-	(35,839)	NM	-	(37,799)	NM
Income tax expense	-	(269)	NM	-	(113)	NM
Loss for the period	-	(36,108)	NM	-	(37,912)	NM

³ Administrative expenses of AWM is due mainly to land lease fees payable to Jurong Town Corporation ("JTC") for 4 plots of land. The Group is currently under negotiation with JTC to waive the land lease fees.

⁴ Other operating expenses of TEE Land is due mainly to additional buyer's stamp duty payable for a development project and S\$29.4 million impairment recognised based on net estimated fair value in accordance with SFRS(I)5 - Non-Current Assets Held for Sale and Discontinued Operations.

The assets and liabilities of the disposal group classified as held-for-sale as follows:

	AWM	
	30-11-2020 S\$'000	31-05-2020 S\$'000
Assets		
Property, plant and equipment	16,950	16,950
Other receivables	27	57
Cash at bank	86	34
Assets of the disposal group	17,063	17,041
Liabilities		
Trade and other payables	2,947	2,308
Lease liabilities	17,532	17,532
Liabilities of the disposal group	20,479	19,840

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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	
	30-11-2020	31-05-2020	30-11-2020	31-05-2020
ASSETS				
Current assets				
Cash and cash equivalents	21,174	50,730	8,873	8,997
Bank balances pledged	4,359	3,615	-	-
Trade receivables	29,648	30,010	-	3,659
Other receivables	7,015	5,027	10,826	14,165
Financial assets at fair value through profit or loss	670	82	670	82
Inventories	50	77	-	-
Contract assets	127,976	146,244	-	-
	190,892	235,785	20,369	26,903
Assets of disposal group classified as held-for-sale	17,063	17,041	-	-
Total current assets	207,955	252,826	20,369	26,903
Non-current assets				
Other receivables	1,188	1,312	694	777
Investment in associates	9,706	9,646	-	-
Investment in joint venture	-	130	-	-
Investment in subsidiaries	-	-	43,926	43,926
Intangible asset	-	310	-	-
Property, plant and equipment	6,766	8,389	35	41
Investment properties	34,213	34,926	23,832	23,909
Deferred tax assets	532	618	-	-
Total non-current assets	52,405	55,331	68,487	68,653
Total assets	260,360	308,157	88,856	95,556
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	39,978	57,496	-	-
Trade payables	112,743	147,628	-	3,613
Other payables	26,745	22,573	57,159	59,555
Contract liabilities	1,360	661	-	-
Provision for maintenance costs	246	235	-	-
Current portion of lease liabilities	1,589	2,119	130	128
Current portion of long-term borrowings	3,927	2,809	3,128	2,510
Current portion of financial guarantee liabilities	37	75	37	75
Income tax payable	4,361	4,339	862	842
	190,986	237,935	61,316	66,723
Liabilities of disposal group classified as held-for-sale	20,479	19,840	-	-
Total current liabilities	211,465	257,775	61,316	66,723

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1(b)(i) (Continued)

LIABILITIES AND EQUITY

Non-current liabilities

Lease liabilities	12,995	14,454	2,243	2,309
Long-term borrowings	15,425	16,755	10,785	11,404
Financial guarantee liabilities	-	-	-	-
Long-term deposit	306	306	306	306
Other payables	39	40	-	-
Deferred tax liabilities	142	178	1	-
Total non-current liabilities	28,907	31,733	13,335	14,019

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	90	605	-	-
Capital reserve	-	-	(274)	(274)
Accumulated losses	(50,349)	(51,363)	(58,446)	(57,837)
Equity attributable to owners of the Company	22,666	22,167	14,205	14,814
Non-controlling interests	(2,678)	(3,518)	-	-
Net equity	19,988	18,649	14,205	14,814

Total liabilities and equity

	The Group S\$'000		The Company S\$'000	
	30-11-2020	31-05-2020	30-11-2020	31-05-2020
LIABILITIES AND EQUITY				
Non-current liabilities				
Lease liabilities	12,995	14,454	2,243	2,309
Long-term borrowings	15,425	16,755	10,785	11,404
Financial guarantee liabilities	-	-	-	-
Long-term deposit	306	306	306	306
Other payables	39	40	-	-
Deferred tax liabilities	142	178	1	-
Total non-current liabilities	28,907	31,733	13,335	14,019
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	90	605	-	-
Capital reserve	-	-	(274)	(274)
Accumulated losses	(50,349)	(51,363)	(58,446)	(57,837)
Equity attributable to owners of the Company	22,666	22,167	14,205	14,814
Non-controlling interests	(2,678)	(3,518)	-	-
Net equity	19,988	18,649	14,205	14,814
Total liabilities and equity	260,360	308,157	88,856	95,556

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

- (a) Amount repayable in one year or less, or on demand
- (b) Amount repayable after one year

Total aggregate amount of group's borrowings and debt securities

	The Group S\$'000			
	As at 30 November 2020		As at 31 May 2020	
	Unsecured	Secured	Unsecured	Secured
(a)	4,271	39,732	2,821	57,807
(b)	4,375	11,175	5,000	12,564
Total aggregate amount of group's borrowings and debt securities	8,646	50,907	7,821	70,371

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) Certain bank loans are 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) A bank loan was secured by the Company's investment property.

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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	
	30-11-2020	30-11-2019	30-11-2020	30-11-2019
		(Restated)		(Restated)
Operating activities				
Profit /(Loss) before tax from continuing operations	1,267	(1,764)	2,660	(1,548)
Loss before tax from discontinued operations	(291)	(36,353)	(618)	(38,762)
Adjustments for:				
Share of results of associates and joint venture	(189)	152	(456)	539
Depreciation of property, plant and equipment	685	2,368	1,397	3,594
Allowance for doubtful other receivables written back	(51)	-	(51)	-
Amortisation of deferred commission expenses	18	663	36	1,347
Amortisation of deferred show flat costs	-	244	-	863
Amortisation of financial guarantee liabilities	(18)	(67)	(37)	(121)
Amortisation of issuance costs on notes payable	17	72	34	144
Amortisation of intangible asset	124	186	310	372
Change in fair value of financial assets at FVTPL	(402)	-	(588)	-
Change in fair value of investment property	353	-	713	-
Impairment recognised based on estimate fair value less costs to sell	-	29,434	-	29,434
Loss /(gain) on disposal of property, plant and equipment	207	(15)	-	(7)
Plant and equipment written off	1	2	1	2
Trade receivables written off	2	4	4	5
Provision for maintenance costs	3	214	14	265
Unrealised currency translation gain	(110)	(86)	(34)	(195)
Interest income	(6)	(80)	(14)	(156)
Interest expense	599	3,445	1,335	6,846
Operating cash flows before movements in working capital	2,209	(1,581)	4,706	2,622
Trade receivables	(6,554)	21,268	343	(3,554)
Other receivables	(1,461)	1,231	(1,948)	3,900
Inventories	14	62	27	65
Contract assets	2,203	(6,400)	18,266	(5,340)
Contract costs	-	(1,282)	-	(2,640)
Development properties	-	6,031	-	12,767
Completed properties and land held for sale	-	624	-	4,178
Trade payables	9,738	(6,241)	(34,902)	8,165
Other payables	1,091	3,246	2,636	1,069
Contract liabilities	588	2,248	699	5,060
Utilisation of provision for maintenance costs	(3)	(107)	(3)	(267)
Cash generated from /(used in) operations	7,825	19,099	(10,176)	26,025
Interest paid	-	(1,212)	-	(2,687)
Income tax paid	(108)	(823)	(110)	(794)
Net cash flows from /(used in) operating activities	7,717	17,064	(10,286)	22,544
Investing activities				
Proceeds on disposal of property, plant and equipment	1	171	208	234
Purchase of property, plant and equipment	(123)	(278)	(135)	(1,065)
Investment in associate	-	(36)	-	(36)
Return on joint venture capital	129	-	129	-
Repayment of loans receivables	-	-	-	225
Loans receivables	-	(18)	-	(18)
Interest received	23	12	31	100
Net cash flows generated from /(used in) investing activities	30	(149)	233	(560)

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30-11-2020	30-11-2019	30-11-2020	30-11-2019
		(Restated)		(Restated)
Financing activities				
Drawdown of bank loans	10,407	55,988	20,423	83,343
Repayment of bank loans	(16,377)	(47,743)	(39,261)	(67,296)
Drawdown of long-term borrowings	-	-	-	4,500
Repayment of long-term borrowings	(137)	(22,045)	(212)	(34,835)
Increase in bank balances pledged	(6)	-	(744)	(34)
Increase of lease obligation	-	48	-	-
Repayment of lease obligation	(1,221)	(1,361)	(1,795)	(750)
Loan from a controlling shareholder	2,093	-	2,093	-
Interest paid	(542)	(1,920)	(1,278)	(3,873)
Repayment of notes payable	-	(1,366)	-	(3,013)
Net cash flows used in financing activities	(5,783)	(18,399)	(20,774)	(21,958)
Net increase /(decrease) in cash and cash equivalents	1,964	(1,484)	(30,827)	26
Cash and cash equivalents at beginning of period	17,779	59,077	50,570	57,554
Effect of foreign exchange rate changes	4	(33)	4	(20)
Cash and cash equivalents at end of period (Note A)	19,747	57,560	19,747	57,560

Note A : Cash and cash equivalents at end of the period

Continuing operations

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30-11-2020	30-11-2019	30-11-2020	30-11-2019
Cash at banks	21,132	36,083	21,132	36,083
Cash on hand	42	209	42	209
Fixed deposits	3,443	3,400	3,443	3,400
	24,617	39,692	24,617	39,692
Pledged fixed deposits	(3,443)	(3,343)	(3,443)	(3,343)
Total cash and cash equivalents per consolidated statement of financial position	21,174	36,349	21,174	36,349
Bank overdrafts	(1,513)	(1,873)	(1,513)	(1,873)
	19,661	34,476	19,661	34,476

Discontinued operations

Cash at banks	86	5,333	86	5,333
Cash on hand	-	3	-	3
Fixed deposits	-	3,004	-	3,004
Project accounts (see Note below):				
- Cash at banks	-	14,744	-	14,744
	86	23,084	86	23,084
	19,747	57,560	19,747	57,560

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	Treasury	Currency	Capital	Accumulated	Equity	Non-	Total
	capital	shares	translation	reserve	(losses)/profit	attributable to	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	Owners of the	interests	S\$'000
						Company		S\$'000
The Group								
Balance at 1 June 2020	73,194	(269)	605	-	(51,363)	22,167	(3,518)	18,649
<i>Total comprehensive (loss) /profit for the period:</i>								
Profit for the period	-	-	-	-	1,014	1,014	833	1,847
Other comprehensive (loss) /profit for the period	-	-	(515)	-	-	(515)	7	(508)
Total comprehensive (loss) /profit for the period	-	-	(515)	-	1,014	499	840	1,339
Balance at 30 November 2020	73,194	(269)	90	-	(50,349)	22,666	(2,678)	19,988

Balance at 1 June 2019	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	-	-	-	-	(37,775)	(37,775)	(3,282)	(41,057)
Other comprehensive loss for the period	-	-	(208)	-	-	(208)	(399)	(607)
Total comprehensive loss for the period	-	-	(208)	-	(37,775)	(37,983)	(3,681)	(41,664)
Balance at 30 November 2019	73,194	(269)	(453)	18,561	(48,145)	42,888	46,786	89,674

	Share	Treasury	Capital	Accumulated	Total
	capital	shares	reserve	losses	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 1 June 2020	73,194	(269)	(274)	(57,837)	14,814
Loss for the year, representing total comprehensive loss for the period	-	-	-	(609)	(609)
Balance at 30 November 2020	73,194	(269)	(274)	(58,446)	14,205
Balance at 1 June 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 November 2019	73,194	(269)	(274)	(40,302)	32,349

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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 August 2020 and 30 November 2020

Treasury shares

Balance as at 31 August 2020 and 30 November 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.

During the period, 57,193,798 outstanding warrants 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 April 2018 was expired at 5.00 p.m. on 30 October 2020. No warrants were exercised during the period ended 30 November 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	
30-11-2020	31-05-2020
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 sales, transfers, disposal, cancellation and/or use of treasury shares during the period ended 30 November 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.

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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.

Please refer to the Company's Annual Report released on 12 October 2020 and announcement made on 13 October 2020 for the follow-up actions taken by the Company.

(i) On-going CAD investigations on Unauthorised Remittances - no further development.

(ii) Opening balances of TEE Land Limited and components of losses from TEE Land Limited - no effect for the current period as the losses from TEE Land Limited's disposal had been fully recognised in the previous financial year ended 31 May 2020.

(iii) Contingent liabilities - please refer to the Company's announcement released on 13 October 2020, 26 October 2020 and 2 November 2020. No further development.

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

To its best knowledge, the Board of Directors 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

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 May 2020, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 June 2020.

The adoption of these new and revised SFRS(I) and Interpretation of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on or after 1 June 2020 does not have a material impact on the financial statements.

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 are no changes in the accounting policies and methods of computation.

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 - The Group			
	Second Quarter Ended		Half Year Ended	
	30-11-2020	30-11-2019	30-11-2020	30-11-2019
Profit /(Loss) per ordinary share of the Group based on the net profit /(loss) attributable to owners of the Company:				
(i) Based on weighted average number of shares (cents)	0.13	(0.26)	0.25	(0.25)
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882	646,882	646,882
(ii) On a fully diluted basis (cents)	0.13	(0.26)	0.25	(0.25)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882	646,882	646,882

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6. (Continued)

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 operations - The Group			
Second Quarter Ended		Half Year Ended	
30-11-2020	30-11-2019	30-11-2020	30-11-2019
(0.04)	(5.29)	(0.10)	(5.59)
646,882	646,882	646,882	646,882
(0.04)	(5.29)	(0.10)	(5.59)
646,882	646,882	646,882	646,882

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 30-11-2020	As at 31-05-2020
3.5	3.4
2.2	2.3

Net asset value per share is calculated based on 646,882,476 (31 May 2020: 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 November 2020 ("2QFY2021") against Second Quarter Ended 30 November 2019 ("2QFY2020")

Revenue decreased by S\$51.0 million due mainly to the substantial completion of a major project in the previous financial year. Cost of sales correspondingly reduced by S\$50.6 million. Gross profit margin increased by 3.2% compared to same period of prior year.

Other operating income increased by S\$1.2 million due mainly to government grant received.

Administrative expenses decreased by S\$1.4 million due mainly to reduction in depreciation of property, plant and equipment in line with impairment of property, plant and equipment made in 4QFY2020.

Other operating expenses increased by S\$0.2 million due mainly to change in fair value of investment properties.

Finance costs reduced by S\$0.9 million due mainly to repayment of borrowings and notes payable in prior year.

Loss from the period from discontinued operation was S\$0.3 million in 2QFY2021.

Overall, the Group reported a profit after tax of S\$0.9 million in 2QFY2021 as compared to a loss after tax of S\$38.5 million in 2QFY2020.

Attributable to owners of the Company was a profit of S\$0.5 million in 2QFY2021 as compared to a loss of S\$35.9 million in 2QFY2020.

Half Year Ended 30 November 2020 ("1HFY2021") against Half Year Ended 30 November 2019 ("1HFY2020")

Revenue decreased by S\$105.4 million due mainly to disruptions on on-going engineering business in view of the government regulations and measures that have been implemented to slow the spread of the COVID-19 virus and the substantial completion of a major project in the previous financial year. Group's construction activities have been severely slowed down. Cost of sales correspondingly decreased by S\$102.7 million. Gross profit margin increased by 3.9%.

Other operating income increased by S\$3.6 million due mainly to government grant received.

Administrative expenses decreased by S\$1.8 million due mainly to reduction in depreciation of property, plant and equipment and employee benefits expense.

Other operating expenses increased by S\$0.7 million due mainly to change in fair value of investment properties.

Finance costs decreased by S\$1.7 million due to repayment of borrowings and notes payable in prior year.

Loss from the period from discontinued operation was S\$0.6 million in 1HFY2021.

Overall, the Group reported a profit after tax of S\$1.8 million in 1HFY2021 as compared to a loss after tax of S\$41.1 million in 1HFY2020.

Attributable to the owners of the Company was a profit of S\$1.0 million in 1HFY2021 as compared to a loss of S\$37.8 million in 1HFY2020.

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8. (Continued)

Statement of Financial Position

Cash and cash equivalents reduce by S\$29.6 million due mainly to settlements of amount owing to creditors and bills payable for the period.

Other receivables increased by S\$2.0 million due mainly to additional deposit placed and backcharge of expenses paid on behalf to a supplier.

Contract assets decreased by S\$18.3 million due mainly to slowdown of construction activities.

Bank loans reduced by S\$17.5 million due mainly to repayments of bills payable.

Trade payables reduced by S\$34.9 million due to settlements of amount owing to creditors.

Other payables increased by S\$4.2 million due mainly to interest-free loan from controlling shareholder and increase of accrued

Statement of Cash flows

Half Year Ended 30 November 2020 ("1HFY2021")

Operating activities

Net cash used in operating activities of S\$10.3 million, due mainly to repayments of trade payables of S\$34.9 million being offset by lower contract assets of S\$18.3 million and trade receivables of S\$0.3 million.

Investing activities

Net cash generated from investing activities was S\$0.2 million, due mainly to proceeds from disposal of plant and equipment.

Financing activities

Net cash used in financing activities was S\$20.8 million, due mainly to repayment of bills payables and bank borrowings of S\$39.3 million being offset by drawdowns of bills payable and bank borrowings of S\$20.4 million.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$30.8 million.

Net Current Liabilities

As at 30 November 2020, the Group's and the Company's current liabilities exceeded its current assets by S\$3.5 million and \$40.9 million respectively.

The Group has obtained confirmations from all of its shareholders of a subsidiary on 5 October 2020, not to demand for repayment of their respective proportionate shareholders' loans for a period of 13 months. The proportionate of non-controlling shareholders' loans amounted to S\$8.2 million.

For the Company's net current liabilities position is due mainly to inter-company payables to certain subsidiaries. Excluding the inter-company payables to subsidiaries, the Company's net current assets position would have been S\$9.4 million instead.

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

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

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

Engineering and Construction Business

Construction activities have fully resumed for the Group's ongoing projects; however, manpower deployment remains challenging in view of the additional/stringent safety and health requirements. The Group expects that construction progress and cost for engineering and construction projects would be affected in near terms. The Group will continue to take all necessary steps to monitor and contain the project cost for ongoing projects.

As at 30 November 2020, the Group's engineering and construction order book stood at S\$251.2 million.

The Group announced the ongoing arbitration proceedings in respect of disputes arising out of and/or in connection with a construction contract with MDIS in Malaysia. In December 2020, the arbitration proceedings have been consolidated into the Singapore International Arbitration Centre. This has resulted in the termination of the arbitration proceedings in Malaysia. The Group continues to work closely with its legal counsels on the arbitration proceedings and intends to vigorously pursue its defense and counterclaim against the claimant.

Infrastructure Business

The environmental business continues to provide waste management services and has expanded its cleaning solutions to include disinfection services for commercial premises. The Group will continue its efforts to selectively divest its investment in overseas infrastructure assets.

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 accumulated loss-making position.

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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.

No IPT mandate has been obtained for the period under review. However, the Company wishes to disclose the following aggregate value of interested person transactions conducted during the financial period ended 30 November 2020.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Tramore Global Limited ⁽¹⁾	Nil ⁽²⁾	Nil

(1) Tramore Global Limited ("TGL") is a controlling shareholder of the Company, holding direct interest of 66.69% of the issued share capital of the Company. As at 30 November 2020, TGL granted an unsecured interest-free loan of S\$2.1 million to the Company. The repayment date of the loan is on 31 May 2021, or any dates as may be agreed by TGL and the Company.

(2) Under Rule 909(3) of the Listing Rule, in the case of borrowing of funds from an interested person, the value of transaction is interest payable on the borrowing. The loan granted by TGL to the Company is an unsecured interest-free loan, hence the aggregate value of the transactions is Nil.

14. **General - Disclosure of the status on the use of proceeds raised from the Rights issue to Chapter 8.**

The Company raised net proceeds of approximately S\$14.3 million from the renounceable non-underwritten rights issue announced on 29 November 2018. The Company now wishes to announce the change in and update on the use of the net proceeds.

The Board has carefully deliberated on the feasibility of funds allocated for the expansion of business, taking into consideration the Group's cash flow, current needs and strategic plans. The Company wishes to announce that it has re-allocated S\$5.1 million of the net proceeds originally allocated for expansion of business to general working capital requirements of the Group.

The Board is of view that the re-allocation of the net proceeds is in the best interests of the Company and its shareholders as this will help to strengthen the Group's working capital position amidst the current challenging economic environment.

Subsequent to the re-allocation, the status of the use of the net proceeds as at the date of this announcement is as follows:

Intended use of Net Proceeds	Original allocation of Net Proceeds	Amount after re-Allocation	Utilised amount
	S\$'000	S\$'000	S\$'000
For general working capital requirements of the Group (Being 20% of the net proceeds)	2,863	7,974 ⁽¹⁾	7,974
To finance the expansion and growth of existing businesses, acquisitions and new investments (Being 80% of the net proceeds)	11,450	6,339	6,339

(1) General working capital consisted of staff salaries and related expenses as well as trade and non-trade payments.

Saved as disclosed, the above utilisation of the net proceeds is in accordance with the stated use.

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15. **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.

16. **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 November 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Phua Boon Kin
Group Chief Executive

Saw Chin Choo
Executive Director

Dated 12 January 2021