



## 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 28 February 2017

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		
	28/02/2017	29/02/2016		28/02/2017	29/02/2016	
<b>Revenue</b>	52,592	46,483	13.1	181,309	168,259	7.8
<b>Cost of sales</b>	(43,436)	(40,132)	8.2	(155,361)	(147,964)	5.0
<b>Gross profit</b>	9,156	6,351	44.2	25,948	20,295	27.9
Other operating income	768	1,552	(50.5)	3,741	7,087	(47.2)
Selling & distribution expenses	(1,219)	(751)	62.3	(2,707)	(1,672)	61.9
Administrative expenses	(5,750)	(6,399)	(10.1)	(16,314)	(18,071)	(9.7)
Other operating expenses	(179)	203	NM	(356)	(1,215)	(70.7)
Share of results of associates and joint venture	*	2,275	(100.0)	275	7,499	(96.3)
Finance costs	(2,464)	(2,201)	11.9	(7,421)	(6,359)	16.7
<b>Profit before tax</b>	312	1,030	(69.7)	3,166	7,564	(58.1)
Income tax expense	(14)	(136)	(89.7)	(1,057)	(559)	89.1
<b>Profit for the period</b>	298	894	(66.7)	2,109	7,005	(69.9)

Profit attributable to:

Owners of the Company	169	611	(72.3)	1,211	5,819	(79.2)
Non-controlling interests	129	283	(54.4)	898	1,186	(24.3)
	298	894	(66.7)	2,109	7,005	(69.9)

\* Denotes amount less than \$1,000

**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		
	28/02/2017	29/02/2016		28/02/2017	29/02/2016	
Profit for the period	298	894	(66.7)	2,109	7,005	(69.9)
Other comprehensive income (loss):						
Currency translation differences	584	(482)	NM	2,776	(1,089)	NM
Other comprehensive income (loss) for the period	584	(482)	NM	2,776	(1,089)	NM
<b>Total comprehensive income for the period</b>	882	412	NM	4,885	5,916	(17.4)

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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 (Continued)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2017	29/02/2016		28/02/2017	29/02/2016	
Total comprehensive income attributable to:						
Owners of the Company	92	398	(76.9)	1,885	5,350	(64.8)
Non-controlling interests	790	14	NM	3,000	566	NM
	882	412	NM	4,885	5,916	(17.4)

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2017	29/02/2016		28/02/2017	29/02/2016	
A Other operating income:						
Interest income	367	344	6.7	1,014	1,048	(3.2)
Amortisation of financial guarantee liabilities	94	160	(41.3)	572	512	11.7
Gain on disposal of property, plant and equipment	-	3	(100.0)	1	2,210	(100.0)
Change in fair value of foreign exchange forward contract	-	-	-	70	-	NM
Gain from dilution of equity interest in associate	-	-	-	-	1,814	(100.0)
Management fee income	105	833	(87.4)	332	940	(64.7)
Compensation received from a tenant	-	-	-	1,413	-	NM
Others	202	212	(4.7)	339	563	(39.8)
	768	1,552	(50.5)	3,741	7,087	(47.2)
B Finance costs:						
Loan interests	1,978	1,709	15.7	5,945	4,877	21.9
Term notes interest	480	486	(1.2)	1,458	1,464	(0.4)
Finance leases	6	6	-	18	18	-
	2,464	2,201	11.9	7,421	6,359	16.7
C Other operating expenses:						
Net foreign currency exchange adjustment loss (gain)	178	(218)	NM	354	1,199	(70.5)
Trade receivables written off	1	-	NM	2	1	100.0
Property, plant and equipment written off	-	15	(100.0)	-	15	(100.0)
	179	(203)	NM	356	1,215	(70.7)
D Depreciation of property, plant and equipment	408	941	(56.6)	1,538	2,670	(42.4)
E Amortisation of issuance costs on term notes	45	45	-	136	136	-
F Amortisation of deferred sales commission expenses	808	156	NM	1,710	379	NM
G Amortisation of deferred show flat expenses	89	183	(51.4)	341	467	(27.0)
H Adjustment for (over) under provision of income tax in respect of prior year	(709)	(509)	39.3	(714)	(494)	44.5

NM – not meaningful

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

	The Group S\$'000		The Company S\$'000	
	28/02/2017	31/05/2016	28/02/2017	31/05/2016
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	24,255	32,206	354	1,710
Bank balances pledged	1,386	3,448	1,386	1,369
Trade receivables	41,608	43,210	39	-
Other receivables	14,762	25,546	11,783	13,597
Current portion of loans receivable from associates	28,099	24,042	933	1,148
Held-to-maturity investment	25	-	25	-
Inventories	23	16	-	-
Construction work-in-progress in excess of progress billings	86,519	103,914	-	-
Development properties	162,137	113,275	-	-
Completed property held for sale	40,834	46,231	-	-
Assets classified as held for sale	79,411	-	-	-
<b>Total current assets</b>	<b>479,059</b>	<b>391,888</b>	<b>14,520</b>	<b>17,824</b>
<b>Non-current assets</b>				
Bank balances pledged	434	414	-	-
Investment in associates	58,022	58,776	4,783	4,783
Investment in joint venture	751	1,360	-	-
Investment in subsidiaries	-	-	108,930	107,227
Held-to-maturity investment	25	-	25	-
Club membership	42	42	42	42
Property, plant and equipment	23,025	89,666	325	398
Investment properties	36,661	35,717	24,000	24,000
Deferred tax assets	3,488	2,643	-	-
Other receivables	6,205	6,210	58	-
Loans receivable from associates	-	6,235	-	351
<b>Total non-current assets</b>	<b>128,653</b>	<b>201,063</b>	<b>138,163</b>	<b>136,801</b>
<b>Total assets</b>	<b>607,712</b>	<b>592,951</b>	<b>152,683</b>	<b>154,625</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and overdrafts	46,842	53,444	7,180	7,180
Trade payables	99,007	108,217	-	38
Other payables	33,958	31,441	59,099	54,412
Progress billings in excess of construction work-in-progress	1,074	-	-	-
Provision for maintenance costs	744	643	-	-
Derivative financial instruments	-	70	-	-
Current portion of finance leases	79	87	-	-
Current portion of long-term loan	-	4,050	-	-
Current portion of long-term borrowings	38,870	39,861	4,611	16,537
Current portion of term notes	29,894	-	-	-
Current portion of financial guarantee liabilities	160	606	80	224
Income tax payable	4,376	5,583	-	-
<b>Total current liabilities</b>	<b>255,004</b>	<b>244,002</b>	<b>70,970</b>	<b>78,391</b>

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

	The Group S\$'000		The Company S\$'000	
	28/02/2017	31/05/2016	28/02/2017	31/05/2016
<b>LIABILITIES AND EQUITY</b>				
<b>Non-current liabilities</b>				
Finance leases	311	372	-	-
Long-term borrowings	175,753	147,836	23,904	15,623
Term notes	-	29,758	-	-
Financial guarantee liabilities	567	923	245	311
Long-term deposit	-	730	-	730
Deferred tax liabilities	294	273	-	-
Other payables	2,013	22	-	-
Total non-current liabilities	178,938	179,914	24,149	16,664
<b>Capital, reserves and non-controlling interests</b>				
Share capital	58,701	58,701	58,701	58,701
Treasury shares	(269)	-	(269)	-
Currency translation reserve	(959)	(1,633)	-	-
Capital reserve	18,793	18,765	(42)	(42)
Accumulated profits	23,897	23,590	(826)	911
Equity attributable to owners of the Company	100,163	99,423	57,564	59,570
Non-controlling interests	73,607	69,612	-	-
Net equity	173,770	169,035	57,564	59,570
<b>Total liabilities and equity</b>	<b>607,712</b>	<b>592,951</b>	<b>152,683</b>	<b>154,625</b>

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

### Amount repayable in one year or less, or on demand

The Group S\$'000 As at 28/02/2017		The Group S\$'000 As at 31/05/2016	
Secured	Unsecured	Secured	Unsecured
52,953	62,732	52,438	40,954

### Amount repayable after one year

The Group S\$'000 As at 28/02/2017		The Group S\$'000 As at 31/05/2016	
Secured	Unsecured	Secured	Unsecured
163,866	12,198	146,283	31,683

### Details of any collateral

The total secured borrowings are represented by:

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

Note: As at 31/05/2016, these borrowings exclude the long-term loan of \$4,050,000 due to former joint developer.

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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	
	Third Quarter Ended		Nine Months Ended	
	28/02/2017	29/02/2016	28/02/2017	29/02/2016
<b>Operating activities</b>				
Profit before tax	312	1,030	3,166	7,564
Adjustments for:				
Share of results of associates and joint venture	*	(2,275)	(275)	(7,499)
Depreciation of property, plant and equipment	408	941	1,538	2,670
Gain from dilution of equity interest in associate	-	-	-	(1,814)
Amortisation of deferred sales commission expenses	808	156	1,710	379
Amortisation of deferred show flat costs	89	183	341	467
Amortisation of financial guarantee liabilities	(94)	(160)	(572)	(512)
Amortisation of issuance costs on term notes	45	45	136	136
Change in fair value of foreign exchange forward contract	-	-	(70)	-
Trade receivables written off	1	-	2	1
Property, plant and equipment written off	-	15	-	15
Gain on disposal of property, plant and equipment	-	(3)	(1)	(2,210)
Provision for (Write back of) maintenance costs	-	(22)	204	(18)
Unrealised currency translation gain	119	-	98	-
Interest income	(367)	(344)	(1,014)	(1,048)
Interest expense	2,464	2,201	7,421	6,359
Operating cash flows before movements in working capital	3,785	1,767	12,684	4,490
Trade receivables	4,841	34,640	1,315	42,669
Other receivables	(696)	2,657	8,339	(2,681)
Inventories	-	1	(6)	(1)
Construction work-in-progress in excess of progress billings	16,234	10,797	16,839	7,264
Development properties	(6,108)	(9,498)	(36,756)	(26,304)
Acquisition of development property	-	-	(11,500)	-
Completed property held by sale	3,673	-	5,397	-
Trade payables	(9,736)	(37,988)	(8,284)	(18,841)
Other payables	(3,748)	429	2,533	7,166
Long term deposit	-	-	(730)	-
Progress billings in excess of construction work-in-progress	945	28	1,074	92
Utilisation of provision for maintenance costs	(24)	(143)	(102)	(1,389)
Cash (used in) from operations	9,166	2,690	(9,197)	12,465
Interest paid	(2,780)	(1,729)	(9,275)	(7,085)
Income tax paid	(627)	182	(2,996)	(492)
Net cash from (used in) operating activities	5,759	1,143	(21,468)	4,888
<b>Investing activities</b>				
Proceeds on disposal of property, plant and equipment	-	(11)	1	2,221
Purchase of property, plant and equipment	(2,802)	(2,202)	(8,317)	(15,974)
Purchase of held-to-maturity investment	(50)	-	(50)	-
Investment in associates	(1,008)	(1,226)	(1,008)	(3,948)
Acquisition of non-controlling interests in a subsidiary	-	-	(36)	(54)
Loans receivable from associates	-	-	(1,213)	(3,639)
Repayment of loan receivables from associates	59	4,788	3,391	10,142
Dividend received from associates and joint venture	762	-	4,769	-
Interest received	90	1,087	1,074	3,652
Net cash (used in) from investing activities	(2,949)	2,436	(1,389)	(7,600)

\* Denotes amount less than \$1,000

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1(c) (Continued)

## Financing activities

Drawdown of bank loans	26,028	50,473	96,852	112,120
Repayment of bank loans	(35,033)	(51,281)	(107,039)	(111,446)
Drawdown of long-term borrowings	6,142	16,799	67,755	31,169
Repayment of long-term borrowings	(11,290)	(2,533)	(43,943)	(14,476)
Repayment of long-term loan	-	-	(4,050)	-
Decrease (Increase) in bank balances pledged	2,020	(1,432)	2,062	(1,425)
Repayment of obligations under finance leases	(22)	(18)	(66)	(64)
Capital contribution from non-controlling interest	-	501	1,732	2,467
Purchase of treasury shares	(27)	-	(269)	-
Dividends paid to shareholders	-	(755)	(904)	(2,768)
Dividends paid to non-controlling interests	-	-	(673)	(1,002)
Net cash (used in) from financing activities	(12,182)	11,754	11,457	14,575
Net (decrease) increase in cash and cash equivalents	(9,372)	15,333	(11,400)	11,863
Cash and cash equivalents at beginning of period	30,036	17,487	32,206	21,126
Effect of foreign exchange rate changes	6	(2,090)	(136)	(2,259)
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>20,670</b>	<b>30,730</b>	<b>20,670</b>	<b>30,730</b>

The Group S\$'000		The Group S\$'000	
Third Quarter Ended		Nine Months Ended	
28/02/2017	29/02/2016	28/02/2017	29/02/2016
26,028	50,473	96,852	112,120
(35,033)	(51,281)	(107,039)	(111,446)
6,142	16,799	67,755	31,169
(11,290)	(2,533)	(43,943)	(14,476)
-	-	(4,050)	-
2,020	(1,432)	2,062	(1,425)
(22)	(18)	(66)	(64)
-	501	1,732	2,467
(27)	-	(269)	-
-	(755)	(904)	(2,768)
-	-	(673)	(1,002)
(12,182)	11,754	11,457	14,575
(9,372)	15,333	(11,400)	11,863
30,036	17,487	32,206	21,126
6	(2,090)	(136)	(2,259)
20,670	30,730	20,670	30,730

## Note A: Cash and cash equivalents

Cash at banks	12,086	24,230	12,086	24,230
Cash on hand	62	48	62	48
Fixed deposits	2,590	5,113	2,590	5,113
Project accounts (see Note below):				
Cash at banks	7,322	5,168	7,322	5,168
Fixed deposits	4,015	-	4,015	-
	26,075	34,559	26,075	34,559
Pledged fixed deposits	(1,820)	(3,829)	(1,820)	(3,829)
Bank overdrafts	(3,585)	-	(3,585)	-
<b>Total cash and cash equivalents</b>	<b>20,670</b>	<b>30,730</b>	<b>20,670</b>	<b>30,730</b>

The Group S\$'000		The Group S\$'000	
Third Quarter Ended		Nine Months Ended	
28/02/2017	29/02/2016	28/02/2017	29/02/2016
12,086	24,230	12,086	24,230
62	48	62	48
2,590	5,113	2,590	5,113
7,322	5,168	7,322	5,168
4,015	-	4,015	-
26,075	34,559	26,075	34,559
(1,820)	(3,829)	(1,820)	(3,829)
(3,585)	-	(3,585)	-
20,670	30,730	20,670	30,730

Note:

Project accounts are subject to restrictions under the Housing Developers (Project Account) Rules (1997 Ed). Withdrawals from these projects 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 reserve	Capital reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<b>Balance at 31/05/2016</b>	58,701	-	(1,633)	18,765	23,590	99,423	69,612	169,035
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	1,211	1,211	898	2,109
Other comprehensive income for the period	-	-	674	-	-	674	2,102	2,776
<i>Transactions with owners, recognised directly in equity</i>								
Acquisition of non-controlling interests in a subsidiary	-	-	-	28	-	28	(64)	(36)
Net capital contribution from non-controlling interests	-	-	-	-	-	-	1,732	1,732
Dividend paid	-	-	-	-	(904)	(904)	(673)	(1,577)
Purchase of treasury shares	-	(269)	-	-	-	(269)	-	(269)
<b>Balance at 28/02/2017</b>	<b>58,701</b>	<b>(269)</b>	<b>(959)</b>	<b>18,793</b>	<b>23,897</b>	<b>100,163</b>	<b>73,607</b>	<b>173,770</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 31/05/2015</b>	58,701	-	(582)	18,737	18,709	95,565	66,621	162,186
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	5,819	5,819	1,186	7,005
Other comprehensive loss for the period	-	-	(469)	-	-	(469)	(620)	(1,089)
<i>Transactions with owners, recognised directly in equity</i>								
Acquisition of non-controlling interests in a subsidiary	-	-	-	28	-	28	(82)	(54)
Net capital contribution from non-controlling interests	-	-	-	-	-	-	2,467	2,467
Dividend paid	-	-	-	-	(2,768)	(2,768)	(1,002)	(3,770)
<b>Balance at 29/02/2016</b>	<b>58,701</b>	<b>-</b>	<b>(1,051)</b>	<b>18,765</b>	<b>21,760</b>	<b>98,175</b>	<b>68,570</b>	<b>166,745</b>

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### 1(d)(i) (Continued)

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<b><u>The Company</u></b>					
<b>Balance at 31/05/2016</b>	58,701	-	(42)	911	59,570
Loss for the period, representing total comprehensive loss for the period	-	-	-	(833)	(833)
Dividend paid	-	-	-	(904)	(904)
Purchase of treasury shares	-	(269)	-	-	(269)
<b>Balance at 28/02/2017</b>	<b>58,701</b>	<b>(269)</b>	<b>(42)</b>	<b>(826)</b>	<b>57,564</b>
<b><u>Previous Corresponding Period</u></b>					
<b>Balance at 31/05/2015</b>	58,701	-	(42)	2,808	61,467
Loss for the period, representing total comprehensive loss for the period	-	-	-	(75)	(75)
Dividend paid	-	-	-	(2,768)	(2,768)
<b>Balance at 29/02/2016</b>	<b>58,701</b>	<b>-</b>	<b>(42)</b>	<b>(35)</b>	<b>58,624</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

The Company	
Share Capital	
	No of shares
	Amount S\$'000
Balance as at 29/02/2016	503,222,297
Issue of shares arising from exercise of warrants	336
Balance as at 30/11/2016 and 28/02/2017	503,222,633

The Company	
Treasury Shares	
	No of shares
	Amount S\$'000
Purchase of treasury shares	1,270,400
Balance as at 28/02/2017	1,270,400

\* Denotes amount less than \$1,000



## TEE International Limited

### 1(d)(ii) (Continued)

During the period ended 28/02/2017, there were no changes in the share capital of the Company.

The Company buy-backs 1,270,400 ordinary shares at a cost of S\$269,000 and held as treasury shares during the period ended 28/02/2017.

The number of outstanding warrants as at 28/02/2017 is 186,385,684 (29/02/2016: 186,386,020) and can be exercised before 26/05/2017.

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

	The Company	
	28/02/2017	31/05/2016
Total number of issued shares	503,222,633	503,222,633
Total number of treasury shares	(1,270,400)	-
Total number of issued shares excluding treasury shares	501,952,233	503,222,633

### 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

During the period ended 28/02/2017, there were 1,270,400 ordinary shares buy-backs at a cost of S\$269,000 and held as treasury shares.

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

The figures presented have not been audited or reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation for the current financial year as those adopted for the audited financial statements for the financial year ended 31/05/2016.

### 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

Not applicable.

## 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

	The Group		The Group	
	Third Quarter Ended		Nine Months Ended	
	28/02/2017	29/02/2016	28/02/2017	29/02/2016
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	0.03	0.12	0.24	1.16
- Weighted average number of shares (excluding treasury shares) ('000)	501,952	503,222	502,498	503,222
(ii) On a fully diluted basis (cents)	0.03	0.12	0.24	1.16
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	501,952	503,222	502,498	503,222

### 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 28/02/2017	As at 31/05/2016
	The Group	20.0
The Company	11.5	11.8

Net asset value per share is calculated based on 501,952,233 ordinary shares (excluding treasury shares) (31/05/2016: 503,222,633) on issue at the end of the period under review and of the immediately preceding financial year.

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

#### Income Statement

Third Quarter Ended 28/02/2017 ("3QFY2017") against Third Quarter Ended 29/02/2016 ("3QFY2016")

Revenue increased by S\$6.1 million due mainly to recognition of higher progressive revenue from development properties despite lower revenue from on-going engineering projects. Cost of sales increased by S\$3.3 million correspondingly.

Other operating income decreased by S\$0.8 million due mainly to lower contribution of management fees from a joint venture.

Selling and distribution expenses increased by S\$0.5 million due mainly to higher sales and direct marketing expenses incurred by TEE Land.

Administrative expenses decreased by S\$0.7 million due mainly to lower depreciation charges.

## TEE International Limited

### 8. (Continued)

Share of results of associates and joint venture decreased by S\$2.3 million due mainly to completion of numerous development projects and full recognition of revenue in financial year 2016 by TEE Land's associated companies.

Finance costs increased by S\$0.3 million due mainly to additional borrowings.

Overall, profit after tax decreased by S\$0.6 million from S\$0.9 million to \$0.3 million due mainly to lower contribution from share of results of associates and joint venture.

#### Nine Months Ended 28/02/2017 ("9MFY2017") against Nine Months Ended 29/02/2016 ("9MFY2016")

Revenue increased by S\$13.1 million due mainly to recognition of higher progressive revenue from development properties despite lower revenue from on-going engineering projects. Cost of sales increased by S\$7.4 million correspondingly.

Other operating income decreased by S\$3.3 million due mainly to the absence, in 9MFY2017, of a one-off gain from the dilution of equity interest in an associate as well as the absence of gain on disposal of property, plant and equipment.

Selling and distribution expenses increased by S\$1.0 million due mainly to higher sales and direct marketing expenses incurred by TEE Land.

Other operating expenses decreased by S\$0.9 million due mainly to improvement in unrealised foreign currency fluctuation.

Share of results of associates and joint venture decreased by S\$7.2 million due mainly to completion of numerous development projects and full recognition of revenue in financial year 2016 by TEE Land's associated companies.

Finance costs increased by S\$1.1 million due mainly to additional borrowings.

Income tax expense increased by S\$0.5 million due mainly to taxable profit from progressive revenue recognised from development properties.

Overall, profit after tax decreased by S\$4.9 million from S\$7.0 million to S\$2.1 million due mainly to lower contribution from share of results of associates and joint venture.

Profit attributable to owners of the Company decreased by S\$4.6 million from S\$5.8 million to S\$1.2 million.

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

##### Financial Position As At 28/02/2017 against Financial Position As At 31/05/2016

Other receivables decreased by S\$10.8 million due mainly to payment by a former joint developer and payment of refundable deposit.

Development properties and long-term borrowings increased by S\$48.9 million and S\$26.9 million respectively due mainly to purchase of development properties by TEE Land.

Assets classified as held for sale increased by S\$79.4 million due mainly to the reclassification of 2 hotels in Australia, which were previously held under property, plant and equipment. Accordingly, property, plant and equipment decreased by S\$66.6 million.

Deferred tax assets increased by S\$0.8 million due mainly to deferred tax benefits recognised by certain loss making subsidiaries.

Construction work-in-progress decreased by S\$18.5 million due to progressive billing of the on-going engineering projects.

## TEE International Limited

### 8. (Continued)

Bank loans and overdrafts decreased by S\$6.6 million due to repayments.

Other payables increased by S\$4.5 million due mainly to accrual of development costs for on-going development project and shareholder's loan from joint venture partner offset by payment to a former joint developer.

Long-term loan decreased by S\$4.1 million due to payment to a former joint developer.

Term notes of S\$29.9 million was reclassified from non-current liability to current liability as payment of the term notes is due within the next 12 months.

Income tax payable decreased by S\$1.2 million due mainly to payment of income tax for completed development projects.

### **Statement of Cash Flows**

Nine Months Ended 28/02/2017 ("9MFY2017") Against Nine Months Ended 29/02/2016 ("9MFY2016")

#### **Operating activities**

Net cash used in operating activities was S\$21.5 million, mainly due to acquisition of development properties.

#### **Investing activities**

Net cash used in investing activities was S\$1.4 million, mainly due to repayment of loan receivables and dividend received from associated companies, offset by payment for purchase of property, plant and equipment.

#### **Financing activities**

Net cash from financing activities was S\$11.5 million, mainly from additional drawdown of borrowings.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$11.4 million.

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

No forecast was made.

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

The business environment remains challenging amid the uncertain economic outlook and increased geopolitical tensions. Against this background, the Group will continue to be prudent in cost management and focus on completing on-going Engineering and Real Estate projects. In addition, the Group will increase business development efforts by actively participating in new tenders for Singapore and Overseas engineering projects, as well as executing new marketing activities for new Real Estate launches.

To date, the Group has a total outstanding Engineering order book of approximately S\$264 million.

### 11 **Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

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### 11 Dividend (Continued)

**(b) Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

### 12 If no dividend has been declared/recommended, a statement to that effect

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

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

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

### 14 Confirmation pursuant to Rule 720(1) of the Listing Manual.

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

### 15 General - Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the state use

The Company intends to utilise the net proceeds from issue of shares arising from exercise of warrants for general corporate purposes, including refinancing of existing borrowings and financing of working capital, acquisition, investment and capital expenditure requirements of the Group as the directors may deem fit. The percentage allocation for each intended use cannot be determined at this moment. The Company will make periodic announcements on the utilisation of proceeds.

As at 28/02/2017, the number of outstanding warrants was 186,385,684. To-date, 10,196,912 warrants were converted to ordinary shares at the exercise price of S\$0.25 per warrant. The proceeds of approximately S\$2,550,000 was used for share capital increase of its Engineering subsidiary, Trans Equatorial Engineering Pte Ltd in August 2015.

## **TEE International Limited**

### **NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Phua Chian Kin and Saw Chin Choo, being two Directors of TEE International Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 28 February 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Chian Kin  
Group Chief Executive

Saw Chin Choo  
Executive Director

Dated 27 March 2017