



TEE International Limited

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

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 May 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) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2017	31/05/2016 Restated		31/05/2017	31/05/2016 Restated	
Revenue	76,788	98,303	(21.9)	258,097	266,562	(3.2)
Cost of sales	(65,226)	(87,251)	(25.2)	(220,587)	(235,215)	(6.2)
Gross profit	11,562	11,052	4.6	37,510	31,347	19.7
Other operating income	7,642	2,320	NM	11,383	9,407	21.0
Selling and distribution expenses	(2,640)	(1,439)	83.5	(5,347)	(3,111)	71.9
Administrative expenses	(5,954)	(7,052)	(15.6)	(22,268)	(25,123)	(11.4)
Other operating expenses	(4,955)	(4,051)	22.3	(5,311)	(5,266)	0.9
Share of results of associates and joint venture	(2,370)	7,104	NM	(2,095)	14,603	NM
Finance costs	(2,760)	(2,434)	13.4	(10,181)	(8,793)	15.8
Profit before tax	525	5,500	(90.5)	3,691	13,064	(71.7)
Income tax expense	(2,554)	(668)	NM	(3,611)	(1,227)	NM
(Loss) Profit for the year	(2,029)	4,832	NM	80	11,837	(99.3)

(Loss) Profit attributable to:

Owners of the Company
Non-controlling interests

(2,153)	3,292	NM	(942)	9,111	NM
124	1,540	(91.9)	1,022	2,726	(62.5)
(2,029)	4,832	NM	80	11,837	(99.3)

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) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2017	31/05/2016 Restated		31/05/2017	31/05/2016 Restated	
(Loss) Profit for the year	(2,029)	4,832	NM	80	11,837	(99.3)
Other comprehensive (loss) income:						
Currency translation differences	(3,741)	(781)	NM	(965)	(1,870)	(48.4)
Other comprehensive (loss) income for the year	(3,741)	(781)	NM	(965)	(1,870)	(48.4)
Total comprehensive (loss) income for the year	(5,770)	4,051	NM	(885)	9,967	NM

N.M.-not meaningful

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2017	31/05/2016 Restated		31/05/2017	31/05/2016 Restated	
Total comprehensive (loss) income attributable to:						
Owners of the Company	(2,846)	2,696	NM	(961)	8,046	NM
Non-controlling interests	(2,924)	1,355	NM	76	1,921	(96.0)
	(5,770)	4,051	NM	(885)	9,967	NM

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2017	31/05/2016		31/05/2017	31/05/2016	
A Other operating income:						
Interest income	310	402	(22.9)	1,324	1,450	(8.7)
Amortisation of financial guarantee liabilities	94	130	(27.7)	666	642	3.7
Gain on disposal of non-current asset held-for-sale	5,348	-	NM	5,348	-	NM
Gain on disposal of property, plant and equipment	1	5	(80.0)	2	2,215	(99.9)
Gain on disposal of an associate	1,301	-	NM	1,301	-	NM
Gain on disposal of a subsidiary	-	54	(100.0)	-	54	(100.0)
Gain from dilution of equity interest in associates	-	1,254	(100.0)	-	3,068	(100.0)
Management fee income	97	229	(57.6)	429	1,169	(63.3)
Compensation received from a tenant	-	-	-	1,413	-	NM
Gain on fair value of club membership	3	-	NM	3	-	NM
Others	488	246	98.4	897	809	10.9
	7,642	2,320	NM	11,383	9,407	21.0
B Finance costs:						
Loan interests	2,262	1,937	16.8	8,207	6,814	20.4
Term notes interest	492	491	0.2	1,950	1,955	(0.3)
Finance leases	6	6	-	24	24	-
	2,760	2,434	13.4	10,181	8,793	15.8

N.M.-not meaningful

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2017	31/05/2016		31/05/2017	31/05/2016	
C Other operating expenses:						
Net foreign currency exchange adjustment (gain) loss	(80)	97	NM	274	1,296	(78.9)
Allowance for doubtful trade receivables	-	74	(100.0)	-	74	(100.0)
Allowance for doubtful other receivables	193	354	(45.5)	193	354	(45.5)
Other receivables written off	-	53	(100.0)	-	53	(100.0)
Trade receivables written off	-	-	-	2	1	100.0
Allowance for diminution in value on completed properties and land held for sale	2,894	534	NM	2,894	534	NM
Loss on dissolution of joint development	-	2,911	(100.0)	-	2,911	(100.0)
Property, plant and equipment written off	547	24	NM	547	39	NM
Impairment loss on club membership	-	4	(100.0)	-	4	(100.0)
Change in fair value of investment properties	1,569	-	NM	1,569	-	NM
Reversal of impairment loss on property, plant and equipment	(168)	-	NM	(168)	-	NM
	4,955	4,051	22.3	5,311	5,266	0.9
D Depreciation of property, plant and equipment	279	1,184	(76.4)	1,817	3,854	(52.9)
E Amortisation of issuance costs on term notes	45	45	-	181	181	-
F Amortisation of deferred sales commission expenses	1,423	353	NM	3,133	732	NM
G Amortisation of deferred show flat expenses	347	163	NM	688	630	9.2
H Adjustment for over provision of income tax in respect of prior year	(13)	(64)	(79.7)	(727)	(558)	30.3

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	
	31/05/2017	31/05/2016 Restated	31/05/2015 Restated	31/05/2017	31/05/2016
ASSETS					
Current assets					
Cash and cash equivalents	39,587	32,206	24,012	3,494	1,710
Bank balances pledged	2,402	3,448	1,975	1,390	1,369
Trade receivables	55,117	43,210	85,273	269	-
Other receivables	12,891	25,340	20,263	11,972	13,597
Current portion of loans receivable associates	26,793	24,042	19,664	933	1,148
Held-to-maturity investment	25	-	-	25	-
Inventories	27	16	18	-	-
Construction work-in-progress in excess of progress billings	89,622	103,914	77,809	-	-
Development properties	147,430	115,093	122,990	-	-
Completed properties and land held for sale	47,584	46,231	14,973	-	-
Non-current asset held-for-sale	47,481	-	-	-	-
Total current assets	468,959	393,500	366,977	18,083	17,824
Non-current assets					
Bank balances pledged	435	414	429	-	-
Available-for-sale investment	-	-	*	-	-
Investment in associates	48,240	58,776	43,241	822	4,783
Investment in joint venture	891	1,360	808	-	-
Investment in subsidiaries	-	-	-	108,930	107,227
Held-to-maturity investment	25	-	-	25	-
Club membership	45	42	46	45	42
Property, plant and equipment	1,686	89,666	79,248	333	398
Investment properties	56,105	35,717	36,036	22,000	24,000
Deferred tax assets	3,013	2,192	1,104	-	-
Other receivables	6,156	6,210	10,534	40	-
Loans receivable from associates	-	6,235	19,216	-	351
Total non-current assets	116,596	200,612	190,662	132,195	136,801
Total assets	585,555	594,112	557,639	150,278	154,625

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1(b)(i) (Continued)

	The Group S\$'000			The Company S\$'000	
	31/05/2017	31/05/2016 Restated	31/05/2015 Restated	31/05/2017	31/05/2016
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	50,115	53,444	52,612	7,100	7,180
Trade payables	104,854	108,217	98,547	222	38
Other payables	32,941	31,441	26,101	59,777	54,412
Progress billings in excess of construction work-in-progress	-	-	41	-	-
Provision for maintenance costs	910	643	1,692	-	-
Derivative financial instruments	-	70	-	-	-
Current portion of finance leases	83	87	80	-	-
Current portion of long-term loan	-	4,050	-	-	-
Current portion of long-term borrowings	51,151	39,861	50,679	4,277	16,537
Current portion of term notes	29,939	-	-	-	-
Current portion of financial guarantee liabilities	199	606	667	86	224
Income tax payable	5,548	5,583	3,348	-	-
Total current liabilities	275,740	244,002	233,767	71,462	78,391
Non-current liabilities					
Finance leases	285	372	385	-	-
Long-term loan	-	-	4,050	-	-
Long-term borrowings	136,332	147,836	123,344	23,239	15,623
Term notes	-	29,758	29,577	-	-
Financial guarantee liabilities	752	923	1,452	226	311
Long-term deposit	-	730	730	-	730
Deferred tax liabilities	429	273	2,066	-	-
Other payables	3,704	22	18	-	-
Total non-current liabilities	141,502	179,914	161,622	23,465	16,664
Capital, reserves and non-controlling interests					
Share capital	58,701	58,701	58,701	58,701	58,701
Treasury shares	(269)	-	-	(269)	-
Currency translation reserve	(1,667)	(1,648)	(583)	-	-
Capital reserve	18,793	18,765	18,737	(42)	(42)
Accumulated profits	21,891	24,339	18,751	(3,039)	911
Equity attributable to owners of the Company	97,449	100,157	95,606	55,351	59,570
Non-controlling interests	70,864	70,039	66,644	-	-
Net equity	168,313	170,196	162,250	55,351	59,570
Total liabilities and equity	585,555	594,112	557,639	150,278	154,625

* Denotes amount less than \$1,000

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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 <u>As at 31/05/2017</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	61,458	Unsecured	40,954
		Secured	52,438
		Unsecured	69,830

Amount repayable after one year

The Group S\$'000 <u>As at 31/05/2017</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	124,933	Unsecured	31,683
		Secured	146,283
		Unsecured	11,684

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	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2017	31/05/2016 Restated	31/05/2017	31/05/2016 Restated
Operating activities				
Profit before tax	525	5,500	3,691	13,064
Adjustments for:				
Share of results of associates and joint venture	2,370	(7,104)	2,095	(14,603)
Change in fair value of investment properties	1,569	-	1,569	-
Reversal of impairment loss on property, plant and equipment	(168)	-	(168)	-
Depreciation of property, plant and equipment	279	1,184	1,817	3,854
Gain on disposal of a subsidiary	-	(54)	-	(54)
Gain on disposal of an associate	(1,301)	-	(1,301)	-
Gain from dilution of equity interest in associates	-	(1,254)	-	(3,068)
Amortisation of deferred sales commission expenses	1,423	353	3,133	732
Amortisation of deferred show flat costs	347	163	688	630
Amortisation of financial guarantee liabilities	(94)	(130)	(666)	(642)
Amortisation of issuance costs on term notes	45	45	181	181
Allowance for doubtful trade receivables	-	74	-	74
Allowance for doubtful other receivables	193	354	193	354
Trade receivables written off	-	-	2	1
Other receivables written off	-	53	-	53
Allowance for diminution in value on completed properties and land held for sale	2,894	534	2,894	534
Loss on dissolution of joint development	-	2,911	-	2,911
Change in fair value of club membership	(3)	4	(3)	4
Change in fair value of forex hedging contract	-	70	(70)	70
Property, plant and equipment written off	547	24	547	39
Gain on disposal of property, plant and equipment	(1)	(5)	(2)	(2,215)
Gain on disposal of non-current asset held-for-sale	(5,348)	-	(5,348)	-
Provision for maintenance costs	274	397	478	379
Unrealised currency translation gain	(840)	(1,011)	(742)	(3,111)
Interest income	(310)	(402)	(1,324)	(1,450)
Interest expense	2,760	2,434	10,181	8,793
Operating cash flows before movements in working capital	5,161	4,140	17,845	6,530
Trade receivables	(13,437)	(2,512)	(12,122)	40,157
Other receivables	(351)	(1,555)	7,988	(4,236)
Inventories	(5)	3	(11)	2
Construction work-in-progress in excess of progress billings	(2,935)	(33,369)	13,904	(26,105)
Development properties	14,876	35,244	(33,380)	8,940
Completed properties held for sale	(6,750)	(39,363)	(1,353)	(39,363)
Trade payables	5,578	30,444	(2,706)	11,603
Other payables	(3,240)	1,037	(707)	8,203
Long term deposit	-	-	(730)	-
Progress billings in excess of construction work-in-progress	(1,074)	(133)	-	(41)
Utilisation of provision for maintenance costs	(108)	(22)	(210)	(1,411)
Cash (used in) generated from operations	(2,285)	(6,086)	(11,482)	4,279
Interest paid	(3,319)	(4,071)	(12,594)	(11,156)
Income tax paid	(1,336)	(1,398)	(4,332)	(1,890)
Net cash used in operating activities	(6,940)	(11,555)	(28,408)	(8,767)

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2017	31/05/2016 Restated	31/05/2017	31/05/2016 Restated
Investing activities				
Proceeds on disposal of property, plant and equipment	-	8	1	2,229
Proceeds on disposal of non-current asset held-for-sale	32,820	-	32,820	-
Proceeds on disposal of an associate	5,372	-	5,372	-
Purchase of property, plant and equipment	(1,235)	(140)	(9,552)	(16,114)
Purchase of held-to-maturity investment	-	-	(50)	-
Cash inflow arising from dissolution of joint development	-	1,031	-	1,031
Investment in associates	-	-	(1,008)	(3,948)
Acquisition of non-controlling interests in a subsidiary	-	-	(36)	(54)
Loans from non-controlling interests	3,680	-	3,680	-
Loans receivable from associates	(90)	(1,060)	(1,303)	(4,699)
Repayment of loan receivable from associates	1,443	1,838	4,834	11,980
Dividend received from associates and joint venture	3,123	6,895	7,892	6,895
Interest received	715	296	1,789	3,948
Net cash from investing activities	45,828	8,868	44,439	1,268
Financing activities				
Drawdown of bank loans	-	35,286	96,852	147,406
Repayment of bank loans	1,213	(32,242)	(105,826)	(143,688)
Drawdown of long-term borrowings	20,050	30,872	87,805	62,041
Repayment of long-term borrowings	(45,013)	(22,870)	(88,956)	(37,346)
Repayment of long-term loan	-	-	(4,050)	-
Loan to former joint developer	-	(6,000)	-	(6,000)
(Increase) Decrease of bank balances pledged	(1,016)	(33)	1,046	(1,458)
Repayment of obligations under finance leases	(24)	(14)	(90)	(78)
Capital injection by non-controlling interests	-	490	1,732	490
Deemed capital injection by non-controlling interests	-	(37)	-	2,430
Purchase of treasury shares	-	-	(269)	-
Dividends paid to shareholders	(602)	(755)	(1,506)	(3,523)
Dividends paid to non-controlling interests	(246)	(362)	(919)	(1,364)
Net cash (used in) from financing activities	(25,638)	4,335	(14,181)	18,910
Net increase in cash and cash equivalents	13,250	1,648	1,850	11,411
Cash and cash equivalents at beginning of year	20,670	30,730	32,206	21,126
Effect of foreign exchange rate changes	22	(172)	(114)	(331)
Cash and cash equivalents at end of year (Note A)	33,942	32,206	33,942	32,206

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1(c) (Continued)

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2017	31/05/2016	31/05/2017	31/05/2016
Cash at banks	26,972	20,723	26,972	20,723
Cash on hand	49	42	49	42
Fixed deposits	3,992	4,869	3,992	4,869
Project accounts (see Note below):				
Cash at banks	6,380	8,434	6,380	8,434
Fixed deposits	5,031	2,000	5,031	2,000
	42,424	36,068	42,424	36,068
Pledged fixed deposits	(2,837)	(3,862)	(2,837)	(3,862)
Bank overdrafts	(5,645)	-	(5,645)	-
Total cash and cash equivalents	33,942	32,206	33,942	32,206

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.

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

	Share capital S\$'000	Treasury Shares S\$'000	Currency Translation reserve S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Group								
Balance at 31/05/2016 as restated	58,701	-	(1,648)	18,765	24,339	100,157	70,039	170,196
<i>Total comprehensive income for the year:</i>								
Income for the year	-	-	-	-	(942)	(942)	1,022	80
Other comprehensive loss for the year	-	-	(19)	-	-	(19)	(946)	(965)
<i>Transactions with owners, recognised directly in equity:</i>								
Issue of shares arising from exercise of warrants	*	-	-	-	-	*	-	*
Acquisition of non-controlling interests in a subsidiary	-	-	-	28	-	28	(64)	(36)
Capital injection by non-controlling interests	-	-	-	-	-	-	1,732	1,732
Dividend paid	-	-	-	-	(1,506)	(1,506)	(919)	(2,425)
Purchase of treasury shares	-	(269)	-	-	-	(269)	-	(269)
Balance at 31/05/2017	58,701	(269)	(1,667)	18,793	21,891	97,449	70,864	168,313
Previous Corresponding Year								
Balance at 31/05/2015	58,701	-	(582)	18,737	18,709	95,565	66,621	162,186
Prior year adjustments	-	-	(1)	-	42	41	23	64
Balance at 31/05/2015, as restated	58,701	-	(583)	18,737	18,751	95,606	66,644	162,250
<i>Total comprehensive income for the year:</i>								
Income for the year	-	-	-	-	9,111	9,111	2,726	11,837
Other comprehensive income for the year	-	-	(1,065)	-	-	(1,065)	(805)	(1,870)
Total comprehensive income for the year	-	-	(1,065)	-	9,111	8,046	1,921	9,967
<i>Transactions with owners, recognised directly in equity:</i>								
Issue of shares arising from exercise of warrants	*	-	-	-	-	*	-	*
Acquisition of non-controlling interests in a subsidiary	-	-	-	28	-	28	(82)	(54)
Capital injection by non-controlling interests	-	-	-	-	-	-	490	490
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	2,430	2,430
Dividend paid	-	-	-	-	(3,523)	(3,523)	(1,364)	(4,887)
Balance at 31/05/2016 as restated	58,701	-	(1,648)	18,765	24,339	100,157	70,039	170,196

* Denotes amount less than \$1,000

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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
<u>The Company</u>					
Balance at 31/05/2016	58,701	-	(42)	911	59,570
Loss for the year, representing total comprehensive loss for the year	-	-	-	(2,444)	(2,444)
Issue of shares arising from exercise of warrants	*	-	-	-	*
Dividend paid	-	-	-	(1,506)	(1,506)
Purchase of treasury shares	-	(269)	-	-	(269)
Balance at 31/05/2017	58,701	(269)	(42)	(3,039)	55,351
<u>Previous Corresponding Year</u>					
Balance at 31/05/2015	58,701	-	(42)	2,808	61,467
Profit for the year, representing total comprehensive income for the year	-	-	-	1,626	1,626
Issue of shares arising from exercise of warrants	*	-	-	-	*
Dividend paid	-	-	-	(3,523)	(3,523)
Balance at 31/05/2016	58,701	-	(42)	911	59,570

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	
	No of shares	Amount S\$'000
<u>Share Capital</u>		
Balance at 31/05/2016	503,222,633	58,701
Issue of shares arising from exercise of warrants	406	*
Balance at 31/05/2017	503,223,039	58,701

	The Company	
	No of shares	Amount S\$'000
<u>Treasury Shares</u>		
Purchase of treasury shares	1,270,400	269
Balance as at 31/05/2017	1,270,400	269

* Denotes amount less than \$1,000

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1(d)(ii) (Continued)

During the financial year ended 31/05/2017, 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 year ended 31/05/2017.

The warrants was expired on 26 May 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	
	31/05/2017	31/05/2016
Total number of issued shares	503,223,039	503,222,633
Total number of treasury shares	(1,270,400)	-
Total number of issued shares excluding treasury shares	501,952,639	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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the financial year ended 31/05/2017.

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

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

In the current financial period, the Group adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 June 2016. The adoption of these new or revised FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods/years.

The Group has also made a change to the accounting policy on revenue recognition for retail units as described below so as to reflect a fairer presentation of the Group's results.

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5 (Continued)

In prior financial years, revenue from sale of retail units in a mixed development in Malaysia has been recognised based on the completion method. However, based on management review of its revenue recognition policy, it was noted that this was overly conservative as such retail units have the same characteristics as the residential units, where transfer of significant risks and rewards of ownership occurs as construction progresses. As a result, management changed the accounting policy for revenue recognition for retail units from completion method to percentage completion method; with stage of completion measured based on certification by architects. This change in accounting policy resulted in prior year comparatives being restated.

The changes in the abovementioned accounting policy has been accounted for retrospectively and comparatives for the financial year ended 31 May 2016 have accordingly been restated. The effects of change on the income statement and statement of financial position are summarized below:

	The Group					
	31/05/2016			01/06/2015		
	Previously reported S\$'000	As adjusted S\$'000	Increase (Decrease) S\$'000	Previously reported S\$'000	As adjusted S\$'000	Increase (Decrease) S\$'000
<u>Consolidation Statement of Financial Position</u>						
Other receivables	25,546	25,340	(206)	20,298	20,263	(35)
Development properties	113,275	115,093	1,818	122,613	122,990	377
Deferred tax assets	2,643	2,192	(451)	1,382	1,104	(278)
Currency translation reserve	(1,633)	(1,648)	15	(582)	(583)	1
Accumulated profits	23,590	24,339	749	18,709	18,751	42
Non-controlling interests	69,612	70,039	427	66,621	66,644	23
	31/05/2016					
	Previously reported S\$'000	As adjusted S\$'000	Increase (Decrease) S\$'000			
<u>Consolidation Statement of Profit or Loss and Other Comprehensive Income</u>						
Revenue	261,706	266,562	4,856			
Cost of sales	(231,851)	(235,215)	3,364			
Selling and distribution cost	(2,937)	(3,111)	174			
Income tax expense	(1,027)	(1,227)	200			
Profit attributable to:						
Owners of the Company	8,404	9,111	707			
Non-controlling interests	2,315	2,726	411			

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	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2017	31/05/2016 Restated	31/05/2017	31/05/2016 Restated
(Loss) 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)	(0.43)	0.65	(0.19)	1.81
- Weighted average number of shares (excluding treasury shares) ('000)	501,952	503,222	502,362	503,222
(ii) On a fully diluted basis (cents)	(0.43)	0.65	(0.19)	1.81
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	501,952	503,222	502,362	503,222

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- 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 31/05/2017	As at 31/05/2016 Restated
The Group	19.4	19.9
The Company	11.0	11.8

Net asset value per share is calculated based on 501,952,639 (31/05/2016: 503,222,633) ordinary shares (excluding treasury shares) on issue at the end of the year 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

Fourth Quarter Ended 31/05/2017 ("4QFY2017") against Fourth Quarter Ended 31/05/2016 ("4QFY2016")

Revenue decreased by S\$21.5 million due mainly to the recognition of lower revenue from ongoing engineering projects. Cost of sales correspondingly decreased by S\$22.0 million. Gross profit increased by S\$0.5 million due mainly to higher gross profit margin for certain completed engineering projects.

Other operating income increased by S\$5.3 million due mainly to the gain on disposal of a property by TEE Land.

Selling and distribution expenses increased by S\$1.2 million due mainly to higher sales and direct marketing expenses incurred by TEE Land.

Administrative expenses decreased by S\$1.1 million due mainly to lower depreciation charges.

Other operating expenses increased by S\$0.9 million due mainly to impairment loss on investment properties.

Share of results of associates and joint venture decreased by S\$9.4 million due mainly to impairment and losses incurred by TEE Land's associated companies.

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

Income tax expenses increased by S\$1.9 million due mainly to the gain on disposal of a property by TEE Land.

Overall, the Group reported loss after tax of S\$2.0 million in 4QFY2017 as compared to profit after tax of S\$4.8 million in 4QFY2016.

Loss attributable to owners of the Company was S\$2.2 million in 4QFY2017 as compared to profit of S\$3.3 million in 4QFY2016.

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8 (Continued)

Financial Year Ended 31/05/2017 (“FY2017”) against Financial Year Ended 31/05/2016 (“FY2016”)

Revenue decreased by S\$8.5 million due mainly to the recognition of lower revenue from on-going engineering projects. Cost of sales correspondingly decreased by S\$14.6 million. Gross profit increased by S\$6.2 million due mainly to higher gross profit margin for certain completed engineering projects.

Other operating income increased by S\$2.0 million due mainly to the gain on disposal of a property by TEE Land.

Selling and distribution expenses increased by S\$2.2 million due mainly to higher sales and direct marketing expenses incurred by TEE Land.

Administrative expenses decreased by S\$2.8 million due mainly to lower depreciation charges.

Share of results of associates and joint venture decreased by S\$16.7 million due mainly to impairment and losses incurred by TEE Land's associated companies.

Finance costs increased by S\$1.4 million due mainly to additional borrowings.

Income tax expenses increased by S\$2.4 million due mainly to the gain on disposal of a property by TEE Land.

Overall, the Group reported profit after tax of S\$0.08 million in FY2017 as compared to profit after tax of S\$11.8 million in FY2016.

Loss attributable to owners of the Company was S\$0.9 million in FY2017 as compared to profit of S\$9.1 million in FY2016.

Statement of Financial Position

Financial Year Ended 31/05/2017 (“FY2017”) against Financial Year Ended 31/05/2016 (“FY2016”)

Trade receivables increased by S\$11.9 million due mainly to progressive billings from development properties and on-going engineering projects.

Other receivables decreased by S\$12.5 million due mainly to payment by a former joint developer and payment of refundable deposit.

Loans receivable from associates decreased by S\$3.5 million due mainly to repayment.

Construction work-in-progress decreased by S\$14.3 million due to progressive billing of the on-going engineering projects.

Development properties increased by S\$32.3 million due mainly from the acquisition of new land.

Non-current asset held-for-sale and investment properties increased by S\$47.5 million and S\$20.4 million respectively, due mainly to the reclassification of two properties in Australia and a property in Singapore, which were previously held under property, plant and equipment. Accordingly, property, plant and equipment decreased by S\$88.0 million. One of the properties in Australia, which was classified as asset held for sale in 2QFY2017, was disposed in 4QFY2017.

Investment in associates and joint venture decreased by S\$10.5 million and S\$0.5 million respectively due mainly to dividend received from associates and a joint venture.

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8 (Continued)

Statement of Financial Position

Financial Year Ended 31/05/2017 (“FY2017”) against Financial Year Ended 31/05/2016 (“FY2016”)

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

Other payables increased by S\$5.2 million due mainly to shareholder’s loan from non-controlling interest.

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.

Statement of Cash Flows

Financial Year Ended 31/05/2017 (“FY2017”) against Financial Year Ended 31/05/2016 (“FY2016”)

Operating activities

Net cash used in operating activities was S\$28.4 million, mainly from the acquisition of new land.

Investing activities

Net cash from investing activities was S\$44.4 million, due mainly to dividend received from associates and proceed received from disposal of a property by TEE Land.

Financing activities

Net cash used in financing activities was S\$14.2 million, mainly from repayment of borrowings.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$1.8 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 and the Group will continue to focus on expeditious completion of its on-going Engineering and Real Estate projects as well as prudent cost management for Engineering. The Group will continue to pursue investment opportunities selectively as and when they arise.

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11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? NO

Name of Dividend	Final
Dividend Type	Not applicable
Dividend Amount per Share (in cents)	Not applicable
Tax Rate	Not applicable

(b) Corresponding Period of the immediately Preceding Financial Year

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

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.18 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(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 final dividend has been declared or recommend for 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 officer in accordance with Rule 720(1) of the Listing Manual.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Analysis by Business Segment

	Corporate & Other FY2017 S\$'000	Engineering FY2017 S\$'000	Real Estate FY2017 S\$'000	Infrastructure FY2017 S\$'000	Elimination FY2017 S\$'000	Group FY2017 S\$'000
Segment Revenue						
External sales	-	161,660	93,486	2,951	-	258,097
Inter-segment sales	3,384	64,107	1,204	593	(69,288)	-
Total revenue	3,384	225,767	94,690	3,544	(69,288)	258,097
Segment Results						
Segment results	(645)	9,630	11,674	699	(5,391)	15,967
Share of results of associates and joint venture	-	291	(2,090)	(296)	-	(2,095)
Finance costs	(1,799)	(1,995)	(6,279)	(154)	46	(10,181)
(Loss) Profit before tax	(2,444)	7,926	3,305	249	(5,345)	3,691
Income tax expense	-	(536)	(3,016)	(59)	-	(3,611)
(Loss) Profit for the year	(2,444)	7,390	289	190	(5,345)	80

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15 (Continued)

Analysis by Business Segment

	Corporate & Other FY2016 S\$'000	Engineering FY2016 S\$'000	Real Estate FY2016 S\$'000 Restated	Infrastructure FY2016 S\$'000	Elimination FY2016 S\$'000	Group FY2016 S\$'000 Restated
Segment Revenue						
External sales	1,957	223,064	38,541	3,000	-	266,562
Inter-segment sales	7,076	39,495	1,204	571	(48,346)	-
Total revenue	9,033	262,559	39,745	3,571	(48,346)	266,562
Segment Results						
Segment results	3,542	11,123	(1,589)	428	(6,250)	7,254
Share of results of associates and joint venture	-	519	14,737	(653)	-	14,603
Finance costs	(1,916)	(1,742)	(4,997)	(184)	46	(8,793)
Profit (Loss) before tax	1,626	9,900	8,151	(409)	(6,204)	13,064
Income tax expense	-	(1,103)	(21)	(103)	-	(1,227)
Profit (Loss) for the year	1,626	8,797	8,130	(512)	(6,204)	11,837

	Revenue		Non-current assets		
	FY2017 \$'000	FY2016 \$'000 Restated	FY2017 \$'000	FY2016 \$'000 Restated	FY2015 \$'000 Restated
Singapore	169,021	201,495	95,921	107,873	93,154
Malaysia	70,100	49,524	358	706	1,177
Thailand	2,951	3,000	493	497	553
Brunei	-	-	-	*	9
Vietnam	254	-	-	-	1
Hong Kong	2,333	274	896	1,367	828
Philippines	-	-	-	-	1
Australia	12,061	10,871	-	65,676	53,891
New Zealand	1,377	1,398	9,759	9,856	10,194
Total	<u>258,097</u>	<u>266,562</u>	<u>107,427</u>	<u>185,975</u>	<u>159,808</u>

* Denotes amount less than \$1,000

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- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the businesses or geographical segments**

Please refer to note 8.

- 17 A breakdown of sales**

	The Group S\$'000		Increase/ (Decrease) %
	Latest Full Year 31/05/2017	Previous Full Year 31/05/2016 Restated	
(a) Sales reported for first half year	128,717	121,776	5.7
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,811	6,111	(70.4)
(c) Sales reported for second half year	129,380	144,786	(10.6)
(d) Operating (loss) profit after tax before deducting non-controlling interests reported for second half year	(1,731)	5,726	NM

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	The Group S\$'000	
	Latest Full Year 31/05/2017	Previous Full Year 31/05/2016
Interim dividend	603	755
Proposed final dividend	-	904
Total	603	1,659

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- 19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Boon Kin	55	Brother of Phua Chian Kin, Group Chief Executive & Managing Director and a substantial shareholder of the Company	<p>Deputy Group Managing Director cum Managing Director of TEE Group's Engineering Business, since 17 August 2015.</p> <p>Managing Director (Engineering) of the Group since Jul 2012.</p> <p>Director of TEE Engineering & Construction Private Limited since Jun 2013.</p> <p>Director of Trans Equatorial Engineering Pte Ltd since May 2013.</p> <p>Director of TEE Management Pte Ltd since May 2013.</p> <p>Director of Security Pro-Telco Pte Ltd since Feb 2009</p> <p>Executive Director of TEE International Limited since Sep 2008</p> <p>Director of PBT Engineering Pte Ltd since Sep 2006</p>	Deputy Group Managing Director cum Managing Director of TEE Group's Engineering Business, duties include the corporate affairs, as well as, in charge of TEE Group's overall Engineering business.
Phua Cher Chew	43	Nephew of Phua Chian Kin, Group Chief Executive & Managing Director and a Substantial Shareholder of the Company	<p>Executive Director & Chief Executive Officer of TEE Land Limited since May 2013</p> <p>Director of TEE Land Limited's Group of non-listed subsidiaries since Mar 2011</p>	No Change.

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20 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.

The warrants was expired on 26 May 2017. Total 10,197,318 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.

BY ORDER OF THE BOARD

Saw Chin Choo (Ms)
Executive Director
29/07/2017