



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 2016

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		
	31/05/2016	31/05/2015		31/05/2016	31/05/2015	
Revenue	93,447	89,446	4.5	261,706	217,895	20.1
Cost of sales	(83,887)	(70,634)	18.8	(231,851)	(182,033)	27.4
Gross profit	9,560	18,812	(49.2)	29,855	35,862	(16.8)
Other operating income	2,320	2,919	(20.5)	9,407	6,193	51.9
Selling and distribution expenses	(1,265)	40	NM	(2,937)	(2,264)	29.7
Administrative expenses	(7,052)	(7,995)	(11.8)	(25,123)	(22,825)	10.1
Other operating expenses	(4,051)	(5,347)	(24.2)	(5,266)	(5,976)	(11.9)
Share of results of associates and joint venture	7,104	3,373	NM	14,603	11,121	31.3
Finance costs	(2,434)	(3,284)	(25.9)	(8,793)	(7,037)	25.0
Profit before tax	4,182	8,518	(50.9)	11,746	15,074	(22.1)
Income tax expense	(468)	(928)	(49.6)	(1,027)	(2,192)	(53.1)
Profit for the year	3,714	7,590	(51.1)	10,719	12,882	(16.8)

Profit attributable to:

Owners of the Company
Non-controlling interests

2,585	8,317	(68.9)	8,404	11,133	(24.5)
1,129	(727)	NM	2,315	1,749	32.4
3,714	7,590	(51.1)	10,719	12,882	(16.8)

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		
	31/05/2016	31/05/2015		31/05/2016	31/05/2015	
Profit for the year	3,714	7,590	(51.1)	10,719	12,882	(16.8)
Other comprehensive income (loss):						
Currency translation differences	(760)	(23)	NM	(1,849)	470	NM
Other comprehensive (loss) income for the year	(760)	(23)	NM	(1,849)	470	NM
Total comprehensive income for the year	2,954	7,567	(61.0)	8,870	13,352	(33.6)

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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		
	31/05/2016	31/05/2015	31/05/2016	31/05/2015		
Total comprehensive income (loss) attributable to:						
Owners of the Company	2,003	8,344	(76.0)	7,353	11,623	(36.7)
Non-controlling interests	951	(777)	NM	1,517	1,729	(12.3)
	2,954	7,567	(61.0)	8,870	13,352	(33.6)

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		
	31/05/2016	31/05/2015	31/05/2016	31/05/2015		
A Other operating income:						
Interest income	402	497	(19.1)	1,450	2,410	(39.8)
Amortisation of financial guarantee liabilities	130	181	(28.2)	642	865	(25.8)
Gain on disposal of property, plant and equipment	5	760	(99.3)	2,215	760	NM
Gain on disposal of a subsidiary	54	-	NM	54	299	(81.9)
Gain from dilution of equity interest in associates	1,254	-	NM	3,068	-	NM
Change in fair value of investment properties	-	1,223	(100.0)	-	1,223	(100.0)
Management fee income	229	-	NM	1,169	18	NM
Others	246	258	(4.7)	809	618	30.9
	2,320	2,919	(20.5)	9,407	6,193	51.9
B Finance costs:						
Loan interests	1,937	2,786	(30.5)	6,814	5,851	16.5
Term notes interest	491	491	-	1,955	1,159	68.7
Finance leases	6	7	(14.3)	24	27	(11.1)
	2,434	3,284	(25.9)	8,793	7,037	25.0
C Other operating expenses:						
Net foreign currency exchange adjustment loss	27	1,301	(97.9)	1,226	2,398	(48.9)
Allowance for doubtful trade receivables	74	120	(38.3)	74	128	(42.2)
Allowance for doubtful other receivables	354	3,347	(89.4)	354	2,859	(87.6)
Other receivables written off	53	(10)	NM	53	(10)	NM
Trade receivables written off	-	11	(100.0)	1	13	(92.3)
Allowance for diminution in value on completed properties and land held for sale	534	518	3.1	534	518	3.1
Loss on dissolution of joint development	2,911	-	NM	2,911	-	NM
Property, plant and equipment written off	24	60	(60.0)	39	70	(44.3)
Impairment loss on value of club membership	4	-	NM	4	-	NM
Change in fair value of forex hedging contract	70	-	NM	70	-	NM
	4,051	5,347	(24.2)	5,266	5,976	(11.9)

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1(a)(iii) Notes to the income statement (cont'd)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Fourth Quarter Ended			Full Year Ended		
	31/05/2016	31/05/2015	31/05/2016	31/05/2015		
D Depreciation of property, plant and equipment	1,184	1,550	(23.6)	3,854	2,754	39.9
E Amortisation of issuance costs on term notes	45	46	(2.2)	181	121	49.6
F Amortisation of deferred sales commission expenses	353	545	(35.2)	732	1,053	(30.5)
G Amortisation of deferred show flat expenses	163	268	(39.2)	630	315	100.0
H Adjustment for over provision of income tax in respect of prior year	(64)	(9)	NM	(558)	(151)	NM

NM – not meaningful

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	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
ASSETS				
Current assets				
Cash and cash equivalents	32,206	24,012	1,710	677
Bank balances pledged	3,448	1,975	1,369	1,360
Trade receivables	43,210	85,273	-	3,661
Other receivables	25,546	20,298	13,597	17,633
Current portion of loans receivable from associates	24,042	19,664	1,148	3,906
Inventories	16	18	-	-
Construction work-in-progress in excess of progress billings	103,914	77,809	-	-
Development properties	113,275	122,613	-	-
Completed properties and land held for sale	46,231	14,973	-	-
Total current assets	391,888	366,635	17,824	27,237
Non-current assets				
Bank balances pledged	414	429	-	-
Available-for-sale investment	-	*	-	-
Investment in associates	58,776	43,241	4,783	781
Investment in joint venture	1,360	808	-	-
Investment in subsidiaries	-	-	107,227	100,949
Club membership	42	46	42	46
Property, plant and equipment	89,666	79,248	398	463
Investment properties	35,717	36,036	24,000	24,000
Deferred tax assets	2,643	1,382	-	-
Other receivables	6,210	10,534	-	-
Loans receivable from associates	6,235	19,216	351	-
Total non-current assets	201,063	190,940	136,801	126,239
Total assets	592,951	557,575	154,625	153,476

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1(b)(i) (Continued)

	The Group S\$'000		The Company S\$'000	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	53,444	52,612	7,180	8,900
Trade payables	108,217	98,547	38	3,673
Other payables	31,441	26,101	54,412	42,528
Progress billings in excess of construction work-in-progress	-	41	-	-
Provision for maintenance costs	643	1,692	-	-
Derivative financial instruments	70	-	-	-
Current portion of finance leases	87	80	-	-
Current portion of long-term loan	4,050	-	-	-
Current portion of long-term borrowings	39,861	50,679	16,537	5,425
Current portion of financial guarantee Liabilities	606	667	224	667
Income tax payable	5,583	3,348	-	-
Total current liabilities	244,002	233,767	78,391	61,193
Non-current liabilities				
Finance leases	372	385	-	-
Long-term loan	-	4,050	-	-
Long-term borrowings	147,836	123,344	15,623	29,039
Term notes	29,758	29,577	-	-
Financial guarantee liabilities	923	1,452	311	1,047
Long-term deposit	730	730	730	730
Deferred tax liabilities	273	2,066	-	-
Other payables	22	18	-	-
Total non-current liabilities	179,914	161,622	16,664	30,816
Capital, reserves and non-controlling interests				
Share capital	58,701	58,701	58,701	58,701
Currency translation reserve	(1,633)	(582)	-	-
Capital reserve	18,765	18,737	(42)	(42)
Accumulated profits	23,590	18,709	911	2,808
Equity attributable to owners of the Company	99,423	95,565	59,570	61,467
Non-controlling interests	69,612	66,621	-	-
Net equity	169,035	162,186	59,570	61,467
Total liabilities and equity	592,951	557,575	154,625	153,476

* 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 31/05/2016</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
52,438	40,954	67,700	35,671

Amount repayable after one year

The Group S\$'000 <u>As at 31/05/2016</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
146,283	31,683	109,666	43,640

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: These borrowings exclude the term loan of \$4,050,000 due to 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	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
Operating activities				
Profit before tax	4,182	8,518	11,746	15,074
Adjustments for:				
Share of results of associates and joint venture	(7,104)	(3,373)	(14,603)	(11,121)
Change in fair value of investment properties	-	(1,223)	-	(1,223)
Depreciation of property, plant and equipment	1,184	1,550	3,854	2,754
Gain on disposal of a subsidiary	(54)	-	(54)	(299)
Gain from dilution of equity interest in associates	(1,254)	-	(3,068)	-
Amortisation of deferred sales commission expenses	353	545	732	1,053
Amortisation of deferred show flat costs	163	268	630	315
Amortisation of financial guarantee liabilities	(130)	(181)	(642)	(865)
Amortisation of issuance costs on term notes	45	46	181	121
Allowance for doubtful trade receivables	74	120	74	128
Allowance for doubtful other receivables	354	3,347	354	2,859
Trade receivables written off	-	11	1	13
Other receivables written off	53	-	53	-
Allowance for diminution in value on completed properties and land held for sale	534	518	534	518
Loss on dissolution of joint development	2,911	-	2,911	-
Impairment loss on value of club membership	4	-	4	-
Change in fair value of forex hedging contract	70	-	70	-
Property, plant and equipment written off	24	60	39	70
Gain on disposal of property, plant and equipment	(5)	(760)	(2,215)	(760)
Provision for maintenance costs	397	1,050	379	1,852
Interest income	(402)	(497)	(1,450)	(2,410)
Interest expense	2,434	3,284	8,793	7,037
Operating cash flows before movements in working capital	3,833	13,283	8,323	15,116
Trade receivables	(2,512)	(24,737)	40,157	(42,603)
Other receivables	(3,606)	488	(6,287)	(4,147)
Inventories	3	(18)	2	(18)
Construction work-in-progress in excess of progress billings	(33,369)	(23,666)	(26,105)	(45,172)
Development properties	28,536	38,920	2,232	36,845
Completed properties held for sale	(26,554)	(14,636)	(26,554)	(13,420)
Trade payables	30,513	26,458	11,672	51,346
Other payables	1,325	(10,319)	8,491	3,548
Progress billings in excess of construction work-in-progress	(133)	(1,133)	(41)	(449)
Utilisation of provision for maintenance costs	(22)	(96)	(1,411)	(334)
Cash (used in) generated from operations	(1,986)	4,544	10,479	712
Interest paid	(4,071)	(3,688)	(11,156)	(9,028)
Income tax paid	(1,398)	(60)	(1,890)	(966)
Net cash (used in) from operating activities	(7,455)	796	(2,567)	(9,282)

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
Investing activities				
Proceeds on disposal of property, plant and equipment	8	761	2,229	761
Proceeds on disposal of an associate	-	182	-	182
Purchase of property, plant and equipment	(140)	(61,802)	(16,114)	(69,746)
Purchase of investment properties	-	28,638	-	(2,715)
Investment in associates	-	(2,678)	(3,948)	(2,678)
Investment in joint venture	-	(9)	-	(9)
Acquisition of non-controlling interests in a subsidiary	-	-	(54)	-
Disposal of a subsidiary	-	-	-	(551)
Loans receivable from associates	(1,060)	(1,511)	(4,699)	(10,156)
Repayment of loan receivable from associates	1,838	6,833	11,980	23,636
Dividend received from associates	6,895	-	6,895	-
Interest received	319	18	3,971	431
Net cash from (used in) investing activities	7,860	(29,568)	260	(60,845)
Financing activities				
Drawdown of bank loans	35,286	15,758	147,406	78,132
Repayment of bank loans	(32,242)	(16,596)	(143,688)	(83,950)
Drawdown of long-term borrowings	22,194	25,853	53,363	65,152
Repayment of long-term borrowings	(22,870)	(12,608)	(37,346)	(42,986)
(Increase) Decrease of bank balances pledged	(33)	(594)	(1,458)	4,534
Repayment of obligations under finance leases	(14)	(84)	(78)	(156)
Proceeds from issuance of term notes	-	(1)	-	29,456
Payment of warrant issuance expenses	-	-	-	(2)
Capital injection by non-controlling interests	490	(7)	490	-
Deemed capital injection by non-controlling interests	(37)	11,300	2,430	11,300
Net proceeds from exercise of warrants	-	459	-	2,550
Dividends paid to shareholders	(755)	(903)	(3,523)	(3,409)
Dividends paid to non-controlling interests	(362)	-	(1,364)	(1,559)
Net cash from financing activities	1,657	22,577	16,232	59,062
Net increase (decrease) in cash and cash equivalents	2,062	(6,195)	13,925	(11,065)
Cash and cash equivalents at beginning of year	30,730	27,447	21,126	31,373
Effect of foreign exchange rate changes	(586)	(126)	(2,845)	818
Cash and cash equivalents at end of year (Note A)	32,206	21,126	32,206	21,126

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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	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
Cash at banks	20,723	14,501	20,723	14,501
Cash on hand	42	68	42	68
Fixed deposits	4,869	3,658	4,869	3,658
Project accounts (see Note below):				
Cash at banks	8,434	8,189	8,434	8,189
Fixed deposits	2,000	-	2,000	-
	36,068	26,416	36,068	26,416
Pledged fixed deposits	(3,862)	(2,404)	(3,862)	(2,404)
Bank overdrafts	-	(2,886)	-	(2,886)
Total cash and cash equivalents	32,206	21,126	32,206	21,126

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	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
The Group							
Balance at 31/05/2015	58,701	(582)	18,737	18,709	95,565	66,621	162,186
<i>Total comprehensive income for the year:</i>							
Income for the year	-	-	-	8,404	8,404	2,315	10,719
Other comprehensive loss for the year	-	(1,051)	-	-	(1,051)	(798)	(1,849)
<i>Transactions with owners, recognised directly in equity:</i>							
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	58,701	(1,633)	18,765	23,590	99,423	69,612	169,035
Previous Corresponding Year							
Balance as at 31/05/2014, as restated	56,151	(1,072)	21,084	19,875	96,038	46,291	142,329
<i>Total comprehensive income for the year:</i>							
Income for the year	-	-	-	11,133	11,133	1,749	12,882
Other comprehensive income for the year	-	490	-	-	490	(20)	470
Total comprehensive income for the year	-	490	-	11,133	11,623	1,729	13,352
<i>Transactions with owners, recognised directly in equity:</i>							
Disposal of a subsidiary	-	-	-	-	-	(2,375)	(2,375)
Issue of shares arising from exercise of warrants	2,550	-	-	-	2,550	-	2,550
Deemed equity injection by non-controlling interests	-	-	-	-	-	11,300	11,300
Expenses incurred on issue of bonus warrants	-	-	(2)	-	(2)	-	(2)
Dividend paid	-	-	-	(12,299)	(12,299)	(1,559)	(13,858)
Effects of changes on shareholding on non-controlling interest arising from Dividend in Specie, net	-	-	(2,345)	-	(2,345)	11,235	8,890
Balance at 31/05/2015	58,701	(582)	18,737	18,709	95,565	66,621	162,186

* Denotes amount less than \$1,000

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1(d)(i) (Continued)

	Share capital S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
<u>The Company</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
<i>Transactions with owners, recognised directly in equity</i>				
Dividend paid	-	-	(3,523)	(3,523)
Balance at 31/05/2016	58,701	(42)	911	59,570
<u>Previous Corresponding Year</u>				
Balance at 31/05/2014	56,151	(40)	2,880	58,991
Profit for the year, representing total comprehensive income for the year	-	-	12,227	12,227
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares arising from exercise of warrants	2,550	-	-	2,550
Expenses incurred on issue of bonus warrants	-	(2)	-	(2)
Dividend paid	-	-	(12,299)	(12,299)
Balance at 31/05/2015	58,701	(42)	2,808	61,467

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
Balance at 31/05/2015	503,222,297	58,701
Issue of shares arising from exercise of warrants	336	*
Balance at 31/05/2016	503,222,633	58,701

During the year ended 31/05/2016, there was an increase of share capital arising from the exercise of 336 warrants at S\$0.25 per warrant for TEEW170526. The number of outstanding warrants as at 31/05/2016 is 186,385,684 and can be exercised before 26/05/2017.

As at 31/05/2016 and 31/05/2015, there were no shares held as treasury shares and other outstanding convertibles.

* Denotes amount less than \$1,000

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- 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	
	31/05/2016	31/05/2015
Total number of issued shares	503,222,633	503,222,297

- 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 year ended 31/05/2016.

- 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 31/05/2015.

- 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.

- 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	
	31/05/2016	31/05/2015	31/05/2016	31/05/2015
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)	0.51	1.66	1.67	2.24
- Weighted average number of shares ('000)	503,223	502,072	503,222	498,096
(ii) On a fully diluted basis (cents)	0.51	1.64	1.67	2.19
- Adjusted weighted average number of shares ('000)	503,223	506,937	503,222	508,646

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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 31/05/2016	As at 31/05/2015
The Group	19.8	19.0
The Company	11.8	12.2

Net asset value per share is calculated based on 503,222,633 (31/05/2015: 503,222,297) ordinary 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 31/05/2016 ("4QFY2016") Against Fourth Quarter Ended 31/05/2015 ("4QFY2015")

Group revenue increased by S\$4.0 million due mainly to higher revenue recognised during 4QFY2016 for on-going engineering projects. Cost of sales increased by S\$13.3 million mainly due to completion of several engineering projects. Gross profit decreased by S\$9.3 million due mainly to decrease of gross profit contribution from on-going engineering and property development projects.

Other operating income decreased by S\$0.6 million due mainly to an absence of fair value gain on investment property.

Selling and distribution expenses increased by S\$1.3 million due mainly to higher promotional and showflat expenses for property development projects.

Administrative expenses decreased by S\$0.9 million due mainly to decrease in professional fees and depreciation charges.

Other operating expenses decreased by S\$1.3 million due mainly to lower foreign exchange losses and allowances in doubtful other receivables, which is partially off-set by loss on dissolution of joint development.

Share of results of associates increased by S\$3.7 million due mainly to higher contributions from the real estate associated companies.

Finance costs decreased by S\$0.9 million, from S\$3.3 million to S\$2.4 million. This is due mainly to finance costs incurred by the newly acquired subsidiaries, which were only taken up in 4QFY2015.

Income tax expenses decreased by S\$0.5 million due mainly to deferred tax benefits recognised by certain loss making subsidiaries.

Profit after tax decreased by S\$3.9 million from S\$7.6 million to S\$3.7 million.

Profit attributable to owners of the Company amounted to S\$2.6 million compared to S\$8.3 million.

Financial Year Ended 31/05/2016 (“FY2016”) Against Financial Year Ended 31/05/2015 (“FY2015”)

Group revenue increased by S\$43.8 million due mainly to higher revenue recognised for on-going engineering projects. Cost of sales increased by S\$49.8 million. Gross profit decreased by S\$6.0 million due mainly to lower contribution from real estate business.

Other operating income increased by S\$3.2 million due mainly to gain from the dilution of equity interest in associates.

Selling and distribution expenses increased by S\$0.7 million due mainly to higher promotional and showflat expenses for our development projects.

Administrative expenses increased by S\$2.3 million due mainly to higher depreciation charges.

Other operating expenses decreased by S\$0.7 million due mainly to lower foreign exchange losses and allowances in doubtful other receivables, which is partially off-set by loss on dissolution of joint development.

Share of results of associates increased by S\$3.5 million due mainly to higher contributions from real estate associated companies.

Finance costs increased by S\$1.8 million due mainly to additional borrowings.

Income tax expenses decreased by S\$1.2 million due mainly to deferred tax benefits recognised by certain loss making subsidiaries in FY2016.

Profit after tax decreased by S\$2.2 million from S\$12.9 million to S\$10.7 million.

Profit attributable to owners of the Company amounted to S\$8.4 million in FY2016 compared to S\$11.1 million in FY2015.

Statement of Financial Position

Financial Year Ended 31/05/2016 (“FY2016”) Against Financial Year Ended 31/05/2015 (“FY2015”)

Trade receivables decreased by S\$42.1 million due mainly to better collections.

Loans receivables from associates decreased by S\$8.6 million due mainly to repayment.

Construction work-in-progress in excess of progress billings increased by S\$26.1 million mainly due to on-going and newly commenced engineering projects.

Completed property and land held for sale increased by S\$31.3 million due mainly to unsold units of completed properties.

Investment in associates increased by S\$15.5 million due mainly to additional cost of investment and increased retained profits from associated companies.

Property, plant and equipment increased by S\$10.4 million due mainly to acquisition of properties in Australia by our subsidiary, TEE Land.

Deferred tax assets increased by S\$1.3 million due mainly to deferred tax benefits recognised by certain loss making subsidiaries.

Other payables increased by S\$5.3 million due mainly to accrual of development costs for on-going development projects.

Provision for maintenance cost decreased by S\$1.0 million due mainly to utilization of maintenance cost for engineering projects.

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8 (Continued)

Statement of Financial Position

Financial Year Ended 31/05/2016 ("FY2016") Against Financial Year Ended 31/05/2015 ("FY2015")

Income tax payable increased by S\$2.2 million due mainly to receipt of Temporary Occupation Permit for a development property as revenue from sales of development property is only taxable upon completion of the project. As such, deferred tax liabilities decreased by S\$1.8 million accordingly.

Statement of Cash Flows

Financial Year Ended 31/05/2016 ("FY2016") Against Financial Year Ended 31/05/2015 ("FY2015")

Operating activities

Net cash used in operating activities was S\$2.6 million, due mainly to profit before tax, offset by interest paid and changes in working capital.

Investing activities

Net cash from investing activities was S\$0.3 million, due mainly to the repayment of loan by associates, dividend and interest received net-off with acquisition of properties in Australia by our subsidiary, TEE Land.

Financing activities

Net cash from financing activities was S\$16.2 million, due mainly to drawdown of long-term borrowings.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$13.9 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 economic uncertainties and heightened geopolitical tensions. The Group will continue to focus on expeditious completion of its on-going Engineering and Real Estate projects, prudent cost management for Engineering and selective pursuit of investment opportunities.

As of date, the Group has a total outstanding Engineering order book of approximately S\$229 million.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? 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)

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11 (Continued)

(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)	0.40 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.15 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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	Engineering	Real Estate	Infrastructure	Elimination	Group
	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment Revenue						
External sales	1,957	223,064	33,685	3,000	-	261,706
Inter-segment sales	7,076	39,495	1,204	571	(48,346)	-
Total revenue	9,033	262,559	34,889	3,571	(48,346)	261,706
Segment Results						
Segment results	3,542	11,123	(2,907)	428	(6,250)	5,936
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 before tax	1,626	9,900	6,833	(409)	(6,204)	11,746
Income tax expense	-	(1,103)	179	(103)	-	(1,027)
Profit for the year	1,626	8,797	7,012	(512)	(6,204)	10,719

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15 (Continued)

Analysis by Business Segment

	Corporate & Other	Engineering	Real Estate	Infrastructure	Elimination	Group
	FY2015	FY2015	FY2015	FY2015	FY2015	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment Revenue						
External sales	1,946	152,958	60,157	2,834	-	217,895
Inter-segment sales	19,377	43,440	-	-	(62,817)	-
Total revenue	<u>21,323</u>	<u>196,398</u>	<u>60,157</u>	<u>2,834</u>	<u>(62,817)</u>	<u>217,895</u>
Segment Results						
Segment results	14,129	7,394	3,863	(31)	(14,365)	10,990
Share of results of associates and joint venture	-	786	9,992	343	-	11,121
Finance costs	(1,902)	(1,494)	(3,639)	(183)	181	(7,037)
Profit before tax	<u>12,227</u>	<u>6,686</u>	<u>10,216</u>	<u>129</u>	<u>(14,184)</u>	<u>15,074</u>
Income tax expense	(1)	(928)	(1,240)	(23)	-	(2,192)
Profit for the year	<u>12,226</u>	<u>5,758</u>	<u>8,976</u>	<u>106</u>	<u>(14,184)</u>	<u>12,882</u>

	Revenue		Non-current assets	
	FY2016	FY2015	FY2016	FY2015
	\$'000	\$'000	\$'000	\$'000
Singapore	201,495	172,357	120,277	122,530
Malaysia	44,668	34,995	706	1,178
Thailand	3,000	2,833	538	587
Brunei	-	865	*	9
Vietnam	-	-	-	341
Hong Kong	274	681	1,367	828
Philippines	-	-	-	1
Australia	10,871	4,549	65,676	53,890
New Zealand	<u>1,398</u>	<u>1,615</u>	<u>9,856</u>	<u>10,194</u>
Total	<u>261,706</u>	<u>217,895</u>	<u>198,420</u>	<u>189,558</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 31/05/2016	Previous Full Year 31/05/2015	
(a) Sales reported for first half year	121,776	85,311	42.7
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	6,111	4,908	24.5
(c) Sales reported for second half year	139,930	132,584	5.5
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	4,608	7,974	(42.2)

- 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 31/05/2016	Previous Full Year 31/05/2015
Interim dividend	755	902
Special - dividend in specie	-	8,890
Proposed final dividend	906	2,013
Proposed special dividend	-	755
Total	1,661	12,560

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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	54	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	42	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.

As at 31/05/2016, 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.

BY ORDER OF THE BOARD

Saw Chin Choo (Ms)
Executive Director
28/07/2016