



## TEE International Limited

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200007107D)

### Unaudited First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 August 2020

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

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

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended		
	31-08-2020	31-08-2019	
		(Restated)	
<b>Continuing operations</b>			
<b>Revenue</b>	20,394	74,765	(72.7)
<b>Cost of sales</b>	(17,597)	(69,640)	(74.7)
<b>Gross profit</b>	<b>2,797</b>	<b>5,125</b>	(45.4)
Other operating income	2,654	201	NM
Administrative expenses	(2,958)	(3,289)	(10.1)
Other operating expenses	(631)	(159)	296.9
Share of results of associates and joint venture	267	(168)	NM
Finance costs	(736)	(1,494)	(50.7)
<b>Profit before tax</b>	<b>1,393</b>	<b>216</b>	<b>545.0</b>
Income tax expense	(71)	(482)	(85.3)
<b>Profit /(Loss) for the period from continuing operations</b>	<b>1,322</b>	<b>(266)</b>	<b>NM</b>
Discontinued operations <sup>1</sup> , net of tax	(327)	(449)	(27.2)
Discontinued operations <sup>2</sup> , net of tax	-	(1,804)	NM
<b>Loss for the period from discontinued operations</b>	<b>(327)</b>	<b>(2,253)</b>	<b>(85.5)</b>
<b>Profit /(Loss) for the period</b>	<b>995</b>	<b>(2,519)</b>	<b>NM</b>

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## 1(a)(i) (Continued)

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended		
	31-08-2020	31-08-2019	
		(Restated)	
Profit /(Loss) attributable to:			
Owners of the Company	468	(1,857)	NM
Non-controlling interests	527	(662)	NM
	<b>995</b>	<b>(2,519)</b>	<b>NM</b>
Other comprehensive loss:			
<i>Currency translation differences</i>			
Owners of the Company	(433)	(479)	(9.6)
Non-controlling interests	18	(268)	NM
<b>Total comprehensive loss</b>	<b>(415)</b>	<b>(747)</b>	<b>(44.4)</b>
<u>Profit /(Loss) attributable to:</u>			
<b><i>Owners of the company</i></b>			
Profit from continuing operations, net of tax	795	52	NM
Loss from discontinued operation, net of tax	(327)	(1,909)	(82.9)
<b><i>Non-controlling interests</i></b>	527	(662)	NM
	<b>995</b>	<b>(2,519)</b>	<b>NM</b>
<u>Total comprehensive loss attributable to:</u>			
<b><i>Owners of the Company</i></b>			
Profit/(Loss) from continuing operations, net of tax	362	(236)	NM
Loss from discontinued operation, net of tax	(327)	(2,100)	(84.4)
<b><i>Non-controlling interests</i></b>	545	(930)	NM
	<b>580</b>	<b>(3,266)</b>	<b>NM</b>

### Restatement

The 31-08-2020 comparative figures have been restated to show the discontinued operations of the following 2 subsidiaries.

<sup>1</sup>As announced on 30/06/2020, the expected completion date of the disposal of Arrow Waste Management Pte. Ltd. ("AWM") was on 29/05/2020. However, subsequent to that, the Company and its subsidiary, TEE Infrastructure Pte Ltd ("TEE Infra") has received notices of termination of the proposed disposal from the Purchaser. Since then, the Company, TEE Infra and the Purchaser have commenced Without Prejudice negotiations. As the Company and its subsidiaries intend to cease operations of AWM should the disposal did not materialise, the Group has accounted the disposal group as discontinued operations.

<sup>2</sup>Discontinued operations relate to the disposal of the entire stake of 63.28% shares in TEE Land Limited ("TEE Land"). As announced on 13/01/2020, the sale of TEE Land shares was completed on 03/02/2020.

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

### Continuing operations

#### **A Other operating income:**

Interest income	8	6	33.3
Amortisation of financial guarantee liabilities	19	18	5.6
Change in fair value of financial assets at FVTPL	186	-	NM
Gain on disposal of property, plant and equipment	207	-	NM
Government grant	2,158	28	NM
Management fees income	35	91	(61.5)
Service fees income	28	20	40.0
Others	13	38	(65.8)

#### **B Other operating expenses:**

Amortisation of intangible assets	186	186	-
Change in fair value of investment property	360	-	NM
Loss on disposal of property, plant and equipment	-	8	NM
Net foreign currency exchange adjustment loss	83	(36)	NM
Trade receivables written off	2	1	100.0

#### **C Finance costs:**

Leases	191	15	NM
Loan interests	545	770	(29.2)
Notes payable interest	-	709	NM

#### **D Other information:**

Depreciation of property, plant and equipment	712	768	(7.3)
Amortisation of issuance costs on notes payable	17	72	(76.4)
Amortisation of deferred commission expenses	18	18	-

The Group S\$'000		Increase/ (Decrease) %
First Quarter Ended		
31-08-2020	31-08-2019	
	(Restated)	
8	6	33.3
19	18	5.6
186	-	NM
207	-	NM
2,158	28	NM
35	91	(61.5)
28	20	40.0
13	38	(65.8)
<b>2,654</b>	<b>201</b>	<b>NM</b>
186	186	-
360	-	NM
-	8	NM
83	(36)	NM
2	1	100.0
<b>631</b>	<b>159</b>	<b>296.9</b>
191	15	NM
545	770	(29.2)
-	709	NM
<b>736</b>	<b>1,494</b>	<b>(50.7)</b>
712	768	(7.3)
17	72	(76.4)
18	18	-

NM - not meaningful

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

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

	AWM		TEE	
	S\$'000		Land	
	S\$'000		S\$'000	
	First Quarter Ended		First Quarter Ended	
	31-08-2020	31-08-2020	31-08-2019	31-08-2019
<b>Revenue</b>	-	-	-	20,398
<b>Cost of sales</b>	-	-	-	(16,724)
<b>Gross profit</b>	-	-	-	<b>3,674</b>
Other operating income	-	-	-	698
Selling and distribution expenses	-	-	-	(1,760)
Administrative expenses <sup>3</sup>	(327)	-	(449)	(2,366)
Other operating expenses	-	-	-	(80)
Share of results of associates	-	-	-	(219)
Finance costs	-	-	-	(1,907)
<b>Loss before tax</b>	(327)	-	(449)	(1,960)
Income tax benefit	-	-	-	156
<b>Loss for the period</b>	<b>(327)</b>	<b>-</b>	<b>(449)</b>	<b>(1,804)</b>

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

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

	AWM	
	31-08-2020	31-05-2020
	S\$'000	S\$'000
<b>Assets</b>		
Property, plant and equipment	16,950	16,950
Other receivables	37	57
Cash at bank	64	34
Assets of the disposal group	<b>17,051</b>	<b>17,041</b>
<b>Liabilities</b>		
Other payables	2,645	2,308
Lease liabilities	17,532	17,532
Liabilities of the disposal group	<b>20,177</b>	<b>19,840</b>

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

	The Group S\$'000		The Company S\$'000	
	31-08-2020	31-05-2020	31-08-2020	31-05-2020
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	19,062	50,730	8,558	8,997
Bank balances pledged	4,353	3,615	-	-
Trade receivables	23,111	30,010	-	3,659
Other receivables	5,599	5,027	10,370	14,165
Financial assets at fair value through profit or loss	268	82	268	82
Inventories	64	77	-	-
Contract assets	130,181	146,244	-	-
	<b>182,638</b>	<b>235,785</b>	<b>19,196</b>	<b>26,903</b>
Assets of disposal group classified as held-for-sale	17,051	17,041	-	-
Total current assets	<b>199,689</b>	<b>252,826</b>	<b>19,196</b>	<b>26,903</b>
<b>Non-current assets</b>				
Other receivables	1,247	1,312	736	777
Investment in associates	9,501	9,646	-	-
Investment in joint venture	130	130	-	-
Investment in subsidiaries	-	-	43,926	43,926
Intangible asset	124	310	-	-
Property, plant and equipment	7,689	8,389	38	41
Investment properties	34,567	34,926	23,871	23,909
Deferred tax assets	578	618	3	-
Total non-current assets	<b>53,836</b>	<b>55,331</b>	<b>68,574</b>	<b>68,653</b>
<b>Total assets</b>	<b>253,525</b>	<b>308,157</b>	<b>87,770</b>	<b>95,556</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and overdrafts	45,781	57,496	-	-
Trade payables	103,069	147,628	4,462	3,613
Other payables	23,817	22,573	51,487	59,555
Contract liabilities	772	661	-	-
Provision for maintenance costs	246	235	-	-
Lease liabilities	1,810	2,119	129	128
Current portion of long-term borrowings	3,354	2,809	2,817	2,510
Current portion of financial guarantee liabilities	56	75	56	75
Income tax payable	4,374	4,339	873	842
	<b>183,279</b>	<b>237,935</b>	<b>59,824</b>	<b>66,723</b>
Liabilities of disposal group classified as held-for-sale	20,177	19,840	-	-
Total current liabilities	<b>203,456</b>	<b>257,775</b>	<b>59,824</b>	<b>66,723</b>

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

	The Group S\$'000		The Company S\$'000	
	31-08-2020	31-05-2020	31-08-2020	31-05-2020
<b>LIABILITIES AND EQUITY</b>				
<b>Non-current liabilities</b>				
Lease liabilities	14,189	14,454	2,276	2,309
Long-term borrowings	16,135	16,755	11,096	11,404
Long-term deposit	306	306	306	306
Other payables	38	40	-	-
Deferred tax liabilities	172	178	-	-
<b>Total non-current liabilities</b>	<b>30,840</b>	<b>31,733</b>	<b>13,678</b>	<b>14,019</b>
<b>Capital and reserves and non-controlling interests</b>				
Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	172	605	-	-
Capital reserve	-	-	(274)	(274)
Accumulated losses	(50,895)	(51,363)	(58,383)	(57,837)
Equity attributable to Owners of the Company	22,202	22,167	14,268	14,814
Non-controlling interests	(2,973)	(3,518)	-	-
Net equity	19,229	18,649	14,268	14,814
<b>Total liabilities and equity</b>	<b>253,525</b>	<b>308,157</b>	<b>87,770</b>	<b>95,556</b>

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

	The Group S\$'000			
	As at 31/08/2020		As at 31/05/2020	
	Unsecured	Secured	Unsecured	Secured
(a) Amount repayable in one year or less, or on demand	2,794	46,839	2,821	57,807
(b) Amount repayable after one year	4,688	12,482	5,000	12,564
<b>Total aggregate amount of group's borrowings and debt securities</b>	<b>7,482</b>	<b>59,321</b>	<b>7,821</b>	<b>70,371</b>

#### Details of collaterals:

The total secured borrowings are represented by:

- (i) Obligations under finance leases are secured on certain motor vehicles of the Group; and
- (ii) Certain bank loans are secured by any security interest over any asset of the Group (and in this instance, security interest shall take into account any collateral over the relevant asset granted by the Group as reflected in the latest audited or unaudited financial statements of the Group and shall, in any event, include any security created over any receivables due to owing to the Group or paid or payable to the Group).
- (iii) A bank loan was secured by the Company's investment property.

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

	The Group	
	S\$'000	
	First Quarter Ended	
	31-08-2020	31-08-2019
<b>Operating activities</b>		
Profit before tax from continuing operations	1,393	216
Loss before tax from discontinued operations	(327)	(2,409)
Adjustments for:		
Share of results of associates and joint venture	(267)	387
Depreciation of property, plant and equipment	712	1,226
Amortisation of deferred commission expenses	18	684
Amortisation of deferred show flat costs	-	619
Amortisation of financial guarantee liabilities	(19)	(54)
Amortisation of issuance costs on notes payable	17	72
Amortisation of intangible asset	186	186
Change in fair value of financial assets at FVTPL	(186)	-
Change in fair value of investment property	360	-
Trade receivables written off	2	1
(Gain)/Loss on disposal of property, plant and equipment	(207)	8
Provision for maintenance costs	11	51
Unrealised currency translation loss/(gain)	76	(109)
Interest income	(8)	(76)
Interest expense	736	3,401
Operating cash flows before movements in working capital	2,497	4,203
Trade receivables	6,897	(24,822)
Other receivables	(487)	2,669
Inventories	13	3
Contract assets	16,063	1,060
Contract costs	-	(1,358)
Development properties	-	6,736
Completed properties and land for sale	-	3,554
Trade payables	(44,640)	14,406
Other payables	1,545	(2,177)
Contract liabilities	111	2,812
Utilisation of provision for maintenance costs	-	(160)
Cash (used in)/generated from operations	(18,001)	6,926
Interest paid	(736)	(3,428)
Income tax (paid)/refund	(2)	29
Net cash flows (used in)/from operating activities	(18,739)	3,527
<b>Investing activities</b>		
Proceeds on disposal of property, plant and equipment	207	63
Purchase of property, plant and equipment	(12)	(787)
Repayment of loans receivables	-	225
Interest received	8	88
Net cash flows generated from/(used in) investing activities	203	(411)

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## 1(c) (Continued)

	The Group S\$'000	
	First Quarter Ended	
	31-08-2020	31-08-2019
<b>Financing activities</b>		
Drawdown of bank loans	10,016	27,355
Repayment of bank loans	(22,884)	(19,553)
Drawdown of long-term borrowings	-	4,500
Repayment of long-term borrowings	(75)	(12,790)
Increase in bank balances pledged	(738)	(34)
Repayment of obligations under finance leases	(574)	(141)
Increase of obligation under finance leases	-	742
Repayment of notes payable	-	(1,647)
Repayment of lease obligation	-	(38)
Net cash flows used in financing activities	(14,255)	(1,606)
Net (decrease)/increase in cash and cash equivalents	(32,791)	1,510
Cash and cash equivalents at beginning of period	50,567	57,554
Effect of foreign exchange rate changes	3	13
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>17,779</b>	<b>59,077</b>

### Note A : Cash and cash equivalents

	The Group S\$'000	
	First Quarter Ended	
	31-08-2020	31-08-2019
<b><u>Continuing operations</u></b>		
Cash at banks	18,835	37,107
Cash on hand	45	209
Fixed deposits	4,352	6,371
Project accounts (see Note below):		
Cash at banks	182	22,781
	23,414	66,468
Pledged fixed deposits	(4,352)	(3,345)
Bank overdrafts	(1,347)	(4,080)
	17,715	59,043

### **Discontinued operations**

Cash at banks	64	34
	64	34

### **Total cash and cash equivalents per consolidation statement of financial position**

17,779	59,077
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Note:

Project accounts are subject to restrictions under the Housing Developers (Project Account) Rules (1997 Ed) or the Malaysia Housing Development (Control and Licensing) Act, 1966. Withdrawals from these project accounts are restricted to payments for project expenditure incurred until the completion of the project.



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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	Treasury shares	Currency translation reserve	Capital reserve	Accumulated (losses)/profit	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 01/06/2020</b>	73,194	(269)	605	-	(51,363)	22,167	(3,518)	18,649
<i>Total comprehensive profit/(loss) for the period:</i>								
Profit for the period	-	-	-	-	468	468	527	995
Other comprehensive (loss)/profit for the period	-	-	(433)	-	-	(433)	18	(415)
Total comprehensive loss for the period	-	-	-	-	468	468	527	995
<b>Balance at 31/08/2020</b>	<b>73,194</b>	<b>(269)</b>	<b>605</b>	<b>-</b>	<b>(50,895)</b>	<b>22,635</b>	<b>(2,991)</b>	<b>19,644</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 01/06/2019, as previously reported</b>	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(1,857)	(1,857)	(662)	(2,519)
Other comprehensive loss for the period	-	-	(479)	-	-	(479)	(268)	(747)
Total comprehensive loss for the period	-	-	(479)	-	(1,857)	(2,336)	(930)	(3,266)
<b>Balance at 31/08/2019</b>	<b>73,194</b>	<b>(269)</b>	<b>(724)</b>	<b>18,561</b>	<b>(12,227)</b>	<b>78,535</b>	<b>49,537</b>	<b>128,072</b>

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>					
<b>Balance at 01/06/2020</b>	73,194	(269)	(274)	(57,837)	14,814
Loss for the year, representing total comprehensive loss for the period	-	-	-	(546)	(546)
<b>Balance at 31/08/2020</b>	<b>73,194</b>	<b>(269)</b>	<b>(274)</b>	<b>(58,383)</b>	<b>14,268</b>
<b>Balance at 01/06/2019</b>	73,194	(269)	(274)	(15,001)	57,650
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,390)	(1,390)
<b>Balance at 31/08/2019</b>	<b>73,194</b>	<b>(269)</b>	<b>(274)</b>	<b>(16,391)</b>	<b>56,260</b>

## TEE International Limited

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share capital

Balance as at 31/05/2020 and 31/08/2020

Treasury shares

Balance as at 31/05/2020 and 31/08/2020

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

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

The number of outstanding warrants as at 31/08/2020 was 57,193,798, which can be exercised at the adjusted exercise price of S\$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30/04/2018 and expiring at 5.00 p.m. on 30/10/2020. No warrants were exercised during the period ended 31/08/2020.

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

Total number of issued shares

Total number of treasury shares

Total number of issued shares excluding treasury shares

The Company	
31-08-2020	31-05-2020
648,152,876	648,152,876
(1,270,400)	(1,270,400)
646,882,476	646,882,476

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

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 31/08/2020.

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

Not applicable.

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

The figures presented have not been audited or reviewed.

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

Not applicable.

## TEE International Limited

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

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

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

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

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

(iii) Contingent liabilities - please refer to the Company's announcement released on 13 October 2020. No further developmen

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

To its best knowledge, the Board of Directors confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted in the audited annual financial statements for the financial year ended 31/05/2020, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 01/06/2020.

The adoption of these new and revised SFRS(I) and Intrepretation of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on or after 01/06/2020 does not have a material impact on the financial statements.

### 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to item 4 above.

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**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Continuing operations	
	The Group	
	First Quarter Ended	
	31-08-2020	31-08-2019
Profit per ordinary share of the Group based on the net profit attributable to Owners of the Company:		
(i) Based on weighted average number of shares (cents)	0.12	0.01
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882
(ii) On a fully diluted basis (cents)	0.12	0.01
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882

	Discontinued operations	
	The Group	
	First Quarter Ended	
	31-08-2020	31-08-2019
Loss per ordinary share of the Group based on the net loss attributable to Owners of the Company:		
(i) Based on weighted average number of shares (cents)	(0.05)	(0.30)
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882
(ii) On a fully diluted basis (cents)	(0.05)	(0.30)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**  
 (b) **immediately preceding financial year**

	Cents	
	As at 31-08-2020	As at 31-05-2020
The Group	3.4	3.4
The Company	2.2	2.3

Net asset value per share is calculated based on 646,882,476 (31/05/2020: 646,882,476) ordinary shares (excluding treasury shares) on issue at the end of the period under review and of the immediately preceding financial year.

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

### Income Statement

#### First Quarter Ended 31/08/2020 ("1QFY2021") against First Quarter Ended 31/08/2019 ("1QFY2020")

Revenue decreased by S\$54.4 million due mainly to disruptions on on-going engineering business in view of the government regulations and measures that have been implemented to slow the spread of the COVID-19 virus and the substantial completion of a major project in the previous financial year. Group's construction activities have been severely slowed down. Cost of sales correspondingly decreased by S\$52.0 million.

Other operating income increased by S\$2.5 million due mainly to government grant received.

Other operating expenses increased by S\$0.5 million due mainly to change in fair value of investment properties arising from adoption of SFRS(I) 16 Leases.

Finance costs decreased by S\$0.8 million due to repayment of borrowings and notes payable in prior year.

Overall, the Group reported a profit after tax of S\$1.3 million in 1QFY2021 as compared to a loss after tax of S\$0.3 million in 1QFY2020.

Profit attributable to owners of the Company was S\$0.5 million in 1QFY2021 as compared to a loss of S\$1.9 million in 1QFY2020.

### Statement of Financial Position

Cash and cash equivalents reduce by S\$31.7 million due mainly to settlements of amount owing to creditors and bills payable for the period.

Trade receivables decreased by S\$6.9 million due mainly to reduction of progressive billings for existing projects in line with slowdown of construction activities.

Contract assets decreased by S\$16.1 million due mainly to slowdown of construction activities.

Bank loans reduced by S\$11.7 million due mainly to repayments of bills payable.

Trade payables reduced by S\$44.6 million due to slowdown of construction activities and also settlements of amount owing to creditors.

### Statement of Cash flows

#### First Quarter Ended 31/08/2021 ("1QFY2021") against First Quarter Ended 31/08/2020 ("1QFY2020")

##### **Operating activities**

Net cash used in operating activities of S\$18.7 million, due mainly to repayments of trade payables of S\$44.6 million being offset by lower contract assets of S\$16.1 million and trade receivables of S\$6.9 million.

##### **Investing activities**

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

##### **Financing activities**

Net cash used in financing activities was S\$14.3 million, due mainly to repayment of bills payables of S\$22.9 million being offset by drawdowns of bills payable of S\$10.0 million.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$32.8 million.

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### 8. (Continued)

#### Net Current Liabilities

As at 31 August 2020, the Group's and the Company's current liabilities exceeded its current assets by S\$3.8 million and \$40.6 million respectively.

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

For the Company's net current liabilities position is due mainly to inter-company payables to certain subsidiaries. Excluding the inter-company payables to subsidiaries, the Company's net current assets position would have been S\$0.9 million instead.

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

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

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

#### Engineering and Construction Business

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

As at 31 August 2020, the Group's engineering and construction order book stood at S\$265.0 million.

The Group has just been awarded a new contract for Asset Enhancement Initiatives works worth approximately S\$55.0 million. This brings the Group's outstanding engineering and construction order book to approximately S\$320.0 million to-date.

The Group announced the ongoing arbitration proceedings in respect of disputes arising out of and/or in connection with a construction contract in Malaysia. The Group continues to work closely with its legal counsels on the arbitration proceedings and intends to vigorously pursue its defense and counterclaim against the claimant.

#### Infrastructure Business

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

### 11. Dividend

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

Any dividend declared for the current financial period reported on?

No.

#### (b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

#### (c) Date payable

Not applicable.

#### (d) Book Closure Date

Not applicable.

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**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No interim dividend has been declared or recommended for the current reporting period as the Company is in a accumulated loss-making position.

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

No IPT mandate has been obtained for the period under review. However, the Company wishes to disclose the following aggregate value of interested person transactions conducted during the financial period ended 31 August 2020.

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

(1) Tramore Global Limited ("TGL") is a controlling shareholder of the Company, holding direct interest of 66.69% of the issued share capital of the Company. On 25 September 2020, TGL granted an unsecured interest-free loan of S\$750,000 to the Company. The repayment date of the loan is on 31 May 2021, or any dates as may be agreed by TGL and the Company.

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

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

The Company raised net proceeds of approximately S\$14.3 million from the renounceable non-underwritten rights issue announced on 29 November 2018. As at 31 August 2020, the Company had utilised approximately S\$9.2 million as follows: -

Intended use of Net Proceeds	Original allocation of Net Proceeds	Actual amount utilised as at 31 August 2020	Utilised amount
	S\$'000	S\$'000	S\$'000
For general working capital requirements of the Group	2,863	2,863	-
To finance the expansion and growth of existing businesses, acquisitions and new investments	11,450	6,339	5,111

The Board confirmed that the proceeds has been used in accordance to the percentage allocated in the Offer Information Statement to shareholder dated 24 January 2019.

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

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

- 16. Negative Assurance Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

We, Phua Boon Kin and Saw Chin Choo, being two Directors of TEE International Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the first quarter ended 31/08/2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Phua Boon Kin  
Interim Group Chief Executive

Saw Chin Choo  
Executive Director

Dated 15 October 2020