



TEE International Limited

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

Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 28 February 2021

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

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2021	29/02/2020		28/02/2021	29/02/2020	
Continuing operations						
Revenue	46,730	100,595	(53.5)	113,556	272,813	(58.4)
Cost of sales	(48,839)	(100,732)	(51.5)	(109,720)	(264,301)	(58.5)
Gross (loss) /profit	(2,109)	(137)	NM	3,836	8,512	(54.9)
Other operating income	401	305	31.5	4,853	1,087	NM
Administrative expenses	(3,058)	(4,987)	(38.7)	(9,478)	(13,199)	(28.2)
Other operating expenses	(1,408)	(879)	60.2	(2,463)	(1,258)	95.8
Share of results of associates and joint venture	78	231	(66.2)	534	137	NM
Finance costs	(471)	(3,277)	(85.6)	(1,806)	(6,534)	(72.4)
Loss before tax	(6,567)	(8,744)	(24.9)	(4,524)	(11,255)	(59.8)
Income tax expense	699	(3,042)	NM	504	(3,676)	NM
Loss for the period from continuing operations	(5,868)	(11,786)	(50.2)	(4,020)	(14,931)	(73.1)
Profit /(Loss) for the period from discontinued operations¹, net of tax	-	6,730	NM	-	(31,182)	NM
Loss for the period	(5,868)	(5,056)	16.1	(4,020)	(46,113)	(91.3)

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1(a)(i) (Continued)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2021	29/02/2020		28/02/2021	29/02/2020	
(Loss) /Profit attributable to:						
Owners of the Company	(6,427)	(4,070)	57.9	(5,411)	(41,845)	(87.1)
Non-controlling interests	559	(986)	NM	1,391	(4,269)	NM
	(5,868)	(5,056)	16.1	(4,020)	(46,114)	(91.3)
Other comprehensive profit /(loss) for the period :						
<i>Currency translation differences</i>						
Owners of the Company	318	(85)	NM	(197)	(293)	(32.8)
Non-controlling interests	29	(66)	NM	36	(465)	NM
Total comprehensive profit /(loss)	347	(151)	NM	(161)	(758)	(78.8)
<u>(Loss) /Profit attributable to:</u>						
<i>Owners of the Company</i>						
Loss from continuing operations, net of tax	(6,427)	(12,545)	(48.8)	(5,411)	(14,167)	(61.8)
Profit /(Loss) from discontinued operation, net of tax	-	8,475	NM	-	(27,678)	NM
<i>Non-controlling interests</i>	559	(987)	NM	1,391	(4,269)	NM
	(5,868)	(5,057)	16.0	(4,020)	(46,114)	(91.3)
<u>Total comprehensive (loss) /profit attributable to:</u>						
<i>Owners of the Company</i>						
Loss from continuing operations, net of tax	(6,109)	(12,621)	(51.6)	(5,608)	(14,230)	(60.6)
Profit /(Loss) from discontinued operation, net of tax	-	8,466	NM	-	(27,908)	NM
<i>Non-controlling interests</i>	588	(1,053)	NM	1,427	(4,734)	NM
	(5,521)	(5,208)	6.0	(4,181)	(46,872)	(91.1)

NM - not meaningful

¹Discontinued operations relate to the disposal of the entire stake of 63.28% shares in TEE Land Limited ("TEE Land"). As announced on 13 January 2020, the sale of TEE Land shares was completed on 3 February 2020. The Company accounted for the results of TEE Land up to 31/01/2020. The loss of discontinued operation comprised the following:

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Discontinued operation			Discontinued operation		
	28/02/2021	29/02/2020		28/02/2021	29/02/2020	
Operating losses of TEE Land	-	(2,044)	NM	-	(10,522)	NM
Reversal (Impairment) recognised based on net estimated fair value	-	8,774	NM	-	(20,660)	NM
	-	6,730	NM	-	(31,182)	NM

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

Continuing operations

A Other operating income:

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2021	29/02/2020		28/02/2021	29/02/2020	
Interest income	4	10	(60.3)	18	29	(37.9)
Amortisation of financial guarantee liabilities	19	19	0.0	56	56	0.0
Change in fair value of financial assets at FVTPL	(43)	-	NM	545	-	NM
Gain on disposal of property, plant and equipment	6	-	NM	6	7	(14.3)
Government grant	364	40	NM	3,932	143	NM
Net foreign currency exchange adjustment gain	-	79	NM	-	370	NM
Management fees income	20	78	(74.4)	75	247	(69.6)
Allowance for doubtful other receivables written back	-	-	-	51	-	NM
Service fees income	22	27	(18.5)	72	68	5.9
Others	9	52	(82.5)	98	167	(41.3)
	401	305	31.5	4,853	1,087	NM

B Other operating expenses:

Amortisation of intangible assets	-	186	NM	310	558	(44.4)
Change in fair value of investment property	-	-	-	713	-	NM
Loss on disposal of investment in an associate	1,324	-	NM	1,324	-	NM
Net foreign currency exchange adjustment loss /(gain)	34	-	NM	61	(1)	NM
Property, plant and equipment written off	49	-	NM	50	2	NM
Other receivables written off	-	1	NM	-	1	NM
Trade receivables written off	1	692	(99.9)	5	698	(99.3)
	1,408	879	60.2	2,463	1,258	95.8

C Finance costs:

Leases	140	155	(9.7)	466	472	(1.3)
Loan interests	331	743	(55.5)	1,340	2,250	(40.4)
Notes payable interest	-	2,365	NM	-	3,768	NM
Finance leases	-	14	NM	-	44	NM
	471	3,277	(85.6)	1,806	6,534	(72.4)

D Other information:

Depreciation of property, plant and equipment	620	841	(26.3)	2,019	3,537	(42.9)
Amortisation of deferred commission expenses	19	19	0.0	55	55	0.0
Amortisation of issuance costs on notes payable	5	119	(95.8)	39	263	(85.2)
Adjustment for under provision of income tax in respect of prior year	-	2,963	NM	17	2,951	(99.4)

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:

	TEE Land S\$'000		Increase/ (Decrease) %	TEE Land S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Eight Months Ended		
	28/02/2021	29/02/2020		28/02/2021	31/01/2020	
Revenue	-	11,476	NM	-	47,887	NM
Cost of sales	-	(10,374)	NM	-	(39,253)	NM
Gross profit	-	1,102	NM	-	8,634	NM
Other operating income	-	625	NM	-	1,228	NM
Selling and distribution expenses	-	(805)	NM	-	(3,777)	NM
Administrative expenses	-	(1,796)	NM	-	(6,610)	NM
Other operating expenses ¹	-	8,765	NM	-	(25,349)	NM
Share of results of associates	-	(157)	NM	-	(602)	NM
Finance costs	-	(1,126)	NM	-	(4,715)	NM
Profit /(Loss) before tax	-	6,608	NM	-	(31,191)	NM
Income tax expense	-	122	NM	-	9	NM
Profit /(Loss) for the period	-	6,730	NM	-	(31,182)	NM

¹ Other operating expenses of TEE Land is due mainly to additional buyer's stamp duty payable for a development project and S\$20.7 million impairment recognised based on net estimated fair value in accordance with SFRS(1)5 - Non-Current Assets Held for Sale and Discontinued Operations.

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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	
	28/02/2021	31/05/2020	28/02/2021	31/05/2020
ASSETS				
Current assets				
Cash and cash equivalents	16,971	50,764	8,883	8,997
Bank balances pledged	5,356	3,615	-	-
Trade receivables	32,749	30,010	-	3,659
Other receivables	4,580	5,084	11,143	14,165
Loan receivable	3,500	-	3,500	-
Financial assets at fair value through profit or loss	10	82	-	82
Inventories	66	77	-	-
Contract assets	130,110	146,244	-	-
Total current assets	193,342	235,876	23,526	26,903
Non-current assets				
Other receivables	1,122	1,312	653	777
Financial assets at fair value through profit or loss	400	-	-	-
Investment in associates	4,827	9,646	-	-
Investment in joint venture	-	130	-	-
Investment in subsidiaries	-	-	43,926	43,926
Intangible asset	-	310	-	-
Property, plant and equipment	23,183	25,339	32	41
Investment properties	34,213	34,926	23,832	23,909
Deferred tax assets	1,261	583	4	-
Total non-current assets	65,006	72,246	68,447	68,653
Total assets	258,348	308,122	91,973	95,556
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	28,308	57,496	-	-
Trade payables	128,316	147,628	-	3,613
Other payables	29,392	24,882	60,860	59,555
Contract liabilities	1,437	661	-	-
Provision for maintenance costs	250	235	-	-
Current portion of lease liabilities	2,145	2,683	130	128
Current portion of long-term borrowings	4,822	2,809	3,310	2,510
Current portion of financial guarantee liabilities	19	75	19	75
Income tax payable	4,307	4,339	863	842
Total current liabilities	198,996	240,808	65,182	66,723

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1(b)(i) (Continued)

LIABILITIES AND EQUITY

Non-current liabilities

Lease liabilities	29,597	31,421	2,211	2,309
Long-term borrowings	14,843	16,755	10,560	11,404
Financial guarantee liabilities	-	-	-	-
Long-term deposit	307	306	307	306
Other payables	38	40	-	-
Deferred tax liabilities	134	178	-	-
Total non-current liabilities	44,919	48,700	13,078	14,019

Capital and reserves and non-controlling interests

Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	408	605	-	-
Capital reserve	-	-	(274)	(274)
Accumulated losses	(56,809)	(51,398)	(58,938)	(57,837)
Equity attributable to owners of the Company	16,524	22,132	13,713	14,814
Non-controlling interests	(2,091)	(3,518)	-	-
Net equity	14,433	18,614	13,713	14,814

Total liabilities and equity

	The Group S\$'000		The Company S\$'000	
	28/02/2021	31/05/2020	28/02/2021	31/05/2020
LIABILITIES AND EQUITY				
Non-current liabilities				
Lease liabilities	29,597	31,421	2,211	2,309
Long-term borrowings	14,843	16,755	10,560	11,404
Financial guarantee liabilities	-	-	-	-
Long-term deposit	307	306	307	306
Other payables	38	40	-	-
Deferred tax liabilities	134	178	-	-
Total non-current liabilities	44,919	48,700	13,078	14,019
Capital and reserves and non-controlling interests				
Share capital	73,194	73,194	73,194	73,194
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	408	605	-	-
Capital reserve	-	-	(274)	(274)
Accumulated losses	(56,809)	(51,398)	(58,938)	(57,837)
Equity attributable to owners of the Company	16,524	22,132	13,713	14,814
Non-controlling interests	(2,091)	(3,518)	-	-
Net equity	14,433	18,614	13,713	14,814
Total liabilities and equity	258,348	308,122	91,973	95,556

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

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

Total aggregate amount of group's borrowings and debt securities

	The Group S\$'000			
	As at 28 February 2021		As at 31 May 2020	
	Unsecured	Secured	Unsecured	Secured
(a)	4,053	28,768	2,821	57,807
(b)	4,063	10,887	5,000	12,564
Total aggregate amount of group's borrowings and debt securities	8,116	39,655	7,821	70,371

Details of collateral:

The total secured borrowings are represented by:

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

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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2021	29/02/2020	28/02/2021	29/02/2020
Operating activities				
Loss before tax from continuing operations	(6,567)	(8,744)	(4,524)	(11,255)
Profit /(Loss) before tax from discontinued operation	-	6,608	-	(31,191)
Adjustments for:				
Share of results of associates and joint venture	(78)	(74)	(534)	465
Depreciation of property, plant and equipment	622	1,563	2,019	5,157
Allowance for doubtful other receivables written back	-	-	(51)	-
Amortisation of deferred commission expenses	19	368	55	1,715
Amortisation of deferred show flat costs	-	287	-	1,150
Amortisation of financial guarantee liabilities	(19)	(46)	(56)	(167)
Amortisation of issuance costs on notes payable	5	119	39	263
Amortisation of intangible asset	-	186	310	558
Change in fair value of financial assets at FVTPL	43	-	(545)	-
Change in fair value of investment property	-	-	713	-
(Reversal) /Impairment recognised based on estimate fair value less costs to sell	-	(8,774)	-	20,660
Gain on disposal of property, plant and equipment	(6)	-	(6)	(7)
Loss on disposal of investment in an associate	1,324	-	1,324	-
Plant and equipment written off	49	8	50	10
Trade receivables written off	1	693	5	698
Other receivables written off	-	(1)	-	(1)
Provision /(Utilised) for maintenance costs	14	(643)	28	(378)
Unrealised currency translation gain	(85)	(721)	(120)	(916)
Interest income	(4)	(56)	(18)	(212)
Interest expense	471	4,402	1,806	11,248
Operating cash flows before movements in working capital	(4,211)	(4,825)	495	(2,203)
Trade receivables	(3,102)	(10,427)	(2,759)	(13,981)
Other receivables	2,549	(2,013)	601	1,887
Inventories	(16)	(14)	11	51
Contract assets	(2,132)	(28,719)	16,134	(34,059)
Contract costs	-	(40)	-	(2,680)
Development properties	-	2,842	-	15,609
Completed properties and land held for sale	-	5,776	-	9,954
Trade payables	15,565	4,678	(19,337)	12,843
Other payables	(181)	2,263	2,455	3,332
Contract liabilities	77	(504)	776	4,556
Utilisation of provision for maintenance costs	(9)	(277)	(12)	(544)
Cash generated from /(used in) operations	8,540	(31,260)	(1,636)	(5,235)
Interest paid	-	(871)	-	(3,621)
Income tax paid	(125)	(1,523)	(235)	(2,317)
Net cash flows generated from /(used in) operating activities	8,415	(33,654)	(1,871)	(11,173)
Investing activities				
Proceeds on disposal of property, plant and equipment	40	-	248	234
Proceeds on disposal of investment in an associate	3,519	-	3,519	-
Purchase of property, plant and equipment	(22)	(241)	(157)	(1,306)
Investment in associate	-	-	-	(36)
Proceeds on disposal of other investments	627	-	627	-
Net cash inflow from the disposal of a subsidiary	-	24,723	-	24,723
Return on joint venture capital	-	-	129	-
Repayment of loans receivables	-	-	-	225
Loan receivables	(3,500)	-	(3,500)	(18)
Interest received	16	5	47	105
Net cash flows generated from investing activities	680	24,487	913	23,927

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1(c) (Continued)

Financing activities

Drawdown of bank loans	3,089	60,966	23,512	144,309
Repayment of bank loans	(14,703)	(63,478)	(53,964)	(130,774)
Drawdown of long-term borrowings	-	-	-	4,500
Repayment of long-term borrowings	(88)	(2,093)	(300)	(36,928)
Increase in bank balances pledged	(997)	(77)	(1,741)	(111)
Repayment of obligations under finance leases	-	(125)	-	(482)
Increase of obligation under finance leases	-	-	-	790
Increase of lease obligation	-	-	-	-
Repayment of lease obligation	(449)	(610)	(2,244)	(1,793)
Loan from a controlling shareholder	575	-	2,668	-
Loan payable	400	-	400	-
Interest paid	(1,155)	(3,480)	(2,433)	(7,290)
Repayment of notes payable	-	(15,686)	-	(18,699)
Net cash flows used in financing activities	(13,328)	(24,583)	(34,102)	(46,478)
Net decrease in cash and cash equivalents	(4,233)	(33,750)	(35,060)	(33,724)
Cash and cash equivalents at beginning of period	19,747	57,560	50,570	57,554
Effect of foreign exchange rate changes	-	48	4	28
Cash and cash equivalents at end of period (Note A)	15,514	23,858	15,514	23,858

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2021	29/02/2020	28/02/2021	29/02/2020
Drawdown of bank loans	3,089	60,966	23,512	144,309
Repayment of bank loans	(14,703)	(63,478)	(53,964)	(130,774)
Drawdown of long-term borrowings	-	-	-	4,500
Repayment of long-term borrowings	(88)	(2,093)	(300)	(36,928)
Increase in bank balances pledged	(997)	(77)	(1,741)	(111)
Repayment of obligations under finance leases	-	(125)	-	(482)
Increase of obligation under finance leases	-	-	-	790
Increase of lease obligation	-	-	-	-
Repayment of lease obligation	(449)	(610)	(2,244)	(1,793)
Loan from a controlling shareholder	575	-	2,668	-
Loan payable	400	-	400	-
Interest paid	(1,155)	(3,480)	(2,433)	(7,290)
Repayment of notes payable	-	(15,686)	-	(18,699)
Net cash flows used in financing activities	(13,328)	(24,583)	(34,102)	(46,478)
Net decrease in cash and cash equivalents	(4,233)	(33,750)	(35,060)	(33,724)
Cash and cash equivalents at beginning of period	19,747	57,560	50,570	57,554
Effect of foreign exchange rate changes	-	48	4	28
Cash and cash equivalents at end of period (Note A)	15,514	23,858	15,514	23,858

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

Cash at banks	16,935	24,421	16,935	24,421
Cash on hand	36	205	36	205
Fixed deposits	5,356	3,463	5,356	3,463
	22,327	28,089	22,327	28,089
Pledged fixed deposits	(5,356)	(3,409)	(5,356)	(3,409)
Total cash and cash equivalents per consolidated statement of financial position	16,971	24,680	16,971	24,680
Bank overdrafts	(1,457)	(822)	(1,457)	(822)
	15,514	23,858	15,514	23,858

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2021	29/02/2020	28/02/2021	29/02/2020
Cash at banks	16,935	24,421	16,935	24,421
Cash on hand	36	205	36	205
Fixed deposits	5,356	3,463	5,356	3,463
	22,327	28,089	22,327	28,089
Pledged fixed deposits	(5,356)	(3,409)	(5,356)	(3,409)
Total cash and cash equivalents per consolidated statement of financial position	16,971	24,680	16,971	24,680
Bank overdrafts	(1,457)	(822)	(1,457)	(822)
	15,514	23,858	15,514	23,858

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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
The Group								
Balance at 1 June 2020	73,194	(269)	605	-	(51,398)	22,132	(3,518)	18,614
<i>Total comprehensive (loss) /profit for the period:</i>								
(Loss) /Profit for the period	-	-	-	-	(5,411)	(5,411)	1,391	(4,020)
Other comprehensive (loss) /profit for the period	-	-	(197)	-	-	(197)	36	(161)
Total comprehensive (loss) /profit for the period	-	-	(197)	-	(5,411)	(5,608)	1,427	(4,181)
Balance at 28 February 2021	73,194	(269)	408	-	(56,809)	16,524	(2,091)	14,433

Balance at 1 June 2019	73,194	(269)	(245)	18,561	(10,370)	80,871	50,467	131,338
<i>Total comprehensive (loss) /profit for the period:</i>								
Loss for the period	-	-	-	-	(41,845)	(41,845)	(4,269)	(46,114)
Other comprehensive loss for the period	-	-	(293)	-	-	(293)	(465)	(758)
Sale of interest in a subsidiary			390	(18,561)	18,561	390	(48,536)	(48,146)
Total comprehensive (loss) /profit for the period	-	-	97	(18,561)	(23,284)	(41,748)	(53,270)	(95,018)
Balance at 29 February 2020	73,194	(269)	(148)	-	(33,654)	39,123	(2,803)	36,320

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 1 June 2020	73,194	(269)	(274)	(57,837)	14,814
Loss for the year, representing total comprehensive loss for the period	-	-	-	(1,101)	(1,101)
Balance at 28 February 2021	73,194	(269)	(274)	(58,938)	13,713
Balance at 1 June 2019	73,194	(269)	(274)	(15,001)	57,650
Loss for the period, representing total comprehensive loss for the period	-	-	-	(31,886)	(31,886)
Balance at 29 February 2020	73,194	(269)	(274)	(46,887)	25,764

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

Share capital

Balance as at 30 November 2020 and 28 February 2021

Treasury shares

Balance as at 30 November 2020 and 28 February 2021

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

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

During the period, 57,193,798 outstanding warrants which can be exercised at the adjusted exercise price of S\$0.189 per warrant payable in cash within the period from the date of issue of the bonus warrants, 30 April 2018 was expired at 5.00 p.m. on 30 October 2020.

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	
28/02/2021	31/05/2020
648,152,876	648,152,876
(1,270,400)	(1,270,400)
646,882,476	646,882,476

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the period ended 28 February 2021.

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

Not applicable.

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

The figures presented have not been audited or reviewed.

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

Not applicable.

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

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

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

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

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

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

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

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

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

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted in the audited annual financial statements for the financial year ended 31 May 2020, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 June 2020.

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

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

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

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

	Continuing operations - The Group			
	Third Quarter Ended		Nine Months Ended	
	28/02/2021	29/02/2020	28/02/2021	29/02/2020
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)	(0.99)	(1.94)	(0.84)	(2.19)
- Weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882	646,882	646,882
(ii) On a fully diluted basis (cents)	(0.99)	(1.94)	(0.84)	(2.19)
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	646,882	646,882	646,882	646,882

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6. (Continued)

Profit/(Loss) per ordinary share of the Group based on the net profit/(loss) attributable to owners of the Company:

- (i) Based on weighted average number of shares (cents)
 - Weighted average number of shares (excluding treasury shares) ('000)
- (ii) On a fully diluted basis (cents)
 - Adjusted weighted average number of shares (excluding treasury shares) ('000)

Discontinued operations - The Group			
Third Quarter Ended		Nine Months Ended	
28/02/2021	29/02/2020	28/02/2021	29/02/2020
-	1.31	-	(4.28)
646,882	646,882	646,882	646,882
-	1.31	-	(4.28)
646,882	646,882	646,882	646,882

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year

The Group
 The Company

Cents	
As at 28/02/2021	As at 31/05/2020
2.6	3.4
2.1	2.3

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

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

Income Statement

Third Quarter Ended 28 February 2021 ("3QFY2021") against Second Quarter Ended 29 February 2020 ("3QFY2020")

Revenue decreased by S\$53.9 million mainly due to substantial completion of a major project and slowdown of project progression due to COVID-19. Cost of sales correspondingly reduced by S\$51.9 million. Novation of major sub-contractor work of engineering and construction projects with higher costs, resulting in an overall gross loss position.

The gross loss was mainly due to the engineering and construction segment. However, the Group's environmental business and rental income from its investment properties remains stable, healthy and have positive contribution to the Group.

Other operating income increased by S\$0.1 million mainly due to government grant received.

Administrative expenses decreased by S\$1.9 million mainly due to reduction in depreciation of property, plant and equipment in line with impairment of property, plant and equipment made in 4QFY2020.

Other operating expenses increased by S\$0.5 million mainly due to loss on disposal of investment in associate.

Finance costs reduced by S\$2.8 million mainly due to repayment of borrowings and notes payable in prior year.

Overall, the Group reported a loss after tax of S\$5.9 million in 3QFY2021 as compared to a loss after tax of S\$5.0 million in 3QFY2020.

Attributable to owners of the Company was a loss of S\$6.4 million in 3QFY2021 as compared to a loss of S\$4.1 million in 3QFY2020.

Nine Months Ended 28 February 2021 ("9MY2021") against Nine Months Ended 29 February 2020 ("9MY2020")

Revenue decreased by S\$159.3 million mainly due to substantial completion of a major project. Group's construction activities have been severely slowed down due to COVID-19. Cost of sales correspondingly decreased by S\$154.6 million.

Other operating income increased by S\$3.8 million mainly due to government grant received.

Administrative expenses decreased by S\$3.7 million mainly due to reduction in depreciation of property, plant and equipment and employee benefits expenses.

Other operating expenses increased by S\$1.2 million mainly due to change in fair value of investment properties and loss on disposal of investment in associate.

Finance costs decreased by S\$4.7 million due to repayment of borrowings and notes payable in prior year.

Overall, the Group reported a loss after tax of S\$4.0 million in 3QFY2021 as compared to a loss after tax of S\$46.1 million in 3QFY2020.

Attributable to the owners of the Company was a loss of S\$5.4 million in 3QFY2021 as compared to a loss of S\$41.8 million in 3QFY2020.

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8. (Continued)

Statement of Financial Position

Cash and cash equivalents reduce by S\$33.8 million mainly due to settlements of amount owing to creditors and bills payable for the period.

Loan receivable of S\$3.5 million due to deposit paid to the acquisition of TEE Industrial Pte Ltd. The acquisition was completed on 24 March 2021.

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

Bank loans reduced by S\$29.2 million mainly due to repayments of bills payable.

Trade payables reduced by S\$19.3 million due to settlements of amount owing to creditors.

Other payables increased by S\$4.5 million mainly due to interest-free loan from controlling shareholder and increase of accrued expenses.

Statement of Cash flows

Nine Months Ended 28 February 2021 ("9MFY2021")

Operating activities

Net cash used in operating activities of S\$1.9 million, mainly due to repayments of trade payables of S\$19.3 million being offset by lower contract assets of S\$16.1 million.

Investing activities

Net cash generated from investing activities was S\$0.9 million, mainly due to proceeds from disposal of investment in an associate of S\$3.5 million and disposal of other investment of S\$0.6 million and offset by a loan receivable of S\$3.5 million for the acquisition of TEE Industrial Pte Ltd.

Financing activities

Net cash used in financing activities was S\$34.1 million, mainly due to repayment of bills payables and bank borrowings of S\$54.0 million being offset by drawdowns of bills payable and bank borrowings of S\$23.5 million.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$35.0 million.

Net Current Liabilities

As at 28 February 2021, the Group's and the Company's current liabilities exceeded its current assets by S\$5.7 million and \$41.7 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\$11.8 million instead.

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

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

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

As announced on 24 March 2021, the Group completed the proposed acquisition of the entire issued and paid-up share capital of TEE Industrial Pte. Ltd. ("TEE Industrial"). TEE Building, which is held by TEE Industrial, is expected to lease out up to 30% of the total gross floor area to third party as rental income for the Group.

Engineering and Construction Business

The Group's Engineering and Construction business remains challenging. In the near term, the Group expects that manpower deployment for engineering and construction projects would continue to be affected as higher cost and time resources are required to comply with COVID-safe management measures. In addition, supply chain for materials may be disrupted due to the evolving COVID-19 situation in the region. As a result, costs to complete the construction projects may be impacted. The Group will continue to take all necessary steps to monitor and contain the project cost for ongoing projects.

As at 28 February 2021, the Group's engineering and construction order book stood at S\$218.2 million.

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

The environmental business continues to grow its waste management services and has expanded its cleaning solutions to include disinfection services for commercial premises. The environmental business plans to expand into the Municipal Solid Waste sectors by actively participating in the upcoming tenders for Public Waste Collection, where it has already been pre-qualified to bid for these tenders. Being the National Environment Agency approved disinfection service provider, the environmental business continues to grow by integrating the disinfection services with the existing waste and cleaning services. The Group will continue its efforts to selectively divest its investment in overseas infrastructure assets.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Book Closure Date

Not applicable.

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

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

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

No IPT mandate has been obtained for the period under review. However, the Company wishes to disclose the following aggregate value of interested person transactions conducted during the financial period ended 28 February 2021.

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

(1) Tramore Global Limited ("TGL") is a controlling shareholder of the Company, holding direct interest of 66.69% of the issued share capital of the Company. As at 28 February 2021, TGL granted an unsecured interest-free loan of S\$2.7 million to the Company. The repayment date of the loan is on 31 May 2021, or any dates as may be agreed by TGL and the Company.

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

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

The Company raised net proceeds of approximately S\$14.3 million from the renounceable non-underwritten rights issue announced on 29 November 2018. The Company now wishes to announce the change in and update on the use of the net proceeds. As at 12 January 2021, the Company announced that it has re-allocated S\$5.1 million of the net proceeds originally allocated for expansion of business to general working capital requirements of the Group.

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

Intended Use of Net Proceeds	Re-allocation of Net Proceeds	Actual Amount Utilised	Amount Un-utilised
	S\$'000	S\$'000	S\$'000
For general working capital requirements of the Group	7,974 ⁽¹⁾	7,974 ⁽¹⁾	-
To finance the expansion and growth of existing businesses, acquisitions and new investments	6,339	6,339	-

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

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

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

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

16. Additional information required pursuant to Rule 706A

Deregistration of Subsidiaries and Associate Company

Nexfrontier Solutions Pte Ltd ("NFS") and TEE Engineering & Construction Private Limited ("TEE E&C"), the Company's wholly owned subsidiaries incorporated in Singapore, had been submitted application for deregistration (the "Application for deregistration").

TEE Management Pte Ltd ("TEE Mgt") and TEE GA Pte Ltd ("TEE GA"), the Company's indirect wholly owned subsidiaries incorporated in Singapore, had been submitted application for deregistration.

CMTE Technology Sdn Bhd ("CMTE"), the Company's associate incorporated in Malaysia, had been deregistered (the "deregistration").

The Application for deregistration of NFS, TEE E&C, TEE Mgt and TEE GA is expected to be completed before financial year ended 31 May 2021. The application for deregistration for subsidiaries and the deregistration of CMTE is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company and Group for the current financial year ending 31 May 2021.

None of the directors and, as far as the directors are aware, none of the controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction, save for their shareholdings (if any) in the Company.

17. 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 nine months ended 28 February 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Phua Boon Kin
Group Chief Executive

Saw Chin Choo
Executive Director

Dated 12 April 2021