



**TEE International Limited**

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

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**MATERIAL ADJUSTMENTS TO THE UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAY 2017**

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The Board of Directors (the “Board”) of TEE International Limited (the “Company”) refers to the earlier announcement on the unaudited results of the Company and its subsidiaries (the “Group”) for the financial year ended 31 May 2017 (“FY2017”) released on 29 July 2017 (the “Unaudited Results”).

While the Company’s auditors are currently still in the process of finalizing their audit report on the Company’s and the Group’s financial statements for FY2017, the Board wishes to highlight, pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the material adjustments proposed by the Company’s auditors and accepted by the Company to the Unaudited Results during the course of the audit as summarized in the Appendix A to this Announcement.

By Order of the Board

Yeo Ai Mei  
Deputy Group CFO and  
Company Secretary

11 October 2017

## TEE International Limited

(Incorporated in the Republic of Singapore)

Company Registration No: 200007107D

### Appendix A

#### MATERIAL ADJUSTMENTS TO THE UNAUDITED RESULTS FOR THE YEAR ENDED 31 MAY 2017

##### Statement of Profit or Loss

The Group				
Full Year Ended 31/05/2017				
Previously Announced S\$'000	Revised S\$'000	Variance S\$'000	Note	
Revenue	258,097	253,615	(4,482)	1
Cost of sales	(220,587)	(217,438)	3,149	1 & 3
Gross profit	37,510	36,177	(1,333)	
Other operating income	11,383	11,546	163	2
Selling and distribution expenses	(5,347)	(5,101)	246	1
Administrative expenses	(22,268)	(21,264)	1,004	4 & 5
Other operating expenses	(5,311)	(6,786)	(1,475)	3 & 4
Share of results of associates & joint venture	(2,095)	(2,095)	-	
Finance costs	(10,181)	(10,181)	-	
Profit before tax	3,691	2,296	(1,395)	
Income tax expense	(3,611)	(3,264)	347	1
Profit (Loss) for the year	80	(968)	(1,048)	

Profit (Loss) attributable to:

Owners of the Company	(942)	(1,569)	(627)	1 to 5
Non-controlling interests	1,022	601	(421)	1 & 3

Loss per ordinary share:

Basic (cents)	(0.19)	(0.31)	(0.12)	
Diluted (cents)	(0.19)	(0.31)	(0.12)	

##### Notes on variances:

1. At the Group level, consolidation adjustments were made to defer the revenue, cost and expense of \$4,482,000, \$2,790,000 and \$246,000 recognized by a foreign subsidiary of TEE Land till the completion of the construction. This is to align the subsidiary's revenue recognition policy to the Completion of Contract method adopted by the Group for such uncompleted commercial property. The subsidiary had recognized the revenue/profit on the sale of uncompleted shop lots under a mixed development project using the Percentage of Completion method.
2. Recognition of fair value gain of \$163,000 on reclassification from investment in former associate to held for trading investment.
3. At the Group level, consolidation adjustments were made to reverse over-recognition of development costs \$359,000 by a subsidiary of TEE Land (previously included in cost of sales) and to provide for impairment loss of \$407,000 (now included in Other Operating Expenses) on the same development project.
4. At the Group level, consolidation adjustments were made (i) to reclassify the TEE building from investment property as recorded by TEE Land to property, plant and equipment, (ii) to reverse TEE Land's revaluation gain of \$900,000 and to reverse TEE Land's reversal of provision for impairment loss of \$168,000 that were previously credited to Other Operating Expenses and (iii) to record additional depreciation expense of \$116,000 under administrative expenses. TEE Building is substantially rented out to the Group entities.
5. Adjustment to reflect variable bonus paid subsequent to financial year of \$1,120,000 to the appropriate financial year.

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**Appendix A (cont'd)****MATERIAL ADJUSTMENTS TO THE UNAUDITED RESULTS  
FOR THE YEAR ENDED 31 MAY 2017****Statement of financial position**

<b>The Group</b>				
<b>As At 31 May 2017</b>				
	<b>Previously Announced S\$'000</b>	<b>Revised S\$'000</b>	<b>Variance S\$'000</b>	<b>Note</b>
<b>Current assets</b>				
Other receivables	12,891	13,239	348	1
Held for trading investment	-	700	700	2
Development properties	147,430	143,997	(3,433)	1
Completed properties and land held for sale	47,584	47,001	(583)	3
<b>Non-current assets</b>				
Investment in associates	48,240	48,296	56	2
Property, plant and equipment	1,686	22,794	21,108	4
Investment properties	56,105	33,812	(22,293)	4
Deferred tax assets	3,013	3,851	838	1
<b>Current liabilities</b>				
Trade payables	104,854	104,212	(642)	3
Income tax payable	5,548	5,596	48	1
<b>Capital, reserves &amp; non-controlling interests</b>				
Currency translation reserve	(1,667)	(1,011)	656	1
Accumulated profits	21,891	19,396	(2,495)	1 to 5
Equity attributable to the owners of the Company	97,449	95,610	(1,839)	1 to 5
Non-controlling interests	70,864	70,016	(848)	1 & 3
<b>Net asset value per ordinary share (excluding treasury share)</b>				
The Group (cents)	19.4	19.1	(0.3)	
The Company (cents)	11.0	11.1	0.1	