**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 2014

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) |
|---|---|---|---|
| | First Quarter Ended | | |
| | 31/08/2014 | 31/08/2013 | % |
| **Revenue** | 42,342 | 68,816 | (38.5) |
| **Cost of sales** | (38,759) | (61,179) | (36.6) |
| **Gross profit** | 3,583 | 7,637 | (53.1) |
| Other operating income | 1,648 | 854 | 93.0 |
| Administrative expenses | (4,885) | (5,655) | (13.6) |
| Other operating expenses | - | (1,899) | NM |
| Share of results of associates | 2,871 | 1,374 | NM |
| Finance costs | (965) | (694) | 39.0 |
| **Profit before tax** | 2,252 | 1,617 | 39.3 |
| Income tax expense | (173) | (541) | (68.0) |
| **Profit for the period** | 2,079 | 1,076 | 93.2 |
| Profit attributable to: | | | |
| Owners of the company | 1,279 | 925 | 38.3 |
| Non-controlling interests | 800 | 151 | NM |
| | 2,079 | 1,076 | 93.2 |

### 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) |
|---|---|---|---|
| | First Quarter Ended | | |
| | 31/08/2014 | 31/08/2013 | % |
| Profit for the period | 2,079 | 1,076 | 93.2 |
| Other comprehensive loss: | | | |
| Currency translation differences | (90) | (369) | (75.6) |
| Other comprehensive loss for the period | (90) | (369) | (75.6) |
| Total comprehensive income for the period | 1,989 | 707 | NM |
| Total comprehensive income attributable to: | | | |
| Owners of the company | 1,203 | 564 | NM |
| Non-controlling interests | 786 | 143 | NM |
| | 1,989 | 707 | NM |

## TEE International Limited

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

| | The Group S$'000 | | Increase/ (Decrease) |
|---|---|---|---|
| | First Quarter Ended | | |
| | 31/08/2014 | 31/08/2013 | % |
| A Other operating income: | | | |
| Interest income | 667 | 493 | 35.3 |
| Amortisation of financial guarantee liabilities | 216 | 233 | (7.3) |
| Gain on disposal of subsidiary | 299 | - | NM |
| Net foreign currency exchange adjustment gain | 289 | - | NM |
| Others | 177 | 128 | 38.3 |
| | 1,648 | 854 | 93.0 |
| B Finance costs: | | | |
| Bank borrowings | 959 | 684 | 40.2 |
| Finance leases | 6 | 10 | (40.0) |
| | 965 | 694 | 39.0 |
| C Depreciation of property, plant and equipment | 563 | 739 | (23.8) |
| D Other operating expenses: | | | |
| Net foreign currency exchange adjustment loss | - | 1,311 | NM |
| IPO expenses incurred by a subsidiary | - | 436 | NM |
| Amortisation of intangible assets | - | 136 | NM |
| Others | - | 16 | NM |
| | - | 1,899 | 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 | |
|---|---|---|---|---|
| | 31/08/2014 | 31/05/2014 | 31/08/2014 | 31/05/2014 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 28,264 | 32,916 | 1,733 | 2,848 |
| Bank balances pledged | 6,528 | 6,528 | 1,832 | 1,832 |
| Trade receivables | 31,525 | 42,811 | - | - |
| Other receivables | 19,380 | 16,918 | 29,263 | 23,103 |
| Current portion of loans receivable from associates | 22,862 | 23,708 | 3,906 | 3,906 |
| Construction work-in-progress in excess of progress billings | 45,407 | 32,637 | - | - |
| Development properties | 160,914 | 157,412 | - | - |
| Completed property held for sale | - | 1,216 | - | - |
| Assets classified as held for sale | - | 14,116 | - | 3,122 |
| Total current assets | 314,880 | 328,262 | 36,734 | 34,811 |
| **Non-current assets** | | | | |
| Bank balances pledged | 424 | 410 | - | - |
| Investment in associates | 30,822 | 27,893 | 300 | 300 |
| Investment in subsidiaries | - | - | 100,770 | 100,745 |
| Club membership | 46 | 46 | 46 | 46 |
| Property, plant and equipment | 12,756 | 11,950 | 46 | 38 |
| Investment properties | 61,704 | 33,120 | 23,000 | 23,000 |
| Deferred tax assets | 149 | 113 | - | - |
| Other receivables | 10,096 | 11,164 | - | - |
| Loans receivable from associates | 26,772 | 28,652 | - | - |
| Total non-current assets | 142,769 | 113,348 | 124,162 | 124,129 |
| **Total assets** | 457,649 | 441,610 | 160,896 | 158,940 |

**1(b)(i) (Continued)**

| | The Group S$'000 | | The Company S$'000 | |
|---|---|---|---|---|
| | 31/08/2014 | 31/05/2014 | 31/08/2014 | 31/05/2014 |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities** | | | | |
| Bank loans and overdrafts | 66,268 | 59,718 | 9,500 | 9,500 |
| Trade payables | 47,701 | 47,201 | 43 | 46 |
| Other payables | 29,963 | 22,600 | 54,006 | 54,007 |
| Progress billings in excess of construction work-in-progress | - | 490 | - | - |
| Provision for maintenance costs | 339 | 174 | - | - |
| Current portion of finance leases | 77 | 77 | - | - |
| Current portion of long-term bank loans | 30,112 | 38,719 | 18,398 | 17,411 |
| Current portion of financial guarantee liabilities | 641 | 734 | 932 | 1,025 |
| Income tax payable | 1,885 | 1,638 | - | - |
| Liabilities directly associated with assets classified as held for sale | - | 8,856 | - | - |
| Total current liabilities | 176,986 | 180,207 | 82,879 | 81,989 |
| **Non-current liabilities** | | | | |
| Finance leases | 331 | 345 | - | - |
| Long-term loan | 4,050 | 4,050 | - | - |
| Long-term bank loans | 133,032 | 113,150 | 17,200 | 15,094 |
| Financial guarantee liabilities | 1,927 | 2,050 | 1,952 | 2,136 |
| Long-term deposit | 730 | 730 | 730 | 730 |
| Deferred tax liabilities | 954 | 1,084 | - | - |
| Other payables | 13 | 13 | - | - |
| Total non-current liabilities | 141,037 | 121,422 | 19,882 | 17,960 |
| **Capital, reserves and non-controlling interests** | | | | |
| Share capital | 56,184 | 56,151 | 56,184 | 56,151 |
| Currency translation reserve | (1,148) | (1,072) | - | - |
| Capital reserve | 21,082 | 21,084 | (42) | (40) |
| Accumulated profits | 19,031 | 17,752 | 1,993 | 2,880 |
| Equity attributable to owners of the Company | 95,149 | 93,915 | 58,135 | 58,991 |
| Non-controlling interests | 44,477 | 46,066 | - | - |
| Net equity | 139,626 | 139,981 | 58,135 | 58,991 |
| **Total liabilities and equity** | 457,649 | 441,610 | 160,896 | 158,940 |

**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$'000 As at 31/08/2014 | | The Group S$'000 As at 31/05/2014 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| 44,762 | 51,695 | 54,379 | 44,135 |

**Amount repayable after one year**

| The Group S$'000 As at 31/08/2014 | | The Group S$'000 As at 31/05/2014 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| 129,792 | 3,571 | 112,285 | 1,210 |

**1(b)(ii) (Continued)**

**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 long-term loan of $4,050,000 due to joint developer.

**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 | |
| | 31/08/2014 | 31/08/2013 |
| **Operating activities** | | |
| Profit before tax | 2,252 | 1,617 |
| Adjustments for: | | |
| Share of results of associates | (2,871) | (1,374) |
| Depreciation of property, plant and equipment | 563 | 739 |
| Gain on disposal of a subsidiary | (299) | - |
| Amortisation of financial guarantee liabilities | (216) | (233) |
| Amortisation of intangible assets | - | 136 |
| Gain on disposal of property, plant and equipment | - | (23) |
| Provision for maintenance costs | 165 | 18 |
| Gain on disposal of other investments | - | (4) |
| Change in fair value of other investments | - | 16 |
| Interest income | (667) | (493) |
| Interest expense | 965 | 694 |
| Operating cash flows before movements in working capital | (108) | 1,093 |
| Trade receivables | 11,286 | 6,708 |
| Other receivables | 1,322 | (5,090) |
| Inventories | - | (139) |
| Construction work-in-progress in excess of progress billings | (12,770) | (412) |
| Development properties | (3,502) | 6,740 |
| Completed property held for sale | 1,216 | - |
| Trade payables | 500 | (8,055) |
| Other payables | 9,367 | 515 |
| Progress billings in excess of construction work-in-progress | (490) | (1,031) |
| Utilisation of provision for maintenance costs | - | (162) |
| Cash generated from operations | 6,821 | 167 |
| Interest paid | (1,847) | (1,176) |
| Income tax paid | (92) | (729) |
| Net cash from (used in) operating activities | 4,882 | (1,738) |

**1(c) (Continued)**

| | The Group S$'000 | |
|---|---|---|
| | First Quarter Ended | |
| **Investing activities** | 31/08/2014 | 31/08/2013 |
| Proceeds on disposal of property, plant and equipment | - | 41 |
| Purchase of property, plant and equipment | (1,346) | (9,582) |
| Purchase of investment property | (28,584) | - |
| Proceeds on disposal of other investments | - | 246 |
| Disposal of a subsidiary | (2,631) | - |
| Loans (to) receivable from associates | 2,726 | (6,977) |
| Interest received | 13 | 14 |
| Net cash used in investing activities | (29,822) | (16,258) |
| **Financing activities** | | |
| Drawdown of bank loans | 24,942 | 39,964 |
| Repayment of bank loans | (18,438) | (50,616) |
| Drawdown of long-term bank loans | 22,600 | 7,676 |
| Repayment of long-term bank loans | (11,424) | (8,109) |
| (Increase) Decrease in pledged fixed deposits | (14) | 1,166 |
| Repayment of obligations under finance leases | (20) | (63) |
| Payment of warrant issuance expenses | (2) | - |
| Capital contribution from non-controlling interest pursuant to initial public offering | - | 62,100 |
| Payment of share issuance expenses | - | (2,831) |
| Proceeds on issue of shares arising from exercise of warrants | 33 | - |
| Net cash from financing activities | 17,677 | 49,287 |
| Net (decrease) increase in cash and cash equivalents | (7,263) | 31,291 |
| Cash and cash equivalents at beginning of period | 31,373 | 33,243 |
| Effect of foreign exchange rate changes | (66) | 251 |
| **Cash and cash equivalents at end of period (Note A)** | 24,044 | 64,785 |

**Note A: Cash and cash equivalents**

| | The Group S$'000 | |
|---|---|---|
| | First Quarter Ended | |
| | 31/08/2014 | 31/08/2013 |
| Cash and cash equivalents | 35,216 | 79,679 |
| Pledged fixed deposits | (6,952) | (10,469) |
| Bank overdrafts | (4,220) | (4,425) |
| **Total cash and cash equivalents** | 24,044 | 64,785 |

## TEE International Limited

**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 31/05/2014** | 56,151 | (1,072) | 21,084 | 17,752 | 93,915 | 46,066 | 139,981 |
| *Total comprehensive income for the period:* | | | | | | | |
| Profit for the period | - | - | - | 1,279 | 1,279 | 800 | 2,079 |
| Other comprehensive loss for the period | - | (76) | - | - | (76) | (14) | (90) |
| *Transactions with owners, recognised directly in equity* | | | | | | | |
| Disposal of a subsidiary | - | - | - | - | - | (2,375) | (2,375) |
| Issue of shares arising from exercise of warrants | 33 | - | - | - | 33 | - | 33 |
| Expenses incurred on issue of bonus warrants | - | - | (2) | - | (2) | - | (2) |
| **Balance at 31/08/2014** | 56,184 | (1,148) | 21,082 | 19,031 | 95,149 | 44,477 | 139,626 |
| | | | | | | | |
| **Previous Corresponding Period** | | | | | | | |
| **Balance at 31/05/2013** | 47,978 | 51 | (46) | 45,205 | 93,188 | 7,136 | 100,324 |
| *Total comprehensive income for the period:* | | | | | | | |
| Profit for the period | - | - | - | 925 | 925 | 151 | 1,076 |
| Other comprehensive loss for the period | - | (361) | - | - | (361) | (8) | (369) |
| *Transactions with owners, recognised directly in equity* | | | | | | | |
| Net capital contribution from non-controlling interests | - | - | 21,170 | - | 21,170 | 38,099 | 59,269 |
| **Balance at 31/08/2013** | 47,978 | (310) | 21,124 | 46,130 | 114,922 | 45,378 | 160,300 |

**1(d)(i) (Continued)**

| | Share capital | Capital reserve | Accumulated profits | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **The Company** | | | | |
| **Balance at 31/05/2014** | 56,151 | (40) | 2,880 | 58,991 |
| Loss for the period, representing total comprehensive loss for the period | - | - | (887) | (887) |
| *Transactions with owners, recognised directly in equity* | | | | |
| Issue of shares arising from exercise of warrants | 33 | - | - | 33 |
| Expenses incurred on issue of bonus warrants | - | (2) | - | (2) |
| **Balance at 31/08/2014** | 56,184 | (42) | 1,993 | 58,135 |
| **Previous Corresponding Period** | | | | |
| **Balance at 31/05/2013** | 47,978 | - | 14,239 | 62,217 |
| Loss for the period, representing total comprehensive loss for the period | - | - | (1,083) | (1,083) |
| **Balance at 31/08/2013** | 47,978 | - | 13,156 | 61,134 |

**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 31/05/2014 | 493,025,721 | 56,151 |
| Issue of shares arising from exercise of warrants | 129,653 | 33 |
| Balance at 31/08/2014 | 493,155,374 | 56,184 |

During the period ended 31/08/2014, there was an increase of share capital arising from the exercise of 129,653 warrants at S$0.25 per warrant for TEEW170526. The number of outstanding warrants as at 31/08/2014 is 196,452,943 and can be exercised before 26/05/2017.

As at 31/08/2014 and 31/08/2013, there were no shares held as treasury shares and other outstanding convertibles.

**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 | |
|---|---|---|
| | 31/08/2014 | 31/05/2014 |
| Total number of issued shares | 493,155,374 | 493,025,721 |

**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 period ended 31/08/2014.

**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**

Other than the adoption of certain revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on 1 June 2014, the Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31/05/2014.

**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**

The adoption of the various revised FRS, new FRS and INT FRS effective for the financial year commencing on 01/06/2014 does not have a material financial effect on the Group and the Company.

**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 | |
|---|---|---|
| | First Quarter Ended | |
| | 31/08/2014 | 31/08/2013 |
| 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) | 0.26 | 0.20 |
| - Weighted average number of shares ('000) | 493,126 | 466,228 |
| (ii) On a fully diluted basis (cents) | 0.25 | 0.20 |
| - Adjusted weighted average number of shares ('000) | 503,073 | 466,228 |

**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 31/08/2014 | As at 31/05/2014 |
| The Group | 19.3 | 19.0 |
| The Company | 11.8 | 12.0 |

Net asset value per share is calculated based on 493,155,374 (31/05/2014: 493,025,721) ordinary shares on issue at the end of the period 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**

Revenue decreased by S$26.5 million to S$42.3 million in the three months ended 31/08/2014 ("1QFY2015") as compared to S$68.8 million reported for the corresponding three months ended 31/08/2013 ("1QFY2014"), mainly due to lower revenue recognised from on-going projects in 1QFY2015. Correspondingly cost of sales decreased by S$22.4 million to S$38.8 million as compare to S$61.2 million in 1QFY2014.

Other operating income increased from S$0.8 million in 1QFY2014 to S$1.6 million in 1QFY2015, mainly due to gain on disposal of a subsidiary, Interlift Sales Pte Ltd ("Interlift') and net foreign currency exchange adjustment gain derived from strengthening of the Malaysian Ringgit and Thai Baht. In 1QFY2014, there was a net foreign currency exchange adjustment loss of S$1.3 million.

With the completion of the disposal of Interlift, administrative expenses decreased by S$0.8 million to S$4.9 million in 1QFY2015 as compared to S$5.7 million in 1QFY2014.

Finance costs increased from S$0.7 million in 1QFY2014 to S$1.0 million in 1QFY2015, the increase mainly due to increase of borrowings.

Share of results of the associates increased by S$1.5 million from S$1.4 million in 1QFY2014 to S$2.9 million in 1QFY2015, mainly due to increased contribution from associates of TEE Land.

Overall, the Group recorded a higher profit after tax of S$2.1 million in 1QFY2015 as compared to S$1.1 million in 1QFY2014.

**Statement of Financial Position**

Trade receivables decreased by S$11.3 million from S$42.8 million as at 31/05/2014 to S$31.5 million as at 31/08/2014, mainly due to lower revenue recognition.

Construction work-in-progress in excess of progress billings increased by S$12.8 million from S$32.6 million as at 31/05/2014 to S$45.4 million as at 31/08/2014, mainly due to on-going and newly commenced projects.

Investment properties increased from S$33.1 million as at 31/05/2014 to S$61.7 million as at 31/08/2014, mainly due to the acquisition of a hotel in Sydney by TEE Land.

Completed property held for sale of S$1.2 million as at 31/05/2014 was for the remaining units at 91 Marshall, which were subsequently sold in 1QFY2015.

The Company had completed the disposal of Interlift in 1QFY2015, leading to elimination for related items in assets classified as held for sales; and liabilities directly associated with those assets classified as held for sales as at 31/08/2014.

Bank loans and overdrafts increased from S$59.7 million to S$66.3 million as at 31/08/2014, mainly due to the drawdown of bank loan to finance the acquisition of the hotel in Sydney by TEE Land.

Other payables increased to S$30.0 million as at 31/08/2014 compare to S$22.6 million as at 31/05/2014, mainly due to advances received from joint venture partners with respect to real estate transactions at TEE Land.

The completion of an engineering project led to a nil balance for the Progress billings in excess of construction work-in-progress as at 31/08/2014.

**8. (Continued)**

**Statement of Cash Flows**

**Operating activities**
Net cash from operating activities was S$4.9 million in 1QFY2015, mainly due to increase in construction work-in-progress in excess of progress billing, development properties, other payables and decrease in trade receivables.

**Investing activities**
Net cash used in investing activities was S$29.8 million in 1QFY2015, mainly due to the acquisition of the hotel in Sydney by TEE Land.

**Financing activities**
Net cash generated from financing activities was S$17.7 million in 1QFY2015, mainly due to net drawdown of bank loans.

As a result of the above operating, investing and financing activities, there was a net decrease in cash and cash equivalents of S$7.3 million, thereby bringing the total cash and cash equivalents to S$24.0 million as at 31/08/2014.

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

Excluding the recognition of the one-off project cost overrun of S$18.9 million, the actual results for 1QFY2015 are in line with the general prospects commentary previously disclosed in the full year results announcement for the year ended 31/05/2014. Current total outstanding order book is about S$440 million.

**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**

Overall, the Group expects the business environment to remain challenging, and will be selective in seeking growth opportunities in Singapore and the region. Meanwhile, the Group is focused on delivering its outstanding projects on time and within budget.

**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) Books closure date**

Not applicable.

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

No interim dividend has been declared or recommend in the current reporting period.

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

The Group has not obtained a general mandate from shareholders for IPTs.

**14 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**

As at 31/08/2014, the number of outstanding warrants was 196,452,943. So far, 129,653 warrants were converted to ordinary shares at the exercise price of S$0.25 per warrant. Pending the deployment of the net proceeds, the proceeds of approximately S$33,000 is currently deposited with a bank as the directors deemed appropriated in the interests of the Group.

The Company intends to utilise the net proceeds 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.

**NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Phua Chian 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 statements for the first quarter ended 31 August 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Chian Kin
Group Chief Executive

Saw Chin Choo
Executive Director

Dated 1 October 2014