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

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 May 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$'000		Increase/	The Group S$'000		Increase/
	Fourth Quarter Ended		(Decrease)	Full Year Ended		(Decrease)
	31/05/2014	31/05/2013	%	31/05/2014	31/05/2013	%
Revenue	46,573	88,889	(47.6)	202,823	216,541	(6.3)
Cost of sales	(43,096)	(73,586)	(41.4)	(181,365)	(184,710)	(1.8)
Gross profit	3,477	15,303	(77.3)	21,458	31,831	(32.6)
Other operating income	4,118	1,204	NM	7,635	4,045	88.8
Administrative expenses	(5,325)	(8,320)	(36.0)	(20,561)	(17,950)	14.5
Other operating expenses	(577)	(1,750)	(67.0)	(3,309)	(1,891)	75.0
Share of results of associates	4,143	1,776	NM	8,323	2,194	NM
Finance costs	(1,126)	(740)	52.2	(3,321)	(2,322)	43.0
Profit before tax	4,710	7,473	(37.0)	10,225	15,907	(35.7)
Income tax expense	(796)	(902)	(11.8)	(1,965)	(2,712)	(27.5)
Profit for the year	3,914	6,571	(40.4)	8,260	13,195	(37.4)
Profit attributable to:						
Owners of the company	2,271	6,506	(65.1)	5,371	13,203	(59.3)
Non-controlling interests	1,643	65	NM	2,889	(8)	NM
	3,914	6,571	(40.4)	8,260	13,195	(37.4)

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$'000		Increase/	The Group S$'000		Increase/
	Fourth Quarter Ended		(Decrease)	Full Year Ended		(Decrease)
	31/05/2014	31/05/2013	%	31/05/2014	31/05/2013	%
Profit for the year	3,914	6,571	(40.4)	8,260	13,195	(37.4)
Other comprehensive (loss) income:						
Currency translation differences	(777)	(162)	NM	(1,214)	(209)	NM
Other comprehensive (loss) income for the year	(777)	(162)	NM	(1,214)	(209)	NM
Total comprehensive income for the year	3,137	6,409	(51.1)	7,046	12,986	(45.7)

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1(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

	The Group S$'000		Increase/ (Decrease)	The Group S$'000		Increase/ (Decrease)
	Fourth Quarter Ended			Full Year Ended		
	31/05/2014	31/05/2013	%	31/05/2014	31/05/2013	%
Total comprehensive income attributable to:						
Owners of the company	1,566	6,429	(75.6)	4,248	13,068	(67.5)
Non-controlling interests	1,571	(20)	NM	2,798	(82)	NM
	3,137	6,409	(51.1)	7,046	12,986	(45.7)

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

	The Group S$'000		Increase/ (Decrease)	The Group S$'000		Increase/ (Decrease)
	Fourth Quarter Ended			Full Year Ended		
	31/05/2014	31/05/2013	%	31/05/2014	31/05/2013	%
A Other operating income:						
Interest income	693	522	32.8	2,409	2,048	17.6
Fair value gain on interest rate swap contract	-	-	-	-	179	NM
Amortisation of financial guarantee liabilities	254	302	(15.9)	1,035	885	16.9
Change in fair value of investment properties	2,705	-	NM	2,705	-	NM
Others	466	380	22.6	1,486	933	59.3
	4,118	1,204	NM	7,635	4,045	88.8
B Finance costs:						
Bank borrowings	1,118	709	57.7	3,284	2,272	44.5
Finance leases	8	31	(74.2)	37	50	(26.0)
	1,126	740	52.2	3,321	2,322	43.0
C Depreciation of property, plant and equipment	(184)	(619)	(70.3)	1,285	2,442	(47.4)
D Allowance for doubtful debts and bad debts written off:						
Trade receivables written off	-	98	NM	1	115	(99.1)
Other receivables written off	3	4	(25.0)	3	4	(25.0)
Write back of allowance for doubtful trade receivables	-	(62)	NM	-	-	-
E Foreign currency exchange adjustment (gain) loss	(430)	(340)	(26.5)	998	(231)	NM
F Adjustment for under (over) provision of income tax in respect of prior year	-	41	NM	40	60	(33.3)
G Loss (Gain) on disposal of property, plant and equipment	36	(92)	NM	(7)	(108)	(93.5)
H Property, plant and equipment written-off	3	-	NM	3	-	NM
I Amortisation of intangible assets	136	271	(49.8)	543	271	NM
J Impairment loss (Write back of) on value of club membership	4	(1)	NM	4	(1)	NM
K Impairment loss on development property	733	-	NM	733	-	NM

NM – not meaningful

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

	The Group S$'000		The Company S$'000	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
ASSETS				
Current assets				
Cash and bank balances	39,854	49,696	4,680	4,580
Trade receivables	61,761	54,143	3,285	15,620
Other receivables	16,918	10,360	36,232	26,230
Current portion of loans receivable from associates	23,708	13,103	3,906	3,906
Other investments	-	380	-	380
Inventories	-	3,452	-	-
Construction work-in-progress in excess of progress billings	32,637	36,439	-	-
Development properties	156,942	112,361	-	-
Completed properties held for sale	1,216	-	-	-
Assets classified as held for sale	14,116	-	3,122	-
Total current assets	347,152	279,934	51,225	50,716
Non-current assets				
Investment in associates	27,893	20,881	300	300
Investment in subsidiaries	-	-	100,745	104,835
Intangible assets	-	4,071	-	-
Club membership	46	50	46	50
Property, plant and equipment	11,950	3,248	38	16
Investment properties	33,120	21,500	23,000	21,500
Deferred tax assets	113	443	-	-
Other receivables	11,164	8,088	-	-
Loans receivable from associates	28,652	25,555	-	-
Total non-current assets	112,938	83,836	124,129	126,701
Total assets	460,090	363,770	175,354	177,417
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	59,718	70,084	9,500	11,600
Trade payables	47,201	56,350	46	5,501
Other payables	21,203	22,969	60,385	84,063
Progress billings in excess of construction work-in-progress	490	6,395	-	-
Provision for maintenance costs	174	265	-	-
Current portion of finance leases	77	210	-	-
Current portion of long-term bank loans	25,347	13,655	4,039	1,300
Current portion of financial guarantee liabilities	734	933	1,025	1,463
Income tax payable	1,638	3,741	-	-
Liabilities directly associated with assets classified as held for sale	9,978	-	1,122	-
Total current liabilities	166,560	174,602	76,117	103,927

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 (Continued)

	The Group S$'000		The Company S$'000	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
Non-current liabilities				
Finance leases	345	745	-	-
Long-term loan	4,050	4,050	-	-
Long-term bank loans	126,522	80,836	28,466	7,258
Financial guarantee liabilities	1,855	2,091	2,136	3,285
Long-term deposit	730	730	730	730
Deferred tax liabilities	1,084	374	-	-
Other payables	13	18	-	-
Total non-current liabilities	134,599	88,844	31,332	11,273
Capital and reserves				
Share capital	56,151	47,978	56,151	47,978
Currency translation reserve	(1,072)	51	-	-
Capital reserve	21,084	(46)	(40)	-
Accumulated profits	36,702	45,205	11,794	14,239
Equity attributable to owners of the company	112,865	93,188	67,905	62,217
Non-controlling interests	46,066	7,136	-	-
Total equity	158,931	100,324	67,905	62,217
Total liabilities and equity	460,090	363,770	175,354	177,417

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$'000 As at 31/05/2014		The Group S$'000 As at 31/05/2013	
Secured	Unsecured	Secured	Unsecured
49,358	35,784	11,672	72,277

Amount repayable after one year

The Group S$'000 As at 31/05/2014		The Group S$'000 As at 31/05/2013	
Secured	Unsecured	Secured	Unsecured
112,285	14,582	80,672	909

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.

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

	The Group S$'000		The Group S$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
Operating activities				
Profit before tax	4,710	7,473	10,225	15,907
Adjustments for:				
Share of results of associates	(4,143)	(1,776)	(8,323)	(2,194)
Change in fair value of investment properties	(2,705)	-	(2,705)	-
Change in fair value of interest rate swap contract	-	-	-	(179)
Amortisation of fair value adjustment arising from acquisition of subsidiary	-	(26)	-	(26)
Depreciation of property, plant and equipment	(184)	(619)	1,285	2,442
Loss on liquidation of a subsidiary	-	98	-	98
Amortisation of financial guarantee liabilities	(254)	(302)	(1,035)	(885)
Amortisation of intangible assets	136	271	543	271
Write back of allowance for doubtful trade receivables	-	(62)	-	-
Impairment loss (Write back of) on value of club membership	4	(1)	4	(1)
Impairment loss on development property	733	-	733	-
Trade receivables written off	-	98	1	115
Other receivables written off	3	4	3	4
Property, plant and equipment written off	3	-	3	-
Loss (Gain) on disposal of property, plant and equipment	36	(92)	(7)	(108)
Provision for (Write back of) maintenance costs	146	(94)	331	(575)
Gain on disposal of other investments	-	-	(11)	(47)
Change in fair value of other investments	-	13	16	(75)
Dividend income	-	(7)	-	(16)
Interest income	(693)	(522)	(2,409)	(2,048)
Interest expense	1,126	740	3,321	2,322
Operating cash flows before movements in working capital	(1,082)	5,196	1,975	15,005
Trade receivables	(19,152)	(12,148)	(10,285)	(18,961)
Other receivables	(7,081)	(467)	(8,095)	(4,356)
Inventories	(80)	(1,380)	313	(1,380)
Construction work-in-progress in excess of progress billings	(9,201)	(12,111)	3,257	(21,906)
Development properties	(33,671)	6,263	(46,530)	(18,774)
Trade payables	15,785	16,176	(7,484)	22,342
Other payables	3,722	(851)	6,384	749
Progress billings in excess of construction work-in-progress	124	1,663	(5,905)	(309)
Utilisation of provision for maintenance costs	(162)	(21)	(418)	(1,512)
Cash (used in) from operations	(50,798)	2,320	(66,788)	(29,102)
Interest paid	(1,645)	(1,781)	(5,001)	(4,345)
Income tax paid	(471)	(33)	(2,915)	(3,083)
Net cash (used in) from operating activities	(52,914)	506	(74,704)	(36,530)

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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 (Continued)

	The Group S$'000		The Group S$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
Investing activities				
Proceeds on disposal of property, plant and equipment	-	201	50	250
Purchase of property, plant and equipment	(970)	(217)	(11,260)	(2,486)
Purchase of investment property	(207)	-	(8,915)	-
Proceeds on disposal of other investments	-	1	375	614
Investment in associates	-	(150)	(784)	(604)
Acquisition of non-controlling interests in a subsidiary	-	-	-	(8)
Acquisition of a subsidiary	-	(1,679)	-	(1,679)
Loans receivable from associates	(470)	(1,988)	(13,702)	(2,613)
Dividend received from associates	1,319	-	1,319	-
Dividend received	-	7	-	16
Interest received	16	8	213	561
Net cash used in investing activities	(312)	(3,817)	(32,704)	(5,949)
Financing activities				
Drawdown of bank loans	23,845	44,584	159,909	164,254
Repayment of bank loans	(25,689)	(33,186)	(169,300)	(133,444)
Drawdown of long-term bank loans	68,354	5,108	80,583	28,089
Repayment of long-term bank loans	(8,817)	(1,578)	(21,807)	(5,809)
Decrease (Increase) in pledged fixed deposits	2,050	(4,522)	5,107	(854)
Decrease in restricted cash	-	-	-	1,344
Repayment of obligations under finance leases	(55)	(106)	(224)	(184)
Increase of obligation under finance leases	130	-	185	-
Net proceeds from exercise of warrants	-	-	-	15,029
Payment of warrant issuance expenses	(40)	-	(40)	-
Capital contribution from non-controlling interest pursuant to initial public offering	-	4,000	62,100	5,941
Payment of share issuance expenses	-	-	(2,831)	-
Dividends paid to shareholders	(2,219)	(3,031)	(5,701)	(10,498)
Dividends paid to non-controlling interests	(655)	-	(1,965)	-
Net cash from financing activities	56,904	11,269	106,016	63,868
Net (decrease) increase in cash and cash equivalents	3,678	7,958	(1,392)	21,389
Cash and cash equivalents at beginning of period/year	27,978	25,478	33,243	12,125
Effect of foreign exchange rate changes	127	(193)	(68)	(271)
Cash and cash equivalents at end of year(Note A)	31,783	33,243	31,783	33,243

Note A: Cash and cash equivalents

	The Group S$'000		The Group S$'000	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
Cash and cash equivalents	39,854	49,696	39,854	49,696
Pledged fixed deposits	(6,528)	(11,635)	(6,528)	(11,635)
Restricted cash	-	-	-	-
Bank overdrafts	(4,174)	(4,818)	(4,174)	(4,818)
Cash and cash equivalents included in assets held for sale	2,631	-	2,631	-
Total cash and cash equivalents	31,783	33,243	31,783	33,243

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Currency translation reserve	Capital reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group							
Balance at 31/05/2013	47,978	51	(46)	45,205	93,188	7,136	100,324
Total comprehensive income for the year	-	(1,123)	-	5,371	4,248	2,798	7,046
Transactions with owners, recognised directly in equity							
Net capital contribution from non-controlling interests pursuant to initial public offering	-	-	21,170	-	21,170	38,097	59,267
Issue of shares under Scrip Dividend Scheme	8,173	-	-	(8,173)	-	-	-
Expenses incurred on issue of bonus warrants	-	-	(40)	-	(40)	-	(40)
Dividends paid to non-controlling interests	-	-	-	-	-	(1,965)	(1,965)
Dividends paid to shareholders	-	-	-	(5,701)	(5,701)	-	(5,701)
Balance at 31/05/2014	56,151	(1,072)	21,084	36,702	112,865	46,066	158,931
Previous Corresponding Period							
Balance at 31/05/2012	32,104	186	845	42,500	75,635	(1,330)	74,305
Total comprehensive income for the year	-	(135)	-	13,203	13,068	(82)	12,986
Transactions with owners, recognised directly in equity							
Acquisition of non-controlling interests in a Subsidiary	-	-	(6)	-	(6)	(2)	(8)
Liquidation of a subsidiary	-	-	-	-	-	14	14
Acquisition of a subsidiary	-	-	-	-	-	2,555	2,555
Capital contribution from non-controlling interests	-	-	(40)	-	(40)	5,981	5,941
Issue of shares arising from exercise of warrants	15,874	-	(845)	-	15,029	-	15,029
Dividends paid to shareholders	-	-	-	(10,498)	(10,498)	-	(10,498)
Balance at 31/05/2013	47,978	51	(46)	45,205	93,188	7,136	100,324

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 (Continued)

	Share capital	Capital reserve	Accumulated profits	Total
	S$'000	S$'000	S$'000	S$'000
The Company				
Balance at 31/05/2013	47,978	-	14,239	62,217
Total comprehensive income for the year	-	-	11,429	11,429
Transactions with owners, recognised directly in equity				
Issue of shares under Scrip Dividend Scheme	8,173	-	(8,173)	-
Expenses incurred on issue of bonus warrants	-	(40)	-	(40)
Dividends paid to shareholders	-	-	(5,701)	(5,701)
Balance at 31/05/2014	56,151	(40)	11,794	67,905
Previous corresponding period				
Balance at 31/05/2012	32,104	845	6,693	39,642
Total comprehensive income for the year	-	-	18,044	18,044
Transactions with owners, recognised directly in equity				
Issue of shares arising from exercise of warrants	15,874	(845)	-	15,029
Dividends paid to shareholders	-	-	(10,498)	(10,498)
Balance at 31/05/2013	47,978	-	14,239	62,217

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

Movement in the Company's issued and fully paid up share capital:-

	The Company	
	No of shares	Amount (S$'000)
Balance at 31/05/2013	466,228,410	47,978
Issue of shares under Scrip Dividend Scheme	26,797,311	8,173
Balance at 31/05/2014	493,025,721	56,151

As at 31/05/2014, there were no outstanding convertibles.

As at 31/05/2014, there were no shares held as treasury shares.

On 2 June 2014, there were bonus warrants issued on the basis of 2 warrants for every 5 existing ordinary shares in the capital of the Company held by the shareholders of the Company. The number of bonus warrants issued was 196,582,596 and the exercise price is at S$0.25 per warrant. The warrants can be exercised within the period from 3 June 2014 to 26 May 2017.

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

	The Company	
	31/05/2014	31/05/2013
Total number of issued shares	493,025,721	466,228,410

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

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.

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 2013, the Group has adopted the same accounting policies and methods of computation for the current financial year as those adopted for the audited financial statements for the financial year ended 31/05/2013.

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 01/06/2013 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		The Group	
	Fourth Quarter Ended		Full Year Ended	
	31/05/2014	31/05/2013	31/05/2014	31/05/2013
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)	0.46	1.40	1.11	3.13
- Weighted average number of shares ('000)	493,026	466,228	481,860	421,151
(ii) On a fully diluted basis (cents)	0.46	1.40	1.11	3.13
- Adjusted weighted average number of shares ('000)	493,026	466,228	481,860	421,151

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

	Cents	
	As at 31/05/2014	As at 31/05/2013
The Group	22.9	20.0
The Company	13.8	13.3

Net asset value per share is calculated based on 493,025,721 (31/05/2013: 466,228,410) 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$42.3 million to S$46.6 million in the three months ended 31/05/2014 ("4QFY2014") as compared to S$88.9 million reported for the corresponding three months ended 31/05/2013 ("4QFY2013"), mainly due to a lower recognition of revenue in 4QFY2014.

Revenue for financial year ended 31/05/2014 ("FY2014") decreased by S$13.7 million to S$202.8 million as compared to the corresponding financial year ended 31/05/2013 ("FY2013") of S$216.5 million. The decrease was mainly due to lesser revenue recognised from on-going and completed engineering projects.

Gross profit for the Group decreased by S$10.4 million to S$21.4 million for FY2014. The decrease was mainly due to lower recognition of revenue and higher cost incurred from on-going engineering projects, which are now near its completion phase.

Other operating income increased by S$2.9 million from S$1.2 million to S$4.1 million in 4QFY2014, mainly due to a gain on valuation of the Group's investment properties in Singapore and New Zealand. For the same reason the other operating income increased to S$7.6 million in FY2014.

Administrative expenses decreased by S$3.0 million to S$5.3 million in 4QFY2014 as compared to S$8.3 million in 4QFY2013. The decrease was mainly due to lower marketing expenses and reclassification of certain staff cost in Interlift Sales Pte Ltd ("Interlift") that were previously classified as administrative expenses when acquired in 4QFY2013, and changed since then to be in line with the accounting policies of the Group. For full year comparison, administrative expenses for FY2014 increased by S$2.6 million to S$20.6 million due to overall higher overheads as a direct result of the Group's expansion of business activities.

Other operating expenses decreased by S$1.1 million from S$1.7 million in 4QFY2013 to S$0.6 million in 4QFY2014, mainly due to the initial public offering ("IPO") expenses for the listing of TEE Land that were incurred in 4QFY2013. However, for full year comparison, other operating expenses in FY2014 increased by S$1.4 million to S$3.3 million. This was due substantially to increase in unrealised foreign exchange losses, amortisation of intangible assets arising from acquisition of Interlift and impairment loss on development properties in Vietnam.

Finance costs increased by S$1.0 million from S$2.3 million in FY2013 to S$3.3 million in FY2014. This was mainly due to increased borrowings and higher costs of funding.

8. (Continued)

Share of results of associates increased to S$4.1 million in 4QFY2014 as compared to S$1.8 million in 4QFY2013. The increase was mainly due to positive results from Singapore real estate associates and a gain on revaluation of the Thai real estate associate's investment property. For the same reason, for FY2014, the share of results of associates increased by S$6.1 million to S$8.3 million.

For FY2014, the Group recorded a lower profit after tax of S$8.3 million as compared to S$13.2 million in FY2013.

Statement of Financial Position

Cash and bank balances decreased by S$9.8 million to S$39.9 million as at 31/05/2014 as compared to S$49.7 million as at 31/05/2013. The decrease was mainly due to loans granted to associated companies, the purchase of a building in Singapore and development of Workotel in New Zealand, and the payment of dividend to shareholders.

Trade receivables increased by S$7.6 million from S$54.1 million as at 31/05/2013 to S$61.7 million as at 31/05/2014, mainly due to the increase of retention amount for completed projects.

Total amount of other receivables increased from S$18.4 million to S$28.1 million as at 31/05/2014, mainly due to amount owing by subcontractors for an on-going engineering project.

Total loans receivable from associates increased by S$13.7 million from S$38.7 million as at 31/05/2013 to S$52.4 million as at 31/05/2014, mainly due to the funding for land acquisitions in Bangkok by a Thai real estate associate as well as the acquisition of a property by a Singapore real estate associate.

Development properties increased from S$112.4 million as at 31/05/2013 to S$156.9 million as at 31/05/2014, mainly due to purchase of lands in Singapore and Malaysia, and the progressive capitalisation of construction and development costs as construction of the Group's development properties progressed.

Completed property held for sale of S$1.2 million as at 31/05/2014 was for 91 Marshall which obtained its TOP and was thus reclassified.

On 10 July 2014, TEE International Limited has entered into a Sales and Purchase agreement to dispose Interlift. In view of this, as at 31/05/2014 total assets of S$14.1 million and total liabilities of S$10.0 million for Interlift were presented separately as assets held for sale and liabilities directly associated with assets classified as held for sale respectively.

Investment in associates increased from S$20.9 million as at 31/05/2013 to S$27.9 million as at 31/05/2014, mainly due to an increase in retained earnings from associates in Singapore and Thailand, as well as increased investments in a Thai real estate associate for land acquisitions in Bangkok and dividend received from the Group's associate.

Property, plant and equipment increased to S$11.9 million as at 31/05/2014 from S$3.2 million as at 31/05/2013, mainly due to the completion of the acquisition of a building at 25 Bukit Batok Street 22, Singapore by TEE Land.

Investment properties increased by S$11.6 million, from S$21.5 million as at 31/05/2013 to S$33.1 million as at 31/05/2014, mainly due to the acquisition of and subsequent work done to improve Workotel in New Zealand and gain on revaluation of the Group's properties in Singapore and New Zealand.

The decrease in bank loans and overdrafts by S$10.4 million, from S$70.1 million as at 31/05/2013 to S$59.7 million as at 31/05/2014 was mainly due to the repayment of short-term bank loans.

8. (Continued)

Trade payables decreased by S$9.1 million to S$47.2 million as at 31/05/2014, mainly due to payment to contract trade payables.

Progress billings in excess of construction work-in-progress decreased from S$6.4 million as at 31/5/2013 to S$0.5 million as at 31/05/2014, mainly due to completion engineering projects.

Total long-term bank loans increased to S$151.9 million as at 31/05/2014 from S$94.5 million as at 31/05/2013, mainly due to the additional loan drawn for working capital, finance the continued acquisition of land and construction activities.

Equity attributable to owners of the Group increased by S$19.7 million from S$93.2 million to S$112.9 million as at 31/05/2014, mainly due to the recognition of increased value of the 70.69% equity interest in TEE Land.

Non-controlling interest increased from S$7.1 million to S$46.1 million as at 31/05/2014, mainly due to the dilution of the equity interest in TEE Land.

Statement of Cash Flows

Operating activities
Net cash used in operating activities was S$74.7 million in FY2014, mainly due to the acquisition of lands and progressive capitalisation of construction and development costs for development properties and increased in trade receivables.

Investing activities
Net cash used in investing activities was S$32.7 million in FY2014, mainly due to the purchase of a building in Singapore and the acquisition of and subsequent work done to improve Workotel in New Zealand by TEE Land. Loans were extended to a real estate associate for the purchase of a property in Singapore and to fund development activities. Similarly, loans were also granted to a Thai real estate associate for land acquisitions in Bangkok.

Financing activities
Net cash generated from financing activities was S$106.0 million in FY2014, mainly due to net proceeds received from the issuance of new shares pursuant to the listing in TEE Land and drawdown of loans.

As a result of the above operating, investing and financing activities, there was a net decrease in cash and cash equivalents of S$1.4 million, thereby bringing the total cash and cash equivalents to S$31.8 million as at 31/05/2014.

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

No forecast or prospect statement has been 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

The Group announced in July 2014 that it was awarded two new contracts with a total value of approximately S$112 million by MDIS and Changi Airport Group. With the inclusion of these two contracts, the Group currently has a total outstanding order book of approximately S$360 million, comprising S$286 million from the engineering business in Singapore and the region and S$74 million from our associates in Malaysia and Thailand for its telecommunication engineering and wastewater treatment businesses.

10. (Continued)

In the real estate business, the Group has contracted sales of S$47 million for its on-going residential property developments in Singapore (excluding joint venture projects). The Group's Thai associate has also contracted sales of approximately S$9 million for its on-going residential property developments. These two sales are expected to contribute profits to the real estate business in FY2015.

The Group has completed the acquisition of four plots of land in Bangkok (Thailand), completed a residential property development project in Singapore and launched sales of the residential-cum-commercial development project in Malaysia. The Group has also recently acquired the "Long House" property in Singapore as well as a hotel in Sydney, Australia.

The Group remains cautious amid a challenging and uncertain business environment. The Group will, however, continue to selectively seek growth opportunities in Singapore and the region as and when they arise.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **YES**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.50 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(b) Corresponding Period of the immediately Preceding Financial Year

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

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.50 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Analysis by Business Segment

	Engineering 2014	Integrated Real Estate 2014	Infrastructure 2014	Elimination 2014	Group 2014
	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue					
External sales	159,800	40,301	2,722	-	202,823
Inter-segment sales	69,186	-	1,319	(70,505)	-
Total revenue	228,986	40,301	4,041	(70,505)	202,823
Results					
Segment results	561	4,530	132	-	5,223
Finance costs					(3,321)
Share of results of associates					8,323
Profit before tax					10,225
Income tax expense					(1,965)
Profit for the year					8,260

	Engineering 2013	Integrated Real Estate 2013	Infrastructure 2013	Elimination 2013	Group 2013
	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue					
External sales	184,378	29,676	2,487	-	216,541
Inter-segment sales	84,336	-	-	(84,336)	-
Total revenue	268,714	29,676	2,487	(84,336)	216,541
Results					
Segment results	15,483	647	(95)	-	16,035
Finance costs					(2,322)
Share of results of associates					2,194
Profit before tax					15,907
Income tax expense					(2,712)
Profit for the year					13,195

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the businesses or geographical segments

Please refer to note 8.

16 A breakdown of sales

	The Group S$'000		
	Latest Full Year 31/05/2014	Previous Full Year 31/05/2013	Increase/ (Decrease) %
(a) Sales reported for first half year	118,899	74,653	59.3
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,192	5,298	(39.8)
(c) Sales reported for second half year	83,924	141,888	(40.9)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	5,068	7,897	(35.8)

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	The Group S$'000	
	Latest Full Year 31/05/2014	Previous Full Year 31/05/2013
Ordinary	4,684	14,686
Preference	-	-
Total	4,684	14,686

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Boon Kin	52	Brother of Phua Chian Kin, Group Chief Executive & Managing Director of the Company	Managing Director (Engineering) of the Group since Jul 2012 Company Director of TEE Engineering Private Limited since Jun 2013 Company Director of Trans Equatorial Engineering Pte Ltd since May 2013 Company Director of TEE Management Pte Ltd since May 2013 Company Director of Security Pro-Telco Pte Ltd since Feb 2009 Executive Director of TEE International Limited since Sep 2008 Company Director of PBT Engineering Pte Ltd since Sep 2006	None
Phua Cher Chuan	44	Nephew of Phua Chian Kin, Group Chief Executive & Managing Director of the Company	Company Director of Interlift Sales Pte Ltd since May 2013 Company Director of Security Pro-Telco Pte Ltd since Oct 2008 Company Director of NexFrontier Solutions Pte Ltd since Jul 2008 Executive Director (System Integration) of the Group since Jun 2005	None

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement (Continued)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Cher Chew	40	Nephew of Phua Chian Kin, Group Chief Executive & Managing Director of the Company	Executive Director and Chief Executive Officer of TEE Land Limited since May 2013 Company Director of TEE Ventures Pte Ltd since Jun 2013 Company Director of TEE Industrial Pte Ltd since Mar 2013 Company Director of Development 16 Pte Ltd since Mar 2013 Company Director of TEE Land Limited since Dec 2012 Company Director of Development 72 Pte Ltd since Aug 2012 Company Director of TEE Hospitality Pte Ltd since Aug 2012 Company Director of TEE Homes Pte Ltd since May 2011 Company Director of Development 83 Pte Ltd since Apr 2011 Company Director of TEE Property Pte Ltd since Apr 2011 Company Director of TEE Development Pte Ltd since Mar 2011 Company Director of TEE Realty Pte Ltd since Mar 2011	He has been appointed as Company Director of Klang City Development Pte Ltd since Dec 2013 He has been appointed as Company Director of TEE Vista Pte Ltd since Jan 2014

BY ORDER OF THE BOARD

Saw Chin Choo (Ms)
Executive Director
23/07/2014