



## 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 2018

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) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
<b>Revenue</b>	64,743	52,592	23.1	179,770	181,309	(0.8)
<b>Cost of sales</b>	(54,593)	(43,436)	25.7	(155,508)	(155,361)	0.1
<b>Gross profit</b>	10,150	9,156	10.9	24,262	25,948	(6.5)
Other operating income	1,805	768	NM	3,528	3,741	(5.7)
Selling & distribution expenses	(3,644)	(1,219)	NM	(7,888)	(2,707)	NM
Administrative expenses	(5,577)	(5,750)	(3.0)	(15,521)	(16,314)	(4.9)
Other operating expenses	(1,238)	(179)	NM	(9,191)	(356)	NM
Share of results of associates and joint venture	1,642	*	NM	4,306	275	NM
Finance costs	(2,166)	(2,464)	(12.1)	(6,427)	(7,421)	(13.4)
<b>Profit (Loss) before tax</b>	972	312	NM	(6,931)	3,166	NM
Income tax expense	-	(14)	(100)	(582)	(1,057)	(44.9)
<b>Profit (Loss) for the period</b>	972	298	NM	(7,513)	2,109	NM

Profit (Loss) attributable to:

Owners of the Company  
Non-controlling interests

374	169	NM	(5,761)	1,211	NM
598	129	NM	(1,752)	898	NM
972	298	NM	(7,513)	2,109	NM

\* Denotes amount less than \$1,000

**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) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
Profit (Loss) for the period	972	298	NM	(7,513)	2,109	NM
Other comprehensive income:						
Currency translation differences	1,124	584	92.5	3,039	2,776	9.5
Other comprehensive income for the period	1,124	584	92.5	3,039	2,776	9.5
<b>Total comprehensive income (loss) for the period</b>	2,096	882	NM	(4,474)	4,885	NM

NM – not meaningful

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## 1(a)(ii) (Continued)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
Total comprehensive income (loss) attributable to:						
Owners of the Company	1,022	92	NM	(4,869)	1,885	NM
Non-controlling interests	1,074	790	35.9	395	3,000	(86.8)
	2,096	882	NM	(4,474)	4,885	NM

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
A Other operating income:						
Interest income	224	367	(39.0)	696	1,014	(31.4)
Amortisation of financial guarantee liabilities	69	94	(26.6)	266	572	(53.5)
Gain on disposal of property, plant and equipment	14	-	NM	14	1	NM
Change in fair value of foreign exchange forward contract	-	-	-	-	70	(100.0)
Management fee income	105	105	-	243	332	(26.8)
Compensation received from an investment property tenant	-	-	-	-	1,413	(100.0)
Net foreign currency exchange adjustment loss	1,199	-	NM	1,970	-	NM
Others	194	202	(4.0)	339	339	-
	1,805	768	NM	3,528	3,741	(5.7)
B Finance costs:						
Loan interests	2,005	1,978	1.4	5,465	5,945	(8.1)
Term notes interest	-	480	(100.0)	791	1,458	(45.7)
Secured notes interest	156	-	NM	156	-	NM
Finance leases	5	6	(16.7)	15	18	(16.7)
	2,166	2,464	(12.1)	6,427	7,421	(13.4)
C Other operating expenses:						
Net foreign currency exchange adjustment loss	-	178	(100.0)	-	354	(100.0)
Trade receivables written off	1	1	-	2	2	-
Property, plant and equipment written off	10	-	NM	10	-	NM
Non-current assets held for sale written off	83	-	NM	83	-	NM
Impairment loss on investment in associated company	1,144	-	NM	7,297	-	NM
Impairment loss on completed properties and land held for sale	-	-	-	1,799	-	NM
	1,238	179	NM	9,191	356	NM
D Depreciation of property, plant and equipment	378	408	(7.4)	1,150	1,538	(25.2)
E Amortisation of issuance costs on term notes	-	45	(100.0)	60	136	(55.9)
F Amortisation of deferred sales commission expenses	2,206	808	NM	3,739	1,710	NM
G Amortisation of deferred show flat expenses	31	89	(65.2)	457	341	34.0
H Adjustment for under (over) provision of income tax in respect of prior year	526	(709)	NM	545	(741)	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	
	28/02/2018	31/05/2017	28/02/2018	31/05/2017
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	23,517	39,587	1,697	3,494
Bank balances pledged	52	2,402	-	1,390
Trade receivables	60,801	55,117	138	269
Other receivables	21,532	13,239	22,876	11,972
Current portion of loans receivables	19,785	26,793	-	933
Held-to-maturity financial asset	25	25	25	25
Held for trading investment	700	700	700	700
Inventories	61	27	-	-
Construction work-in-progress in excess of progress billings	76,847	89,622	-	-
Development properties	234,165	143,997	-	-
Completed properties and land held for sale	40,393	47,001	-	-
Non-current asset classified as held for sale	57,314	47,481	-	-
<b>Total current assets</b>	<b>535,192</b>	<b>465,991</b>	<b>25,436</b>	<b>18,783</b>
<b>Non-current assets</b>				
Bank balances pledged	474	435	-	-
Investment in associates	31,402	48,296	300	300
Investment in joint venture	756	891	-	-
Investment in subsidiaries	-	-	109,930	108,930
Held-to-maturity financial asset	-	25	-	25
Club membership	45	45	45	45
Property, plant and equipment	21,745	22,794	175	333
Investment properties	33,559	33,812	22,000	22,000
Other receivables	118	6,144	-	40
Deferred tax assets	4,185	3,851	-	-
<b>Total non-current assets</b>	<b>92,284</b>	<b>116,293</b>	<b>132,450</b>	<b>131,673</b>
<b>Total assets</b>	<b>627,476</b>	<b>582,284</b>	<b>157,886</b>	<b>150,456</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and overdrafts	58,605	50,115	5,100	7,100
Trade payables	89,723	104,212	103	222
Other payables	50,435	32,951	64,805	59,777
Progress billings in excess of construction work-in-progress	267	-	-	-
Provision for maintenance costs	607	910	-	-
Current portion of finance leases	67	83	-	-
Current portion of long-term borrowings	93,330	51,151	2,261	4,277
Current portion of term notes	-	29,939	-	-
Current portion of financial guarantee liabilities	177	199	77	86
Income tax payable	2,884	5,596	-	-
<b>Total current liabilities</b>	<b>296,095</b>	<b>275,156</b>	<b>72,346</b>	<b>71,462</b>

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

	The Group S\$'000		The Company S\$'000	
	28/02/2018	31/05/2017	28/02/2018	31/05/2017
<b>LIABILITIES AND EQUITY</b>				
<b>Non-current liabilities</b>				
Finance leases	232	285	-	-
Long-term borrowings	147,360	136,332	13,143	23,239
Secured notes	19,166	-	19,166	-
Financial guarantee liabilities	514	752	168	226
Other payables	7,595	3,704	-	-
Deferred tax liabilities	411	429	-	-
<b>Total non-current liabilities</b>	<b>175,278</b>	<b>141,502</b>	<b>32,477</b>	<b>23,465</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	58,701	58,701	58,701	58,701
Treasury shares	(269)	(269)	(269)	(269)
Currency translation reserve	(119)	(1,011)	-	-
Capital reserve	18,793	18,793	(42)	(42)
Accumulated profits	13,635	19,396	(5,327)	(2,861)
Equity attributable to owners of the Company	90,741	95,610	53,063	55,529
Non-controlling interests	65,362	70,016	-	-
<b>Net equity</b>	<b>156,103</b>	<b>165,626</b>	<b>53,063</b>	<b>55,529</b>
<b>Total liabilities and equity</b>	<b>627,476</b>	<b>582,284</b>	<b>157,886</b>	<b>150,456</b>

## 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 28/02/2018		The Group S\$'000 As at 31/05/2017	
Secured	Unsecured	Secured	Unsecured
109,672	42,330	63,577	67,711

### Amount repayable after one year

The Group S\$'000 As at 28/02/2018		The Group S\$'000 As at 31/05/2017	
Secured	Unsecured	Secured	Unsecured
166,408	350	124,933	11,684

### 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, long-term bank loans and secured notes 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).

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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	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
<b>Operating activities</b>				
Profit (Loss) before tax	972	312	(6,931)	3,166
Adjustments for:				
Share of results of associates and joint venture	(1,642)	*	(4,306)	(275)
Depreciation of property, plant and equipment	378	408	1,150	1,538
Amortisation of deferred sales commission expenses	2,206	808	3,739	1,710
Amortisation of deferred show flat costs	31	89	457	341
Amortisation of financial guarantee liabilities	(69)	(94)	(266)	(572)
Amortisation of issuance costs on term notes	-	45	60	136
Impairment loss on investment in associated company	1,144	-	7,297	-
Impairment loss on completed properties and land held for sale	-	-	1,799	-
Change in fair value of foreign exchange forward contract	-	-	-	(70)
Trade receivables written off	1	1	2	2
Property, plant and equipment written off	10	-	10	-
Non-current assets held for sale written off	83	-	83	-
Gain on disposal of property, plant and equipment	(14)	-	(14)	(1)
Provision for maintenance costs	311	-	389	204
Unrealised currency translation gain	(1,076)	119	(1,332)	98
Interest income	(224)	(367)	(696)	(1,014)
Interest expense	2,166	2,464	6,427	7,421
Operating cash flows before movements in working capital	4,277	3,785	7,868	12,684
Trade receivables	(2,521)	4,841	(4,914)	1,315
Other receivables	(6,171)	(696)	(8,142)	8,339
Inventories	(1)	-	(34)	(6)
Construction work-in-progress in excess of progress billings	997	16,234	13,230	16,839
Development properties	(90,730)	(6,108)	(86,250)	(48,256)
Completed properties held by sale	(7,017)	3,673	4,809	5,397
Trade payables	439	(9,736)	(15,849)	(8,284)
Other payables	7,098	(3,748)	13,573	2,533
Long term deposit	-	-	-	(730)
Progress billings in excess of construction work-in-progress	203	945	267	1,074
Utilisation of provision for maintenance costs	(245)	(24)	(692)	(102)
Cash (used in) generated from operations	(93,671)	9,166	(76,134)	(9,197)
Interest paid	(2,686)	(2,780)	(7,877)	(9,275)
Income tax paid	(2,759)	(627)	(3,896)	(2,996)
Net cash (used in) generated from operating activities	(99,116)	5,759	(87,907)	(21,468)
<b>Investing activities</b>				
Proceeds on disposal of property, plant and equipment	14	-	14	1
Additional assets held for sale	(142)	-	(992)	-
Proceed from disposal of investment in associates	4,856	-	4,856	-
Purchase of property, plant and equipment	(37)	(2,802)	(99)	(8,317)
Purchase of held-to-maturity investment	-	(50)	-	(50)
Proceed from held-to-maturity investment	25	-	25	-
Investment in associates	(106)	(1,008)	(1,574)	(1,008)
Acquisition of non-controlling interests in a subsidiary	-	-	-	(36)
Loans receivable	-	-	(889)	(1,213)
Repayment of loans receivables	1,066	59	8,003	3,391
Dividend received from associates and joint venture	447	762	1,005	4,769
Interest received	169	90	2,372	1,074
Net cash generated from (used in) investing activities	6,292	(2,949)	12,721	(1,389)

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1(c) (Continued)

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
<b>Financing activities</b>				
Drawdown of bank loans	23,303	26,028	92,999	96,852
Repayment of bank loans	(28,653)	(35,033)	(82,285)	(107,039)
Drawdown of long-term borrowings	82,730	6,142	88,305	67,755
Repayment of long-term borrowings	(12,282)	(11,290)	(35,075)	(43,943)
Repayment of long-term loan	-	-	-	(4,050)
Repayment of term notes	-	-	(30,000)	-
Issuance of secured notes	20,175	-	20,175	-
Decrease in bank balances pledged	1,437	2,020	2,372	2,062
Repayment of obligations under finance leases	(31)	(22)	(76)	(66)
Loan from related party	-	-	10,600	-
Repayment of loan to related party	(600)	-	(600)	-
Capital contribution from non-controlling interest	-	-	-	1,732
Deemed capital injection by non-controlling interests	800	-	1,137	-
Repayment of deemed capital to non-controlling interests	-	-	(4,345)	-
Purchase of treasury shares	-	(27)	-	(269)
Dividends paid to shareholders	-	-	-	(904)
Dividends paid to non-controlling interests	-	-	(1,841)	(673)
Net cash generated from (used in) financing activities	86,879	(12,182)	61,366	11,457
Net decrease in cash and cash equivalents	(5,945)	(9,372)	(13,820)	(11,400)
Cash and cash equivalents at beginning of period	25,462	30,036	33,439	32,206
Effect of foreign exchange rate changes	199	6	97	(136)
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>19,716</b>	<b>20,670</b>	<b>19,716</b>	<b>20,670</b>

\* Denotes amount less than \$1,000

## Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
Cash at banks	13,843	12,086	13,843	12,086
Cash on hand	36	62	36	62
Fixed deposits	3,055	2,590	3,055	2,590
Project accounts (see Note below):				
Cash at banks	7,109	7,322	7,109	7,322
Fixed deposits	-	4,015	-	4,015
	24,043	26,075	24,043	26,075
Pledged fixed deposits	(526)	(1,820)	(526)	(1,820)
Bank overdrafts	(3,801)	(3,585)	(3,801)	(3,585)
<b>Total cash and cash equivalents</b>	<b>19,716</b>	<b>20,670</b>	<b>19,716</b>	<b>20,670</b>

Note:

Project accounts are subject to restrictions under the Housing Developers (Project Account) Rules (1997Ed). Withdrawals from these projects accounts are restricted to payments for project expenditure incurred until the completion of the project.

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

	Share capital	Treasury shares	Currency Translation reserve	Capital reserve	Accumulated 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	S\$'000
<b>The Group</b>								
<b>Balance at 31/05/2017</b>	58,701	(269)	(1,011)	18,793	19,396	95,610	70,016	165,626
<i>Total comprehensive loss for the period:</i>								
Loss for the period	-	-	-	-	(5,761)	(5,761)	(1,752)	(7,513)
Other comprehensive income for the period	-	-	892	-	-	892	2,147	3,039
Total comprehensive loss for the period	-	-	892	-	(5,761)	(4,869)	395	(4,474)
<i>Transactions with owners, recognised directly in equity</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	1,137	1,137
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,841)	(1,841)
<b>Balance at 28/02/2018</b>	<b>58,701</b>	<b>(269)</b>	<b>(119)</b>	<b>18,793</b>	<b>13,635</b>	<b>90,741</b>	<b>65,362</b>	<b>156,103</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 31/05/2016</b>	58,701	-	(1,633)	18,765	22,471	98,304	69,612	167,916
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	1,211	1,211	898	2,109
Other comprehensive income for the period	-	-	674	-	-	674	2,102	2,776
Total comprehensive income for the period	-	-	674	-	1,211	1,885	3,000	4,885
<i>Transactions with owners, recognised directly in equity</i>								
Acquisition of non-controlling interests in a subsidiary	-	-	-	28	-	28	(64)	(36)
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	1,732	1,732
Dividend paid	-	-	-	-	(904)	(904)	(673)	(1,577)
Purchase of treasury shares	-	(269)	-	-	-	(269)	-	(269)
<b>Balance at 28/02/2017</b>	<b>58,701</b>	<b>(269)</b>	<b>(959)</b>	<b>18,793</b>	<b>22,778</b>	<b>99,044</b>	<b>73,607</b>	<b>172,651</b>

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### 1(d)(i) (Continued)

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated profits (loss) S\$'000	Total S\$'000
<b><u>The Company</u></b>					
<b>Balance at 31/05/2017</b>	58,701	(269)	(42)	(2,861)	55,529
Loss for the period, representing total comprehensive loss for the period	-	-	-	(2,466)	(2,466)
<b>Balance at 28/02/2018</b>	<b>58,701</b>	<b>(269)</b>	<b>(42)</b>	<b>(5,327)</b>	<b>53,063</b>
<b><u>Previous Corresponding Period</u></b>					
<b>Balance at 31/05/2016</b>	58,701	-	(42)	786	59,445
Loss for the period, representing total comprehensive loss for the period	-	-	-	(833)	(833)
Dividend paid	-	-	-	(904)	(904)
Purchase of treasury shares	-	(269)	-	-	(269)
<b>Balance at 28/02/2017</b>	<b>58,701</b>	<b>(269)</b>	<b>(42)</b>	<b>(951)</b>	<b>57,439</b>

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 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.

	The Company	
	No of shares	Amount S\$'000
<u>Share Capital</u>		
Balance as at 30/11/2017 and 28/02/2018	503,223,039	58,701
<u>Treasury Shares</u>		
Balance as at 30/11/2017 and 28/02/2018	1,270,400	269



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### 1(d)(ii) (Continued)

During the period ended 28/02/2018, there were no changes in the share capital of the Company.

During the period ended 28/02/2018, there were no changes in the treasury share of the Company (28/02/2017: 1,270,400 treasury shares).

### 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	
	28/02/2018	31/05/2017
Total number of issued shares	503,223,039	503,223,039
Total number of treasury shares	(1,270,400)	(1,270,400)
Total number of issued shares excluding treasury shares	501,952,639	501,952,639

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

There were no sales, transfers, cancellation and/or use of treasury shares during the period ended 28/02/2018.

### 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.

### 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 year as those adopted for the audited financial statements for the financial year ended 31/05/2017.

### 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

Not applicable.

## TEE International Limited

- 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	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
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)	0.07	0.03	(1.15)	0.24
- Weighted average number of shares (excluding treasury shares) ('000)	501,953	501,952	501,953	502,498
(ii) On a fully diluted basis (cents)	0.07	0.03	(1.15)	0.24
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	501,953	501,952	501,953	502,498

- 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 28/02/2018	As at 31/05/2017
The Group	18.1	19.0
The Company	10.6	11.1

Net asset value per share is calculated based on 501,952,639 ordinary shares (excluding treasury shares) (31/05/2017: 501,952,639) 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**

Third Quarter Ended 28/02/2018 ("3QFY2018") against Third Quarter Ended 28/02/2017 ("3QFY2017")

Revenue increased by S\$12.2 million due mainly to higher contribution of progressive revenue from development properties and on-going engineering projects. Cost of sales increased by S\$11.2 million correspondingly.

Other operating income increased by S\$1.0 million due mainly to unrealised foreign exchange gain arising from the strengthening Malaysia Ringgit.

Selling and distribution expenses increased by S\$2.4 million due mainly to higher sale and marketing costs incurred by TEE Land.

Other operating expenses increased by S\$1.0 million due mainly to additional provision on the disposal of an associate pending completion of the disposal.

## TEE International Limited

### 8 (Continued)

Share of results of associates and joint venture increased by S\$1.6 million due mainly to higher contribution of profits from TEE Land's associated companies.

Finance costs decreased by S\$0.3 million due mainly to repayment of loans.

Overall, Group profit after tax increased by S\$0.7 million from S\$0.3 million to S\$1.0 million.

#### Nine Months Ended 28/02/2018 ("9MFY2018") against Nine Months Ended 28/02/2017 ("9MFY2017")

Revenue decreased by S\$1.5 million due mainly to lower contribution of revenue from on-going engineering projects notwithstanding higher progressive revenue recognised for development projects.

Selling and distribution expenses increased by S\$5.2 million due mainly to higher sale and marketing costs incurred by TEE Land.

Other operating expenses increased by S\$8.8 million due mainly to one-off impairment losses recognised on the disposal of an associate and the remaining unsold units in the completed properties held for sale by TEE Land.

Share of results of associates and joint venture increased by S\$4.0 million due mainly to higher contribution of profits from TEE Land's associated companies.

Finance costs decreased by S\$1.0 million due mainly to repayment of loans.

Income tax expense decreased by S\$0.5 million due mainly to lower taxable profit.

The Group recorded a loss after tax of S\$7.5 million in 9MFY2018 due as previously announced, mainly to one-off impairment losses recognised on the disposal of an associate and the remaining unsold units in the completed properties held for sale by TEE Land.

Loss attributable to owners of the Company was S\$5.8 million in 9MFY2018 compared to a profit of S\$1.2 million in 9MFY2017.

#### **Statement of Financial Position**

##### Financial Position as at 28/02/2018 against Financial Position as at 31/05/2017

Trade receivables increased by S\$5.7 million due mainly to higher progressive billings for development property projects.

Total other receivables increased by S\$2.3 million due mainly to payment for acquisition of new subsidiaries which was offset by repayment of loan from a former joint developer.

Loans receivables decreased by S\$7.0 million due mainly to repayments by associated companies.

Construction work-in-progress decreased by S\$12.8 million due to progressive billings for the on-going engineering projects.

Development properties increased by S\$90.2 million due mainly to the acquisition of land by TEE Land.

Completed properties held for sale decreased by S\$6.6 million due mainly to sale of the remaining units in a completed project.

Non-current assets held for sale increased by S\$9.8 million due mainly to the reclassification of the disposal of an associate from investment in associates.

## TEE International Limited

### 8 (Continued)

Investment in associates decreased by S\$16.9 million due mainly to a one-off impairment loss recognised and reclassification of the disposal of an associate to non-current assets held for sale.

Trade payables decreased by S\$14.5 million due to payment to creditors. Other payables increased by S\$21.4 million due mainly to loan from a related party, accrual of construction costs and shareholders loan from non-controlling interest.

Total borrowings increased by \$61.7 million due mainly to additional loans utilised for the acquisition of land. The term notes were fully repaid upon maturity in October 2017 and new secured notes were issued in December 2017.

Income tax payable decreased by S\$2.7 million due mainly to payment of income tax.

### **Statement of Cash Flows**

Nine Months Ended 28/02/2018 ("9MFY2018") against Nine Months Ended 28/02/2017 ("9MFY2017")

#### **Operating activities**

Net cash used in operating activities was S\$87.9 million, due mainly to acquisition of land.

#### **Investing activities**

Net cash generated from investing activities was S\$12.7 million, due mainly to repayments by associated companies and proceeds from disposal of an associate.

#### **Financing activities**

Net cash generated from financing activities was S\$61.4 million, due mainly to issuance of secured notes, net borrowings and repayment of term notes upon maturity.

As a result, the Group recorded a net decrease in cash and cash equivalents of S\$13.8 million.

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

No forecast was made.

### 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 outlook remains challenging amid a competitive environment and increased uncertainties.

## TEE International Limited

### 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 recommended 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 Confirmation pursuant to Rule 720(1) of the Listing Manual

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.

## **TEE International Limited**

### **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 statements for the third quarter and nine months ended 28 February 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Boon Kin  
Deputy Group Managing Director

Saw Chin Choo  
Executive Director

Dated 12 April 2018