

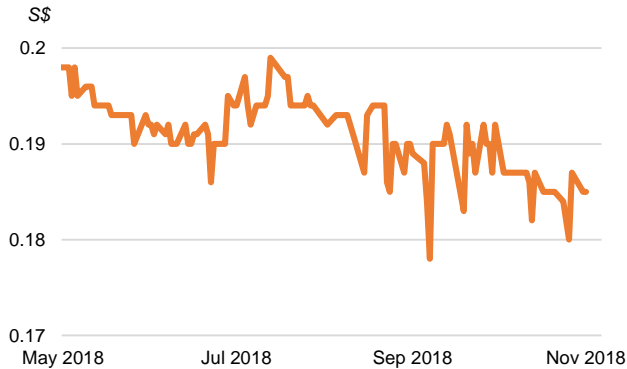
TEE International Limited

Date: 23 November 2018

Non-Rated

TEE SP

Price: S\$0.185 (as at 22 November 2018)



Share price	1M	3M	6M	1Y
TEE International Limited	(3.6%)	(4.6%)	(6.6%)	(7.0%)
Catalist Index	(1.7%)	(12.0%)	(15.4%)	(32.9%)

Market capitalisation	S\$92.9 million
Current price	S\$0.185
Shares outstanding	501.9 million
Free Float	30.93%
Substantial shareholders	Phua Chian Kin 60.78% ⁽¹⁾ Lincoln Capital Pte. Ltd. 5.17% ⁽²⁾
Recommendation of other brokers	N/A

Source: Annual Report, Information accurate as at 24 August 2018

(1) Mr. Phua Chian Kin is deemed to have an interest in the 17,423,004 ordinary shares held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte. Ltd., where he is a shareholder.
(2) Mr. Tan Soon Hoe, through his 100% shareholding interest in Lincoln Capital Pte. Ltd., is deemed to have an interest in the shares held directly by Lincoln Capital Pte Ltd.

Analyst

Jaime L. +65 6221 5590
jlo@saccapital.com.sg

Key Historical Financials

Year ended 31 May	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue (S\$)	202,823	217,895	261,706	253,615	271,255
% Growth	6.8%	7.4%	20.1%	(3.1%)	7.0%
Gross profit (S\$)	2,508	35,862	29,855	36,177	38,642
Gross profit margin	1.2%	16.5%	11.4%	14.3%	14.2%
Profit/(loss) before tax (S\$)	(8,317)	15,074	12,404	2,296	(8,023)
Profit/(loss) before tax margin	N.M.	6.9%	4.7%	0.9%	N.M.
Profit/(loss) attributable to owners	(14,381)	11,133	9,062	(1,569)	(7,605)
EPS/(LPS) (Singapore cents)	(2.75)	2.24	1.80	(0.31)	(1.52)
P/E (x)	N.M.	8.26	10.28	N.M.	N.M.
P/B (x)	0.97	0.97	0.94	0.97	0.97
Net Debt/Equity	1.27	1.45	1.42	1.42	1.81

^AEPS is computed based on the profit from continuing operations attributable to owners of the company divided by total shares outstanding

Engineering A Great Tee Off

A Leading Regional Integrated Engineering, Real Estate and Infrastructure Group. TEE International Limited together with its subsidiaries ("TEE" or the "Group"), is a leading engineering group in the region with business interests in real estate and infrastructure. The core engineering business started in 1991, which was first established as a general electrical contractor. Anchored on a strong track record in delivering quality and value-added integrated engineering solutions, TEE is recognized as a trusted partner in the engineering industry. Moving forward, TEE would be strengthening its full turnkey capabilities to be a leading regional Integrated Engineering, Real Estate and Infrastructure Group.

Forming business synergies from its core engineering fundamentals. Through its majority-owned SGX Mainboard listed subsidiary, TEE Land Limited, TEE undertakes the development of residential, commercial, and industrial property projects, as well as investing in income-generating properties in Singapore and around the region. Focused on growing a diversified and resilient enterprise, TEE has also expanded into the infrastructure business through investments in the environmental, power and water segments.

Strength of Order Book. The Group has maintained an order book valued at S\$304 million as at October 2018. This came after TEE clinched engineering contracts worth about S\$58 million. One notable contract was awarded to TEE's subsidiary PBT Engineering by repeat client Changi Airport Group (Singapore), for a proposed replacement of a fixed gangway, and addition and alteration ("A&A") works at three Changi Airport Terminals.

Broadening regional footprint. With a portfolio across 7 countries (Singapore, Malaysia, Thailand, the Philippines, Hong Kong, Australia and New Zealand), TEE is continually strengthening its foothold in the overseas markets.

Key risks: (i) Managing project costs, (ii) Project execution risks.

Investment Highlights¹

Business Overview:

TEE International Limited has grown from a general electrical contractor to an established Integrated Engineering, Real Estate and Infrastructure Group. With its operations spanning across Singapore, Thailand, Malaysia, Hong Kong, Australia and New Zealand, TEE continues to focus on its core Engineering specialisation to grow its Infrastructure business alongside its complementary Real Estate business¹.

Established builders. TEE is a leading regional engineering group with business interests in real estate and infrastructure that spans across Singapore, Malaysia, Thailand, the Philippines, Hong Kong, Australia and New Zealand. The core engineering business started in 1991, which was first established as a general electrical contractor. Anchored on a strong track record in delivering quality and value-added integrated engineering solutions, TEE is now recognized as a trusted partner in the engineering industry. Moving forward, TEE would be strengthening its full turnkey capabilities to be a leading regional Integrated Engineering, Real Estate and Infrastructure Group.

Forming business synergies from core engineering fundamentals. Through its majority-owned SGX Mainboard listed subsidiary, TEE Land Limited, TEE undertakes the development of residential, commercial, and industrial property projects, as well as investing in income-generating properties in Singapore and around the region. Focused on growing a diversified and resilient enterprise, TEE has also expanded into the infrastructure business through investments in the environmental, power and water segments.

Consistency in strength of Order Book. The Group has maintained an order book that is valued at S\$304 million as at October 2018, after TEE clinched engineering contracts worth about S\$58 million². One notable contract was awarded to TEE's subsidiary PBT Engineering by repeat client Changi Airport Group (Singapore), for a proposed replacement of a fixed gangway, and A&A works at Changi Airport Terminal 1, 2 and 3.

Partnerships with Dymon Asia and Pierfront Capital

In 2017, TEE formed 2 significant partnerships with Dymon Asia and Pierfront Capital respectively. TEE teamed up with Dymon Asia to acquire Sembcorp's medical waste division. The Group went on to secure a US\$15 million investment to expand TEE's infrastructure business from Pierfront Capital, a Temasek group company, established in 2015 as an independent investment company offering financing solutions to capital intensive businesses.

¹ Information extracted from Annual Report 2018.

² Information extracted from Group's announcements in 2018.

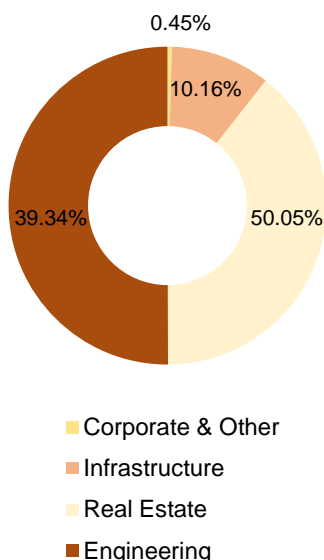
Investment Highlights

Achieving focused expansion. In line with TEE's strategy to provide engineering services for infrastructure-related projects particularly in the healthcare and transportation sectors, the Group secured notable contracts such as Asset Enhancement Initiative works for the College of Medicine Building for the Ministry of Health, as well as the contracts with the Land Transport Authority worth S\$56.5 million in relation to designing, supplying and installing noise barrier systems at existing MRT viaducts. In addition, the Group is incorporating Design for Manufacture and Assembly technologies to value-add to their tenders as they adapt to the evolving construction landscape that is increasingly integrating innovative technologies.

The Group's Infrastructure business under TEE Infrastructure Private Limited ("**TEE Infrastructure**") went into the environmental business with the acquisition of TEE Environmental Pte. Ltd. (formerly known as Chiang Kiong Environmental Pte. Ltd.) - which owns TEE Recycling Pte. Ltd. (formerly known as Chiang Kiong Resources (Paper) Pte. Ltd.) - as well as Envotek Engineering Pte. Ltd. through G3 Environmental Private Limited, of which TEE Infrastructure has a 50.1% stake in.

Company Background

Revenue Breakdown (FY2018)



Founded in 1991, TEE International Limited has grown from a general electrical contractor to an established Integrated Engineering, Real Estate and Infrastructure Group. The Group was listed on the Stock Exchange of Singapore Dealing and Automated Quotation System “SESDAQ” (now known as the SGX Catalyst) in 2001, TEE was later upgraded to the SGX Mainboard in 2008¹.

- The Group’s core business can now be categorised into 3 business segments:
 - (a) Engineering (Mechanical and Electrical engineering, Building and Construction specialist)
 - (b) Real Estate (Property developer)
 - (c) Infrastructure (Waste management, Energy and Water treatment)



Engineering Business

- Mechanical and Electrical (“**M&E**”) primarily undertakes large-scale and complex engineering projects as well as infrastructure-related projects.
- Building and Construction Division provides full turnkey solutions for commercial, industrial and institutional buildings via wholly-owned subsidiary PBT Engineering Pte. Ltd. (“**PBT**”).



Real Estate Business

The Group has established a track record of delivering quality and well-designed residential commercial property developments via majority-owned listed subsidiary, TEE Land Limited (“**TEE Land**”).



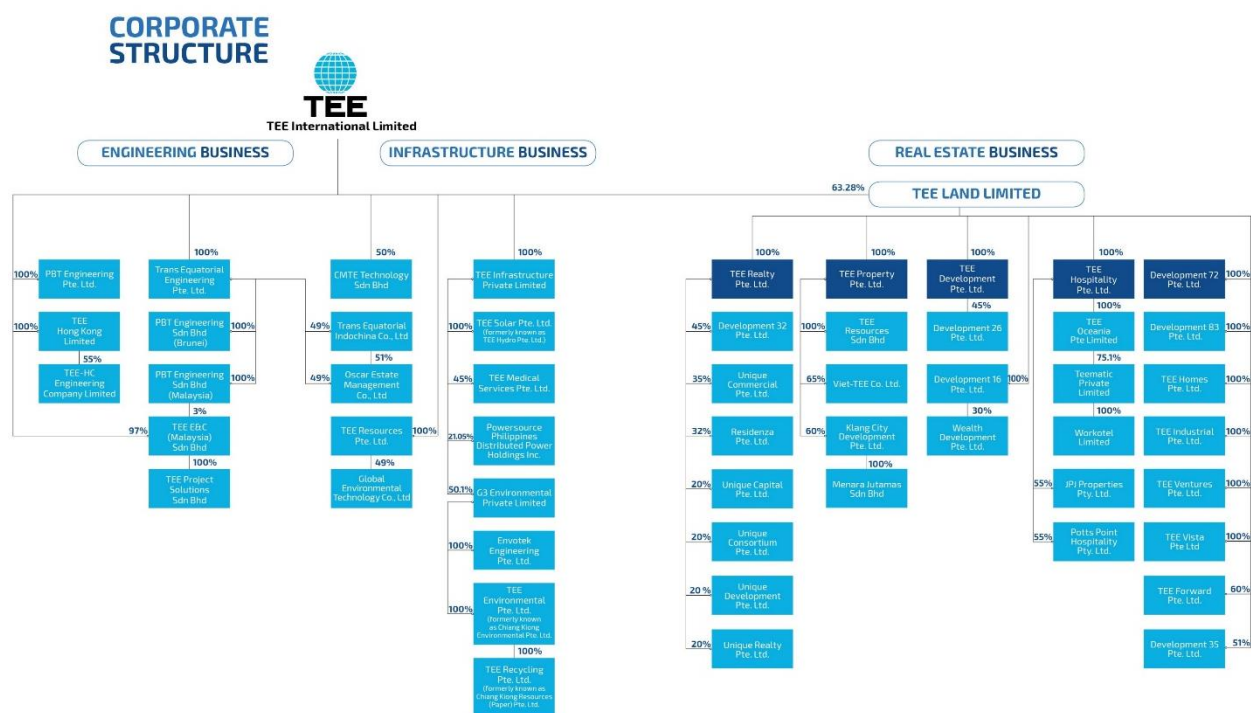
Infrastructure Business

- The Environmental Division offers a full suite of waste management solutions, from on-site to off-site waste management. The Group also started expansion into disposal of biohazardous and pharmaceutical waste.
- Power Division allows TEE to own and construct a 25-megawatt green-field thermal hybrid power plant in Philippines.
- Water division features TEE’s 49% stake in Global Environmental Technology Co., Ltd (“**GETCO**”).

Company Overview

History³

TEE was established in 1991 as an engineering sub-contractor and has since grown into an integrated engineering solutions provider for office and commercial buildings, institutional buildings, factories, research facilities, residential apartments as well as infrastructure facilities (“**Engineering business**”). With the Group’s operations spanning across Singapore, Thailand, Malaysia, Hong Kong, Australia and New Zealand, TEE continues to focus on its core Engineering specialisation to grow its Infrastructure business alongside its complementary Real Estate business. TEE has established a strong track record in delivering quality and value-added integrated solutions to its customers. Anchored on a strong brand position, TEE has been able to maintain a consistent order book both locally and regionally. TEE has expanded its regional presence in the Asia-Pacific either directly by TEE or through strategic partnerships and acquisitions.



Note: Group Corporate Structure does not include dormant subsidiaries and associate companies with less than 20% stake.

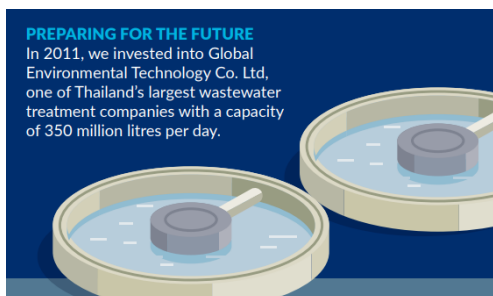
³ Information extracted from Group's website in November 2018.

Company Overview

Corporate Milestones



TEE's overseas expansion plans started as early as 1996, when the Group's engineering division entered the Malaysia and Thailand markets. With a market capitalisation of S\$16 million, TEE was listed on SGX SESDAQ and moved into facilities management business in Thailand. From 2006 to 2010, the Group diversified into real estate development in Singapore and Thailand. Another milestone included the Group being upgraded to SGX Mainboard.



In 2011, through a joint venture partner in Thailand, TEE invested in Global Environmental Technology Co. Ltd. GETCO is one of Thailand's largest waste water treatment companies serving commercial, industrial, business and residential communities. The Group became well positioned to provide a total infrastructure solution in the region for water and energy resources.



In 2013, the Group continued to expand its land bank and acquisition activities in the real estate sector. Its 63.54%⁴ owned subsidiary, TEE Land Limited was successfully listed on the Mainboard of SGX-ST, raising net proceeds of approximately S\$57.8 million at its initial public offering.

⁴ Information extracted from Group's Annual Report 2016.

Management⁵



Mr. Bertie Cheng, Chairman and Independent Director

Mr. Cheng was appointed as an Independent Director of the Group on 5 March 2001 and was last re-appointed as a Director of the Group on 30 September 2014.

Mr. Cheng retired as the Chief Executive Officer of POSBank in July 1997. He was appointed as Advisor to POSBank on 1 June 2010. He holds and has held directorships in both listed and non-listed companies. Currently, he is the Chairman of TeleChoice International Limited. He is also a Director of Hong Leong Finance Limited, Pacific Andes Resources Development Limited and Baiduri Bank Berhad. His other appointments include being the Chairman of the Medifund Committee, Singapore General Hospital, Vice-Chairman of the Board of Trustees, Consumers Association of Singapore Endowment Fund and Chairman of the Investment Panel of SPRING SEEDS Capital Pte Ltd.

Mr. Cheng holds a Bachelor of Arts Degree in Economics (Honours) from the University of Malaya in Singapore. He received the Public Administration Medal (Silver) in 1984 and the Public Service Medal in 2001. In addition, he also received the Friend of Labour Award from the National Trade Union Congress in 2008.



Mr. Phua Chian Kin, Group Chief Executive & Managing Director

Mr. Phua has been the Group Chief Executive & Managing Director of TEE International since 2000. He is instrumental in spearheading the expansion and growth of TEE and is also responsible for TEE's overall management, investment decisions, direction and policy decision-making. He is also the major shareholder of TEE International and the Chairman of the Executive Committee and a member of the Nominating Committee.

Mr. Phua has over 30 years of experience in the Engineering business. Mr. Phua graduated in 1979 from the Singapore Polytechnic with a Diploma in Electrical Engineering. He received the Public Service Medal in 2007 from the President of Singapore for his contributions to social services. In 2010, Mr. Phua won the Asia Pacific Most Outstanding Entrepreneurship Award.

⁵ Information extracted from Group's website in November 2018.

Business Segments

The Engineering Business⁶

TEE prides itself as an expert in 2 divisions, Mechanical and Electrical engineering and as a Building and Construction specialist. Its proven track record in delivering quality and value-added services, has won strong recognition amongst their clients. With a strong brand positioning, TEE has been able to secure prominent projects locally, in ASEAN as well as in the Greater China region. TEE's Engineering business offers a full suite of engineering solutions based on international standards that are adopted for large-scale and complex commercial building projects. The professional and technical team also provide a one-stop design and build package alongside project management to meet clients' requirements.

• Mechanical & Electrical

This division is focused on engineering services that include Electrical, Air Conditioning & Mechanical Ventilation, Plumbing & Sanitary, Fire Protection, Extra Low Voltage, Integrated Building Management System and Plants & Processes.



Frasers Tower @ Cecil Street

A 38-Storey Office Development with 3-Storey Basement Carpark, 3-Storey Podium & Roof Garden at Cecil Street / Telok Ayer Street

Mechanical, Electrical & Fire Protection Services

From April 2015 to April 2018

M&E Contract Sum: S\$43.9 million



Marina Bay Sands

Marina Bay Sands Integrated Resort Development For South and North Podiums

Electrical Services Installation to Casino, MICE and Theatre

From March 2008 to March 2011

Electrical Contract Sum: S\$158.0 million

⁶ Information extracted from Group's website in November 2018.

Business Segments

The Engineering Business

Project Reference - Grade A Office Projects at Central Business District

Frasers Tower

Completed: April 2018
 Office GFA: 0.6m sqft
 M&E Contract Sum: S\$43.9m

Asia Square Tower 1

Completed: Nov 2011
 Office GFA: 1.2m sqft
 M&E Contract Sum: S\$120.5m

Project Glory

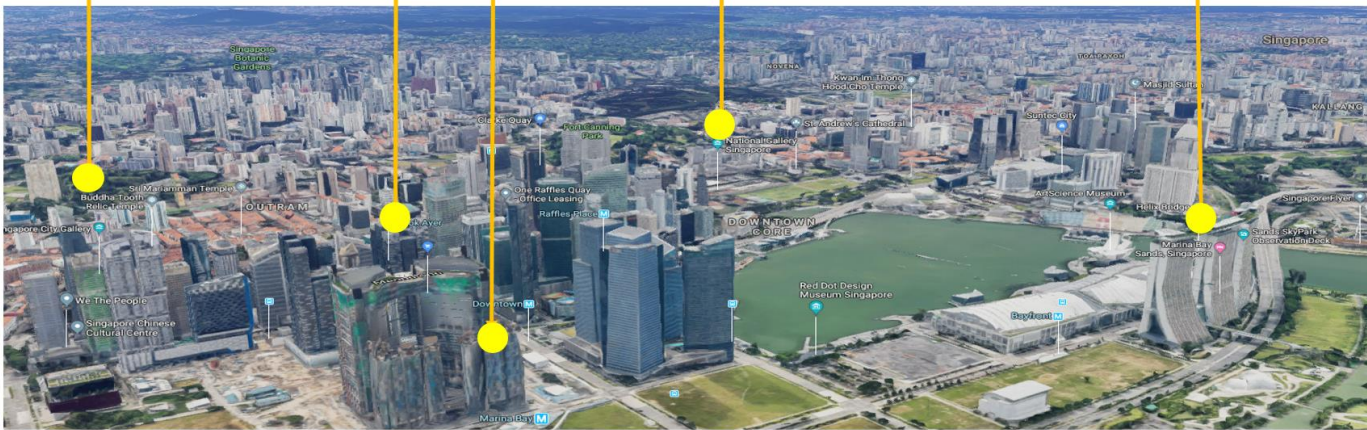
To Complete: July 2020
 Office GFA: 0.5m sqft

Marina One

Completed: Mar 2018
 Office GFA: 1.8m sqft
 M&E Contract Sum: S\$142.2m

Marina Bay Sands

Completed: Mar 2011
 Electrical Contract Sum: S\$158.0m



Business Segments

• Building and Construction

This division is operated through PBT which offers services including Sub Structure, Super Structure, Civil, Architecture & Interior Decoration. Coupled with TEE's M&E strength, the Building & Construction division is able to offer time and cost savings for clients.

The strength of this division is seen through its "mission critical" projects where time is limited and the project needs to be completed with precision, quality and urgency. PBT is known industry-wide for performing mission critical A&A works. Hospitals, MRT stations and the airports are clients that would engage TEE for such services.

TEE's major clients over the years include SMRT, CapitaLand, Citibank NA, Las Vegas Sands Group, Changi Airport Group, National University of Singapore, Nanyang Technological University, Hyundai Engineering and Construction etc. Majority of them are repeat clients, bearing testimony to TEE's work quality and ability to deliver.

Transport Infrastructure



Ancillary Building @ Runway 3
Changi East Development

Healthcare



MOH - College of Medicine
Building

Institution of Higher Learning



Singapore Institute of
Technology



Passenger Loading Bridge & Fixed
Gangway – Changi T1 & T2



National University Hospital



Singapore University of
Technology and Design

Business Segments

The Real Estate Business⁷



TEE LAND

Singapore Projects

Singapore continues to be the foundation of TEE Land Limited's ("TEE Land") business. To date, TEE Land has completed 19 projects in Singapore, with other projects currently being launched and/or under construction. Local projects include joint venture, with a strategic shift towards more wholly-owned projects.



183 LONGHAUS by TEE Land*

Overseas Projects

TEE Land is a regional developer and investor with a presence in Malaysia, Australia and New Zealand. TEE Land develops residential, commercial and industrial projects, as well as a hotel in Australia and short-term accommodation in New Zealand that contribute to recurring income streams.



Third Avenue Cyberjaya by TEE Land*

⁷ Information extracted from TEE Land's website in November 2018.

*Source: <https://maximise.sg/properties/the-peak-cairnhill/> and TEE Land's website.

Business Segments

The Infrastructure Business⁸



TEE Infrastructure's water business was established to meet demands of comprehensive sustainable water treatment solutions throughout the Asia Pacific region.

TEE Infrastructure owns a 49% stake in GETCO, one of Thailand's largest wastewater treatment companies that has a total capacity of 350 million litres per day, serving commercial, industrial, business and residential communities.

GETCO, a leading player in Thailand, owns a wastewater treatment plant in Bang Poo, Thailand, and operates the aforementioned plant alongside Bangkok's first state-of-the-art underground wastewater treatment plant in Bang Sue.

Through GETCO, TEE Infrastructure boasts the following capabilities:

Engineering, Procurement & Construction

Detailed engineering design, procure necessary equipment and materials and construct to deliver fully functioning wastewater plant.

Operations & Maintenance

Technical, operation and maintenance support services.



⁸ Information extracted from Group's website in November 2018.

*Images sourced from the Group's website.

Business Segments



With a team of over 400 individuals, a 500 strong fleet of state-of-the-art equipment and an in-house engineering arm, its services include:

On-site & off-site waste management

Audits, comprehensive reporting and analysis for Government, Institutional, Residential, Commercial & Industrial buildings.

Collection and transportation

Rear-end-loader, Compactor, Open-top-container and Pneumatic waste haulage vehicles and equipment.

Recyclables processing

Recyclables collection, recovery, sorting and processing at their Materials Recovery Facilities.

Food waste management

Collection of food by-products, solid and liquid wastes from agriculture, manufacturing, food and drink processing. Waste treatment via: Anaerobic Digestion Facilities & Composting.

Cleaning Services

Provide various cleaning solutions including carpet shampooing and fabric upholstery to various settings such as conservancy, commercial, warehouses, pre-schools, kitchens as well as events.

Medical or Biohazardous Waste Treatment and Disposal

Collection of biohazardous, cytotoxic, radioactive, sharps and pharmaceutical waste from hospitals, nursing homes, general practitioners and pharmaceutical firms, as well as treatment via extreme high temperature (excess of 1000°C) to incinerate the medical waste.



Business Segments



TEE Infrastructure's Power business strives to provide green energy alternatives, empowering people with varying energy choices.

Solar Photovoltaic Systems

The Group's growing solar arm leverages on its complementary integrated engineering expertise to deliver a full suite of engineering, procurement, construction, operations and maintenance solutions. TEE's solar leasing attractively comes with no upfront costs to position its offer with a cost advantage.

25 Megawatt Thermal Hybrid Power Plant

TEE Infrastructure Power projects include a 21.1% stake in a 25 Megawatt Thermal Hybrid Power Plant in the Philippines, which is embedded in the cement plant of the Lafarge Group, a world leader in building materials production. The facility provides power to Iligan City and is a strategic alliance of strong local and international partners including Nippon Koei, Japan's number one engineering firm listed on the Tokyo Stock Exchange.



Corporate Developments

The Engineering Business



Alliance with Advancer Global⁹

In 2017, TEE formed a collaboration with SGX-listed Advancer Global, which comprises of a maid agency, a cleaning and stewarding services arm and a security services arm.

The collaboration is focused on exploring opportunities for joint tenders in contracts which require mechanical and electrical engineering works and facility management services, and jointly investing in facilities management projects in the Asia-Pacific region.

TEE also aimed to create synergies by leveraging off each others' expertise, track record, technical resources and competencies.

Overall Strategic Focus:

- ✓ Clinch more Projects within Transportation and Healthcare sector
- ✓ Strengthen Greenfield Construction Business
- ✓ Build Capabilities through Productivity Technologies
- ✓ Continue Expanding into Facilities Management Business

⁹ Information and image extracted from The Business Times in September 2017.

Corporate Developments

The Real Estate Business¹⁰

TEE Land intends to focus on the Residential Market in Singapore from 2018 to 2020. Concurrently, the Company would continue to access commercial assets in overseas markets for mid-term investments.



Overall Strategic Focus:

- ✓ Improving free cash flow deployment through:
 - Strategic sales of assets
 - Sale of completed projects
 - Proceeds from TOP projects
- ✓ Focus on boutique-sized developments
- ✓ Fast turnaround & good execution of projects

¹⁰ Information extracted from Corporate Profile of TEE International Ltd in October 2018.

Corporate Developments

The Infrastructure Business¹¹



Dymon Asia Private Equity (“**DAPE**”) is one of the largest homegrown funds in Singapore with US\$5 billion assets under management, of which Temasek Holdings invested and became a stakeholder in May 2014. With an institutional platform with well-known Asian and international investors, DAPE has a strong record of investing, building and growing companies with its management teams.

In 2018, the Group teamed up with DAPE to acquire the medical division of Sembcorp Environment for S\$20 million. The transaction entailed the establishment of a joint venture company between DAPE and TEE to further infrastructure and industrial investments. TEE Medical Service Pte. Ltd. was thus formed.

Overall, the plan was to leverage on the partners’ core capabilities in utilities and medical waste management.



¹¹ Information extracted from Group’s announcement and Dymon Asia’s website.

Corporate Developments

The Infrastructure Business



PIERFRONT CAPITAL

Pierfront Capital is a Temasek group company, established in 2015, as an independent investment company offering junior debt, mezzanine and structured financing solutions to capital intensive businesses across a wide range of sectors including, but not limited to infrastructure, energy, transportation, telecommunications and logistics. Pierfront Capital focuses on growth capital for asset and corporate acquisition, refinancing and project expansion.

Mr. Stephane Delatte, Chief Investment Officer of Pierfront Capital, said,

“We are pleased to complete this investment in a home-grown company and are excited with the prospect of supporting TEE further. With the firm belief in its business strategies and future plans, we look forward to seeing TEE expand and grow further internationally.”

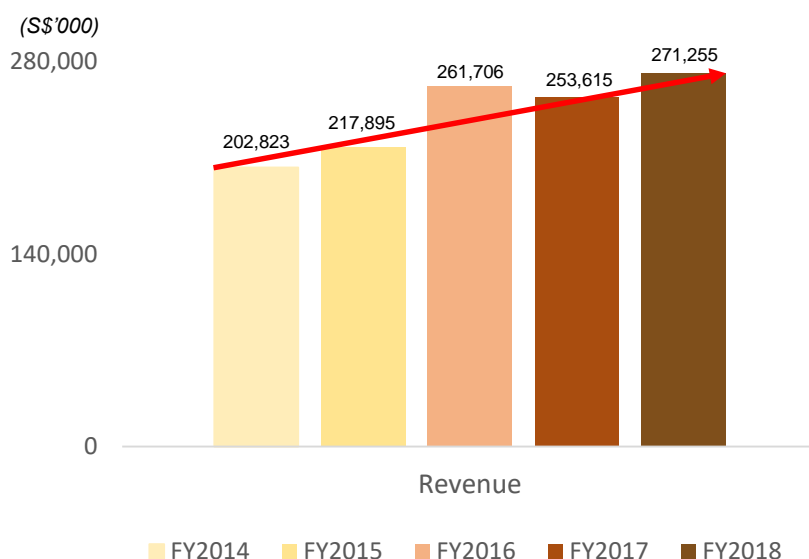


Financial Overview ¹²

Revenue

FY2018's revenue increased by S\$17.6 million due mainly to higher contribution of progressive revenue from development properties, as well as the newly acquired waste and recycling management subsidiaries. Cost of sales correspondingly increased by S\$15.2 million. Although there was a fall in FY2017 due mainly to lower revenue recognition from on-going engineering projects, TEE illustrates its track record of achieving exponential growth over the past 5 years.

Figure 1: The 5-Year Revenue Trend



FY2018

Other operating income

Decreased by S\$4.0 million due mainly to the absence of gain on disposal of the Australia property by TEE Land in FY2017, offset by the negative goodwill on the acquisition of the waste and recycling management subsidiaries.

Selling and distribution expenses

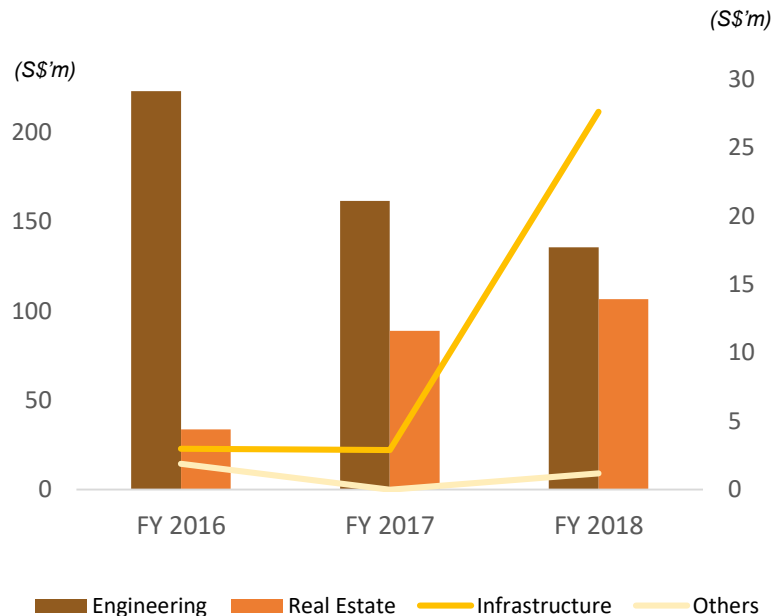
Increased by S\$6.6 million due mainly to one-off marketing cost incurred for Third Avenue project. Administrative expenses increased by S\$2.2 million due mainly to the newly acquired waste and recycling management subsidiaries. Other operating expenses increased by S\$5.5 million due mainly to one-off impairment losses recognised on the disposal of an associate and the remaining unsold units in the completed properties held for sale by TEE Land.

Financial Overview

Revenue Drivers

Revenue contributed by the engineering segment have declined gradually since 2016, while the development of other business segments saw exponential growth.

Figure 2: Dual-Axis Graph for Revenue Segments



The Engineering and Real Estate segments were the highest revenue contributors across the three years. However, Figure 2 showed that the Engineering revenue stream has declined gradually as the Group's shift in focus on Real Estate and Infrastructure materialised in growth.

Although TEE started out primarily as an engineering company, we can see its successful shift in catering to the demands of the Infrastructure sector. The Infrastructure business saw the steepest growth overall from S\$3 million in FY2016 to a sharp increase to S\$27.6 million in FY2018. This may be attributed to various partnerships that TEE has established in the past two years that fuelled its Infrastructure segment growth in 2018.

Key Risks¹³

Managing project costs

TEE's portfolio of work consists of projects that have to be executed within a budget guided by the bidding prices of the contracts. Due to unforeseen circumstances, the Group could be exposed to the risks of increased project costs during the project implementations.

Execution risks

TEE operates within a technical and human resource intensive environment as well as the relatively long duration of project execution time period. This exposes the Group to possible challenges of attracting and retaining qualified personnel and executing the projects successfully over the long duration period.

Income Statement (\$\$)

	Fiscal Year Ended 31 May				
(\$S'000)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	202,823	217,895	261,706	253,615	271,255
Cost of sales	(200,315)	(182,033)	(231,851)	(217,438)	(232,613)
Gross profit	2,508	35,862	29,855	36,177	38,642
Other operating income	7,058	6,193	9,407	11,546	7,569
Other operating expenses	(2,732)	(5,976)	(5,266)	(6,786)	(12,309)
Admin expense	(19,610)	(22,825)	(24,465)	(21,264)	(23,410)
Share of profit of joint venture	9,004	11,121	14,603	(2,095)	3,038
Selling and distribution expenses	(1,224)	(2,264)	(2,937)	(5,101)	(11,675)
Finance costs	(3,321)	(7,037)	(8,793)	(10,181)	(9,878)
Profit/(Loss) before tax	(8,317)	15,074	12,404	2,296	(8,023)
Income tax (expense) / benefit	(1,919)	(2,192)	(1,027)	(3,264)	(738)
Profit/(Loss) for the year	(10,236)	12,882	11,377	(968)	(8,761)
Profit/(Loss) attributable to owners of company	(13,258)	11,133	9,062	(1,569)	(7,605)
Minority Interests Earnings/(Loss) per share:	3,022	1,749	2,315	601	(1,156)
-Basic (SG cents)	(2.75)	2.24	1.80	(0.31)	(1.52)
-Diluted (SG cents)	(2.75)	2.19	1.80	(0.31)	(1.52)

Balance Sheet (\$\$)

	Fiscal Year Ended 31 May				
(\$S'000)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cash and cash equivalents	32,916	24,012	32,206	39,587	34,902
Trade receivables	42,811	85,273	43,210	55,117	70,074
Other receivables	17,788	20,298	25,546	40,032	36,556
Inventories	-	18	16	27	168
Others	235,617	237,034	290,910	331,228	393,831
Total current assets	329,132	366,635	391,888	465,991	535,531
Property, plant and equipment	11,950	79,248	89,666	22,794	31,253
Other assets	63,207	81,942	98,952	87,355	58,877
Other receivables	39,816	29,750	12,445	6,144	1,211
Total non-current assets	114,973	190,940	201,063	116,293	91,341
Total assets	444,105	557,575	592,951	582,284	626,872
Trade payables	47,201	98,547	108,217	104,212	104,081
Other payables	22,600	26,101	32,560	32,951	46,972
Finance leases	77	80	87	83	607
Bank loans	59,718	52,612	53,444	50,115	51,250
Income tax payable	1,785	3,348	5,583	5,596	2,537
Others	48,973	53,079	45,230	82,199	92,958
Total current liabilities	180,354	233,767	245,121	275,156	298,405
Other payables	13	18	22	3,704	8,074
Finance leases	345	385	372	285	330
Long term loans	4,050	4,050	-	-	-
Deferred tax liabilities	1,084	2,066	273	429	1,951
Others	115,930	155,103	179,247	137,084	164,610
Total non current liabilities	121,422	161,622	179,914	141,502	174,965
Share Capital	56,151	58,701	58,701	58,701	58,701
Treasury shares	-	-	-	(269)	(269)
Currency translation	(1,072)	(582)	(1,633)	(1,011)	(690)
Capital reserve	21,084	18,737	18,765	18,793	18,741
Accumulated profits	19,875	18,709	22,471	19,396	11,791
Minority Interest	46,291	66,621	69,612	70,016	65,228
Total Equity	142,329	162,186	167,916	165,626	153,502

Cash Flow Statement (\$\$)

	Fiscal Year Ended 31 May				
(\$S'000)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Profit/(Loss) before tax	(8,317)	15,074	12,404	2,296	(8,023)
Depreciation & amortisation	1,632	3,378	4,755	5,023	8,884
Change in working capital	(50,381)	(14,404)	(1,639)	(28,434)	(74,351)
Others	(9,724)	(3,336)	(8,178)	10,312	14,381
Interest and taxes	(7,916)	(9,994)	(13,046)	(17,557)	(16,058)
Net Cash (used in)/ from operations	(74,706)	(9,282)	(5,704)	(28,360)	(75,167)
Purchase of PPE	(11,075)	(69,746)	(16,114)	(8,145)	(531)
Others	(21,442)	8,901	17,382	50,282	15,539
Net Cash (used in)/ from investing	(32,517)	(60,845)	1,268	42,137	15,008
Net increase in equity	-	32,006	-	(269)	-
Net increase in debt	103,595	22,524	26,368	(11,781)	44,841
Others	1,824	4,532	(7,458)	1,046	12,916
Net Cash (used in)/ from financing	105,419	59,062	18,910	(11,004)	57,757

Ratios

	Fiscal Year Ended 31 May				
(\$S'000)	FY2014	FY2015	FY2016	FY2017	FY2018
Profitability (%)					
Gross profit/(loss) margin	1.2%	16.5%	11.4%	14.3%	14.2%
Profit/(loss) before tax margin	n.m.	6.9%	4.7%	0.9%	n.m.
Liquidity (x)					
Current ratio	1.8	1.6	1.6	1.7	1.8
Quick ratio	2.0	1.7	1.9	1.9	n.m.
Interest coverage ratio	n.m.	3.1	2.4	1.2	0.2
Net Debt to Equity	1.3	1.5	1.4	1.4	1.8
Valuation (x)					
P/S	4.6	4.3	3.5	3.7	3.4
P/E	n.m.	8.3	10.3	n.m.	n.m.
Core P/E at target price	N/A	N/A	N/A	N/A	N/A
P/B	1.0	1.0	0.9	1.0	1.0
P/NTA	N/A	N/A	N/A	N/A	N/A
Cash Conversion Cycle					
Trade receivable days	77	143	60	79	94
Inventory days	n.m.	n.m.	n.m.	n.m.	n.m.
Trade payable days	86	198	170	175	163
CCC days	(9)	(55)	(110)	(96)	(69)

n.m. denotes not meaningful

DISCLAIMERS AND DISCLOSURES

This report has been prepared and distributed by SAC Advisors Private Limited ("**SAC Advisors**") which is a holder of a capital markets services licence and an exempt financial adviser in Singapore. SAC Advisors is a wholly-owned subsidiary of SAC Capital Private Limited ("**SAC Capital**") which is also a capital markets services licensee.

This report has been prepared for the purpose of general circulation. In the preparation of this report, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual person or any specific group of persons. Any prospective purchaser should make his own investigation of the securities and all information provided. Advice should be sought from a financial adviser regarding suitability, taking into account the specific investment objectives, financial situation or particular needs of the person in receipt of the recommendation, before a commitment to purchase is entered into.

This report does not constitute or form part of any offer or solicitation of any offer to buy or sell any securities.

This report is confidential and is meant only for the consumption of targeted persons. The information in this report shall not be copied or reproduced in part or in whole, and save for the recipient of this report, shall not be disclosed to any other person without the prior written consent of SAC Advisors. The distribution of this report outside the jurisdiction of Singapore is also strictly prohibited.

While SAC Advisors has exercised reasonable care to ensure that the facts stated herein are accurate, SAC Advisors makes no representation as to the accuracy or completeness of such information and SAC Advisors accepts no liability whatsoever for any loss or damage arising from the use of or reliance of the information herein.

SAC Advisors, SAC Capital and their associates, directors, and/or employees may have positions in the securities covered in the report and may also perform or seek to perform other corporate finance related services for the company whose securities are covered in the report. SAC Advisors and its related companies may from time to time perform advisory services, or solicit such advisory service from the entity mentioned in this report ("**Other Services**"). However, the research professionals involved in the preparation of this report have not and will not participate in the solicitation of such business. This report is therefore classified as a non-independent report.

As of the date of this report, SAC Advisors and its associates, including SAC Capital, do not have proprietary positions in TEE International Limited, except for:

Party	Quantum of position
Nil	Nil

As of the date of this report, SAC Advisors and its associates, including SAC Capital, do not have any business relations with TEE International Limited within the past 12 months, except for:

Company	Nature of business relation	Date of business relation
Nil	Nil	Nil

As of the date of this report, none of the analysts who covered the securities in this report have any proprietary position or material interest in the subject companies covered here in, except for:

Analyst name	Quantum of position
Nil	Nil

ANALYST CERTIFICATION/REGULATION AC

As noted above, research analyst(s) of SAC Advisors who produced this report hereby certify that

- (i) The views expressed in this report accurately reflect his/her personal views about the subject corporation(s);
- (ii) The report was produced independently by him/her;
- (iii) He/she does not on behalf of SAC Advisors or SAC Capital or any other person carry out Other Services involving any of the subject corporation(s) or securities referred to in this report; and
- (iv) He/she has not received and will not receive any compensation directly or indirectly related to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. He/she has not and will not receive any compensation directly or indirectly linked to the performance of the securities of the subject corporation(s) from the time of the publication of this report either.