

BUILDING
ON OUR

STRENGTHS

TEE International Limited
Annual Report 2012



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corporate profile

TEE International Limited ("TEE" or "the Group") was established in the 1980s, and has grown from a general electrical contractor to a recognised Engineering and Integrated Real Estate Group that it is today. With its operations spanning across Singapore, Thailand, Malaysia, Philippines, Cambodia, Brunei, Vietnam and China, TEE continues to focus on its core Engineering specialisation, complemented by its Integrated Real Estate business.

Listed on the Stock Exchange of Singapore Dealing and Automated Quotation System "SESDAQ" (now known as the SGX Catalist) in 2001, TEE was upgraded to the SGX Mainboard in 2008.

Over the years, TEE has established a strong track record in delivering quality and value-added services by providing integrated solutions to its customers. With a strong brand position, TEE has been able to secure prominent projects both locally and regionally.

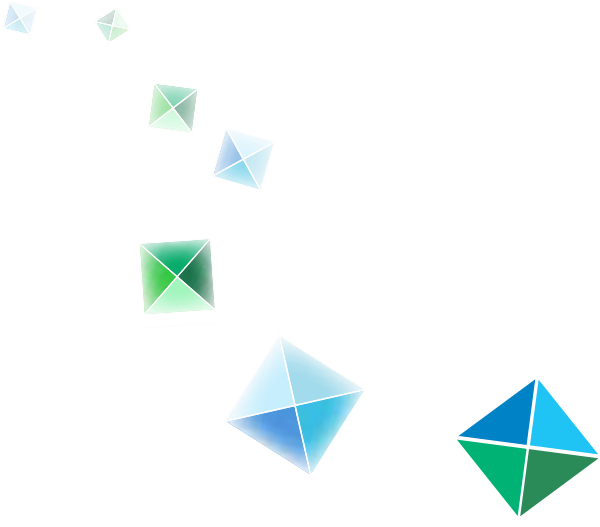
With its people at the centre of TEE's business model, TEE branches out through its twin engines of growth - Engineering and Integrated Real Estate by tapping on the expertise, experience and capabilities of its people. The Group has expanded its regional presence in South East Asia ("SEA") either fully undertaken by TEE's team or through strategic partnerships and acquisitions.

our vision

We aim to be among the best and the preferred choice in the industry.

our mission

We strive to be a leading engineering and integrated real estate group recognised for our quality and value-added services, cost competitiveness; and backed by people with a devotion to quality service delivery and the tenacity to face challenges.



FORGING A STRONGER TEE

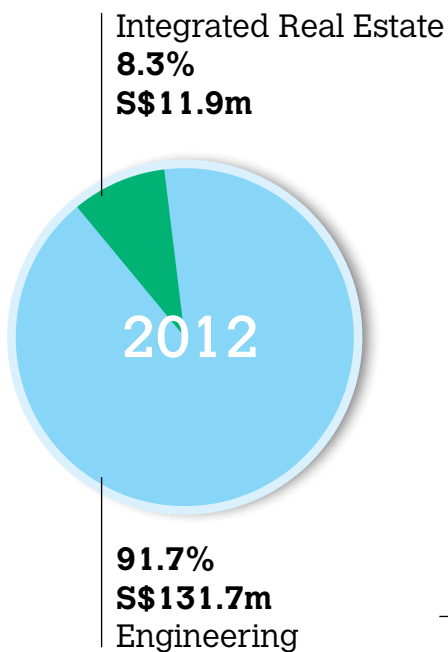
TEE is a dynamic group made up of multiple aspects. Like the gem pieces coming into shape on the cover, we have steadily assembled the fundamental qualities and competencies that forged us into who we are today.

From this, we build and magnify our strengths, hone our expertise and fortify our resilience. This has enabled us to strengthen our foundation and provided us the confidence to expand into the region.

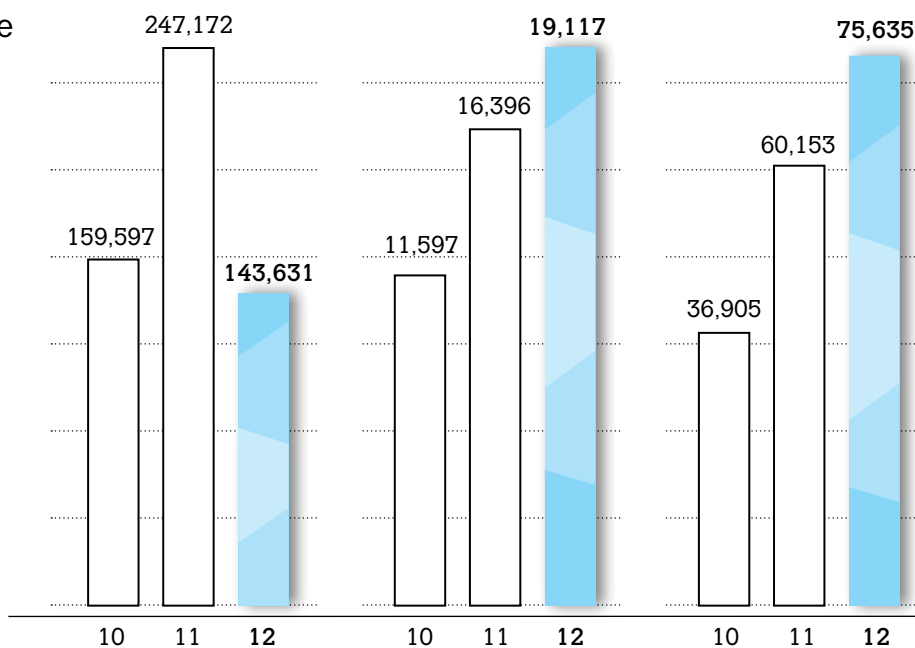
Looking forward, we will continue to leverage on our core competencies and create diversified revenue streams through synergistic acquisitions. Though there are many challenges ahead, TEE has laid down a strong foundation and is well-positioned to create sustainable growth and value for our businesses.

financial highlights

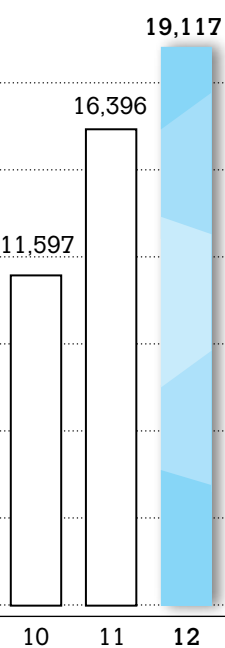
Revenue Breakdown



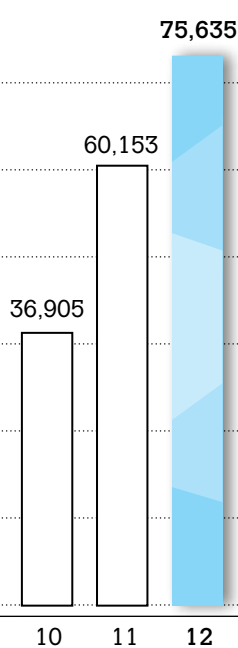
Revenue (S\$'000)



Net Profit For The Year (S\$'000)

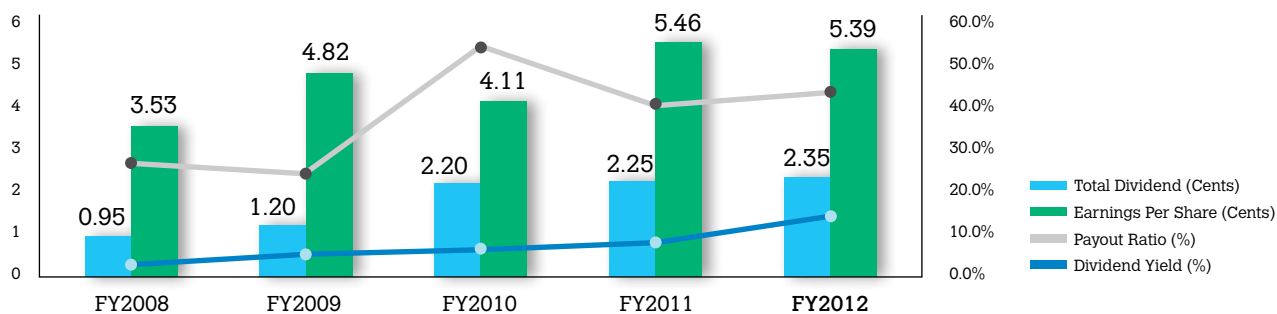


Shareholders' Equity (S\$'000)



Dividend Track Record

	FY2008	FY2009	FY2010	FY2011	FY2012
Total Dividend (Cents)	0.95	1.20	2.20	2.25	2.35
Basic Earnings Per Share (Cents)	3.53	4.82	4.11	5.46	5.39
Payout Ratio (%)	26.9%	24.9%	53.5%	41.2%	43.6%
Dividend Yield* (%)	2.38%	5.22%	7.10%	9.78%	11.75%



* Share closing price as at 31 May

- ◆ Net profit for the year has increased 16.6% year-on-year in line with new and on-going large-scale projects.
- ◆ Total dividends have increased by 0.10 cents to 2.35 Singapore cents.
- ◆ Engineering group order book stands at S\$294.5m.
- ◆ Integrated real estate group recorded contracted sales of S\$67.8m.

Revenue

S\$ 143.6m

Down by **41.9%**

Gross Profit

S\$ 31.2m

Up by **6.1%**

Profit Before Tax

S\$ 22.2m

Up by **16.1%**

Net Asset Value Per Share

20.3

Singapore Cents

Up by **16.0%**

Earnings Per Share

5.39

Singapore Cents

Down by **1.3%**

TEE's 12-Month Daily Share Price and Trading Volume
(last closing date : 31 May 2012)



Source : Yahoo Finance

corporate milestones

DELIVERING OVER 20 YEARS OF EXCELLENCE

1991-1995

- Established as a general electrical contractor

1996-2000:

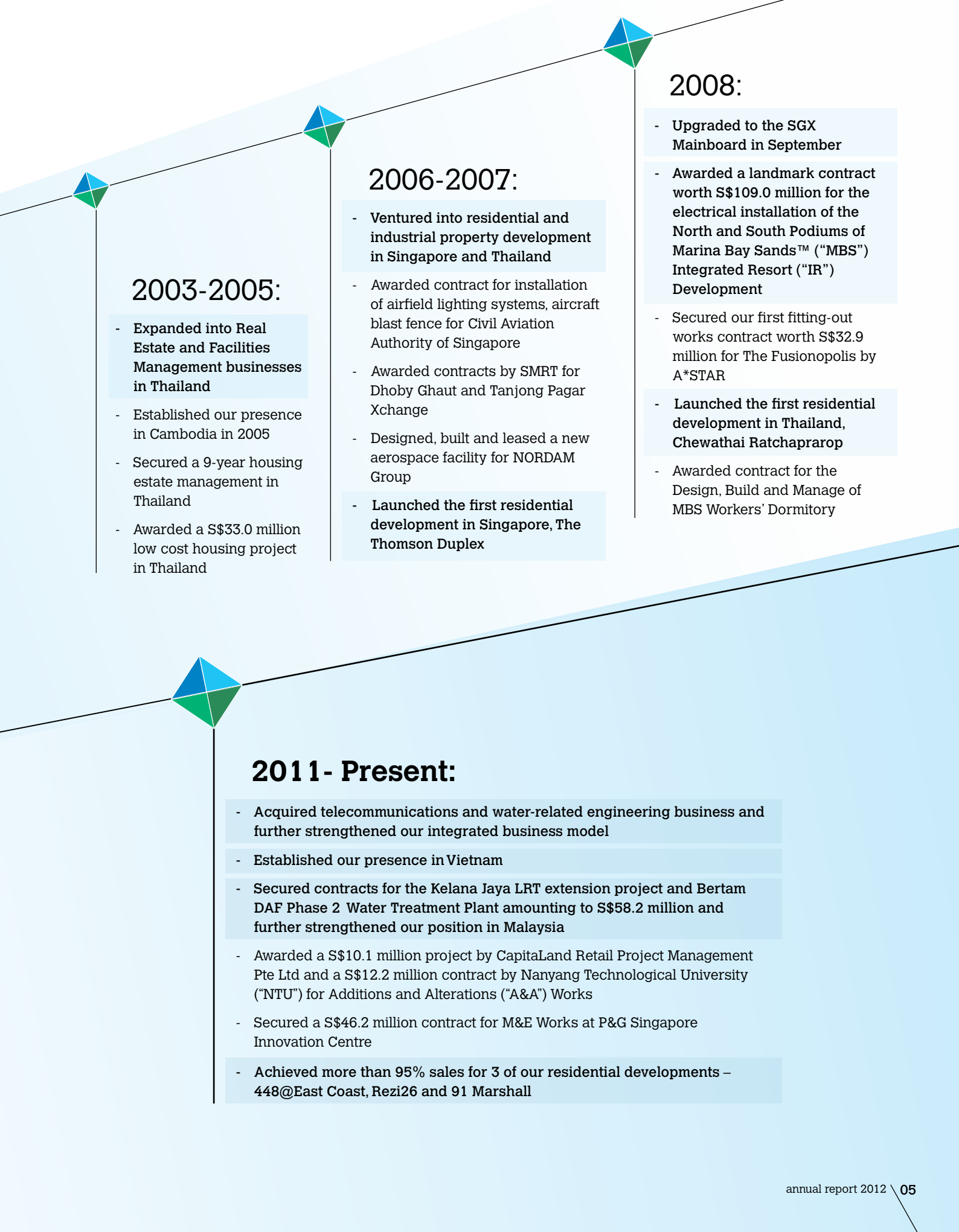
- Established our presence to Malaysia and Thailand in 1998 and 2000 respectively
- Ventured into Rebuilding Engineering in 1996 and became a Building and Construction Authority ("BCA") registered Building Contractor focusing on Rebuilding works
- Became a BCA registered Mechanical and Electrical ("M&E") Contractor and established as one of the leading M&E Engineering service providers in Singapore

2001-2002:

- Listed on the SGX SESDAQ in March 2001 as TEE International Limited
- Established our presence in the Philippines in 2001
- Added services to provide M&E Engineering, Rebuilding and Extra Low Voltage Engineering

2009-2010:

- Achieved a record of 83.0% increase in total revenue in 2009
- Registered year-on-year revenue growth of 56.0% in 2010
- Established our presence in Brunei and awarded a contract worth S\$147.5 million to design and build 1,500 housing units in Brunei
- Anchored large-scale contract worth S\$120.6 million for the Mechanical, Electrical, Plumbing, Sanitary and Fire Protection ("MEPF") Systems Works for Asia Square Tower 1
- Awarded a Theatre Electrical Installation Works contract worth S\$19.1 million by MBS
- Awarded contracts worth S\$26.8 million by Citibank for the fitting-out works at Citi Campus



2003-2005:

- **Expanded into Real Estate and Facilities Management businesses in Thailand**
- Established our presence in Cambodia in 2005
- Secured a 9-year housing estate management in Thailand
- Awarded a S\$33.0 million low cost housing project in Thailand

2006-2007:

- **Ventured into residential and industrial property development in Singapore and Thailand**
- Awarded contract for installation of airfield lighting systems, aircraft blast fence for Civil Aviation Authority of Singapore
- Awarded contracts by SMRT for Dhoby Ghaut and Tanjong Pagar Xchange
- Designed, built and leased a new aerospace facility for NORDAM Group
- **Launched the first residential development in Singapore, The Thomson Duplex**

2008:

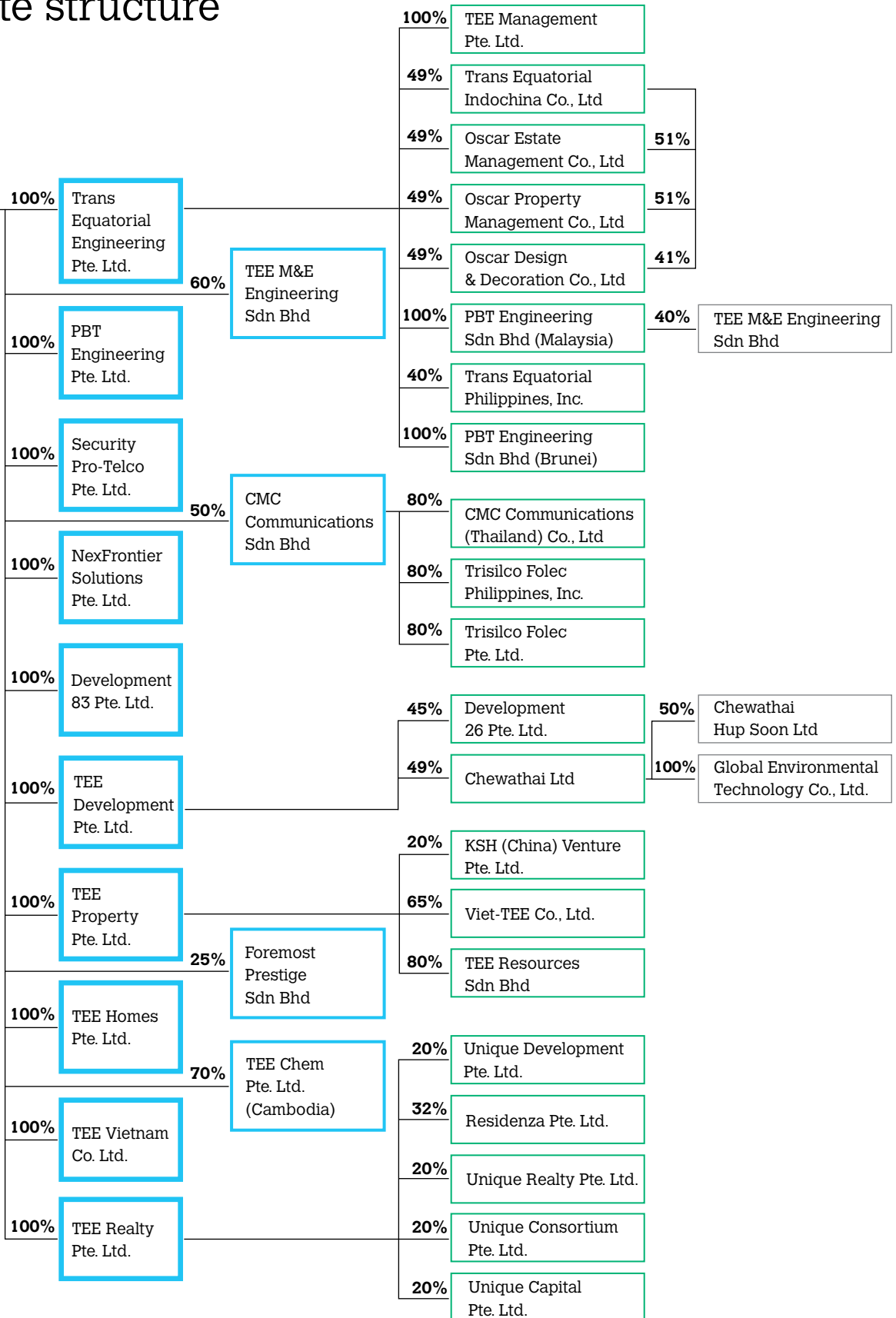
- **Upgraded to the SGX Mainboard in September**
- **Awarded a landmark contract worth S\$109.0 million for the electrical installation of the North and South Podiums of Marina Bay Sands™ (“MBS”) Integrated Resort (“IR”) Development**
- Secured our first fitting-out works contract worth S\$32.9 million for The Fusionopolis by A*STAR
- **Launched the first residential development in Thailand, Chewathai Ratchaparap**
- Awarded contract for the Design, Build and Manage of MBS Workers' Dormitory

2011 - Present:

- **Acquired telecommunications and water-related engineering business and further strengthened our integrated business model**
- **Established our presence in Vietnam**
- **Secured contracts for the Kelana Jaya LRT extension project and Bertam DAF Phase 2 Water Treatment Plant amounting to S\$58.2 million and further strengthened our position in Malaysia**
- Awarded a S\$10.1 million project by CapitaLand Retail Project Management Pte Ltd and a S\$12.2 million contract by Nanyang Technological University (“NTU”) for Additions and Alterations (“A&A”) Works
- Secured a S\$46.2 million contract for M&E Works at P&G Singapore Innovation Centre
- **Achieved more than 95% sales for 3 of our residential developments – 448@East Coast, Rezi26 and 91 Marshall**

corporate structure

(As at 31 May 2012)



TOGETHER AS ONE LEVERAGING ON OUR NETWORKS AND EXPERTISE



At TEE, relationships are central to our way of business. Be it between our business partners, joint ventures, associates, or amongst our employees, these cohesive bonds bring us together as one. With such cohesion, we are able to leverage on our networks and expertise, gathering our strengths and building resilience as we advance towards developing a stronger TEE.

our strategy

Staying Focused On Our Core Competencies

Engineering will continue to drive the Group forward as this is our area of expertise where we have carved a solid reputation and track records in the region. As for the Integrated Real Estate business, we will continue to build our portfolio both locally and regionally by leveraging on expertise, competitive strengths, networks and partnerships.

Diversifying Earnings Through Synergistic Acquisitions


As part of our long-term strategy, we seek to further diversify our earnings through synergistic acquisition growth. We have recently moved up the engineering value chain through acquisitions which enabled us to enter wastewater treatment and telecommunications engineering businesses. This move will generate a long-term and stable recurring income stream for us, and will further strengthen our integrated business model.

Nurturing Human Capital

People are our most valuable assets. At TEE, we strive to maximise the potential of our people through goal alignment, regular training and self-development programmes. Our human capital strategy entails grooming leaders and developing staff through a system of regular recruitment, training, retention and nurture of our workforce to ensure a continuous pool of talent.



our businesses



TWIN GROWTH ENGINES

TEE specialises in two complementary businesses:
Engineering and **Integrated Real Estate**



our businesses

Engineering



Our Engineering segment continues to perform well and going forward, will be more aggressive in pursuing and clinching high-value contracts. We are an engineering solutions provider specialising in large scale and complex infrastructure services such as rebuilding and conversion of existing facilities, turnkey design and building services as well as system integration. TEE's extensive capabilities and regional networks enable the Group to offer complete solutions based on international standards that cover different industries, including telecommunications and water-related engineering industries.

- **Infrastructure**
- **Construction and Redevelopment**
- **Design and Build**
- **System Integration**

Engineering Projects



P&G SINGAPORE INNOVATION CENTRE PROJECT

The global, state of the art facility is constructed in the heart of Singapore's innovation district at the Biopolis. The contract for M&E Works at P&G Singapore Innovation Centre worth S\$46.2 million was awarded to TEE, with a contract period from March 2012 to October 2013.

Outstanding Order Book

S\$294.5m



JUNCTION 8 CAPITALAND RETAIL PROJECT

Junction 8 is a one-stop shopping, dining and entertainment destination comprising five retail levels, including a basement retail level and two levels of basement car park. TEE was awarded the contract for A&A to the existing building on Lot 12281 MK18 at 9 Bishan Place, Singapore (Phase 2). The contract sum of S\$10.1 million is for the period from January 2012 to January 2013.



NTU CLEANTECH PARK 1

Building on the synergies of being located next to NTU, Cleantech Park 1 serves as an epicentre for research, innovation and commercialisation in clean technology. The contract for A&A to the existing NTU Building (NTU Cleantech Park 1) was awarded to TEE with a total contract sum of S\$12.2 million for a period lasting from March to June 2012.



BRUNEI AFFORDABLE HOUSING PROJECT

The Brunei Affordable Housing Project is a project for the development of 1,500 units of houses under the National Housing Scheme of Brunei Darussalam. TEE was awarded the S\$147.5 million contract in October 2010 by the Brunei Economic Development Board. Under this "Design and Build" contract, TEE was responsible for the Master Plan of the development, together with the design and construction of the housing units.



CITIBANK ASIA SQUARE TOWER PROJECTS

Following from the contract for MEPP Systems Works at Asia Square Tower 1 worth S\$123.8 million awarded to TEE, TEE continued to secure fit-out projects with total contract value worth S\$22.3 million with Citibank, Asia Square's largest tenant. Citibank occupies more than 250,000 square feet of office space spanning 8 floors from levels 17 to 24 plus a 5,000 square feet retail banking hall, nearly a quarter of the net lettable office space at Tower 1.

our businesses

Integrated Real Estate

Our Integrated Real Estate business continues to gain traction both in terms of sales and the acquisition of land bank for future growth. The Integrated Real Estate business is part of TEE's industry diversification strategies and is a natural extension stemming from the Group's vast experience and expertise in infrastructure engineering. Taking on the role of a boutique developer, TEE acquires, designs, develops and markets residential developments either independently or taking strategic stakes with partners in larger projects.

- **Property Development**
- **Estate and Facilities Management**

Property Development



91 MARSHALL

91 Marshall is a boutique development of 5-storey residential apartment of 30 units located along Katong district. This is a perfect location to enjoy staying indoors or explore the lush greenery and rich heritage of food and culture nearby.

Contracted Sales
for On-going Projects
in Singapore and Thailand

S\$67.8m



AURA 83

Nestled in the private surroundings of Duku Road, Aura 83 is a 5-storey residential development comprising of 51 units offering a modernistic lifestyle. It is also the 5th residential development of TEE in District 15.



CHEWATHAI RAMKHAMHAENG

Chewathai Ramkhamhaeng is a 33-storey high-rise condominium with 535 units of one-bedroom and studio residential units for the middle-income population who live and work close to the city centre of Bangkok.



REZI26

Rezi26 is a freehold development comprising 2 blocks of 7 and 8 storeys with a conserved bungalow (106 units) strategically located at Lorong 26 Geylang. It is a Joint Venture development with Kim Seng Heng Realty Pte. Ltd. and Heeton Homes Pte. Ltd..



PALACIO

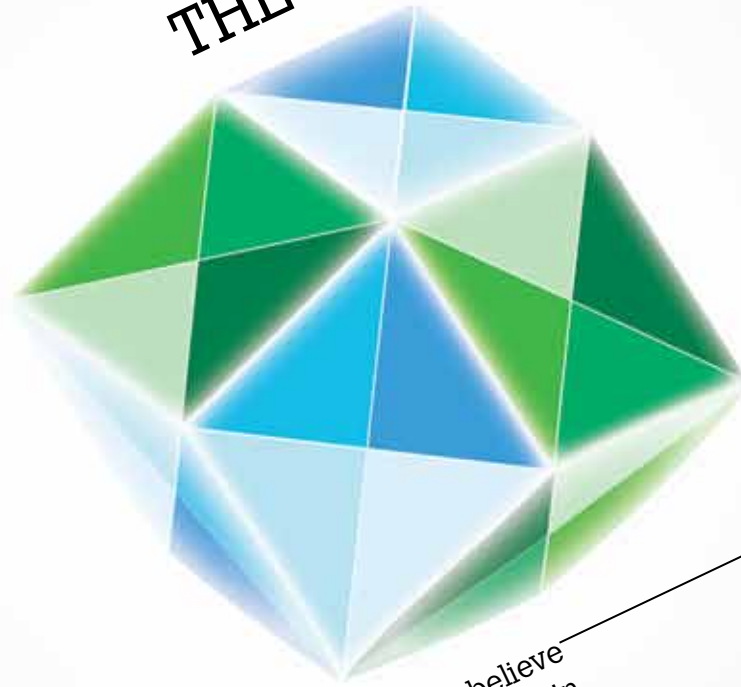
Located at Lorong M Telok Kurau, Palacio is a luxury 3-storey cluster inter-terrace houses with a private pool and a cozy attic. It is a Joint Venture development with Heeton Homes Pte. Ltd. and Kim Seng Heng Realty Pte. Ltd..

TRANSCENDING BORDERS EXPLORING NEW OPPORTUNITIES



Over the years, TEE has established a regional presence, transcending borders with operations spanning Singapore, Malaysia, Cambodia, Thailand, Philippines, Vietnam, and Brunei. Our Group recently ventured into China, looking to tap into the buoyant economy. With the world as our oyster, we are constantly on the lookout to explore new opportunities that enable us to diversify, expand and add value to our business.

PREPARING FOR THE FUTURE DIFFERENTIATING OURSELVES FROM THE REST



In seeking long-term sustainable growth, we believe a company must be well-prepared for the future in its adaptability and relevance to changing market conditions. TEE takes upon this by investing in our most important asset- Human Capital. We provide training and goal alignment for our staff to ensure their potential is maximised, and nurture a motivated workforce that is committed and focused in their services to the company.

human capital

Harnessing the synergy

People are the fundamental building blocks of TEE. They are integral to the Group's success and are essential in promoting growth. TEE recognises this, and strives to maximise the potential of our people through goal alignment, regular training and self-development programmes. Our human capital strategy entails grooming leaders developing staff through a system of regular recruitment, training, retention and nurture of our workforce to ensure a continuous pool of talent. We aim to harness the synergy of our human capital, tapping on their competencies, and building and investing for the future to propel TEE to be the best and preferred choice in the industry.



Futsal Tournament



Hong Kong Retreat



Bowling Tournament

BUILDING TEAM SPIRIT

Futsal Tournament ▶



Standard Chartered
Hong Kong Marathon ▶



Standard Chartered
KL Marathon



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