



TEE LAND

TEE Land Limited
Incorporated in the Republic of Singapore
Company Registration No: 201230851R

Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 August 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2017	First Quarter Ended 31/08/2016	
Revenue	25,957	13,778	88.4
Cost of sales	(21,719)	(9,860)	120.3
Gross profit	4,238	3,918	8.2
Other operating income	380	633	(40.0)
Selling and distribution costs	(1,994)	(614)	224.8
Administrative expenses	(1,828)	(2,818)	(35.1)
Other operating expenses	(178)	-	N.M.
Share of results of associates	634	795	(20.3)
Finance costs	(1,121)	(1,458)	(23.1)
Profit before tax	131	456	(71.3)
Income tax expense	(114)	(32)	256.3
Profit for the period	17	424	(96.0)
Profit attributable to:			
Owners of the company	22	597	(96.3)
Non-controlling interests	(5)	(173)	(97.1)
	17	424	(96.0)

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2017	First Quarter Ended 31/08/2016	
Profit for the period	17	424	(96.0)
Other comprehensive income:			
Currency translation differences	501	1,035	(51.6)
Total comprehensive income for the period	518	1,459	(64.5)
Total comprehensive income attributable to:			
Owners of the company	138	1,259	(89.0)
Non-controlling interests	380	200	90.0
	518	1,459	(64.5)

N.M.-not meaningful

TEE Land Limited

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2017	First Quarter Ended 31/08/2016	
A Other operating income:			
Interest income	264	316	(16.5)
Foreign currency exchange gain	-	166	N.M.
Financial guarantee income	61	96	(36.5)
Others	55	55	N.M.
	380	633	(40.0)
B Finance costs:			
Loan interests	629	966	(34.9)
Term note interest	492	492	N.M.
	1,121	1,458	(23.1)
C Amortisation of issuance costs on term notes	45	45	N.M.
D Amortisation of deferred sales commission expenses	604	321	88.2
E Amortisation of show flat expenses	117	156	(25.0)
F Depreciation of property, plant and equipment	98	762	(87.1)
G Foreign currency exchange adjustment loss	178	-	N.M.

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

	The Group S\$'000		The Company S\$'000	
	31/08/2017	31/05/2017	31/08/2017	31/05/2017
ASSETS				
Current assets				
Cash and bank balances	24,869	34,068	5,131	1,829
Trade receivables	15,142	18,571	-	-
Other receivables	11,781	12,285	138,841	142,449
Loans receivable from associates	25,197	25,860	2,904	2,883
Inventories	29	27	-	-
Development properties	147,753	147,854	-	-
Completed properties and land held for sale	35,901	47,584	-	-
Non-current asset held for sale	49,694	47,481	-	-
Total current assets	310,366	333,730	146,876	147,161
Non-current assets				
Investment in associates	40,564	40,269	-	-
Investment in subsidiaries	-	-	32,996	32,996
Property, plant and equipment	633	735	-	-
Investment properties	35,725	35,812	-	-
Deferred tax assets	2,940	2,947	-	-
Other receivables	6,000	6,000	3,116	3,830
Total non-current assets	85,862	85,763	36,112	36,826
Total assets	396,228	419,493	182,988	183,987

N.M.-not meaningful

TEE Land Limited

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	
	31/08/2017	31/05/2017	31/08/2017	31/05/2017
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	1,499	1,499	-	-
Trade payables	16,367	24,187	-	-
Other payables	26,369	25,746	8,137	8,458
Current portion of finance lease	12	12	-	-
Current portion of long-term borrowings	56,448	45,530	-	-
Current portion of financial guarantee liabilities	179	200	1,711	2,056
Term notes	29,985	29,939	29,985	29,939
Income tax payable	3,501	3,522	73	73
Total current liabilities	134,360	130,635	39,906	40,526
Non-current liabilities				
Finance lease	34	38	-	-
Deferred tax liabilities	371	374	-	-
Long-term borrowings	89,818	112,248	-	-
Financial guarantee liabilities	261	301	650	833
Loan from non-controlling interest	2,994	3,680	-	-
Total non-current liabilities	93,478	116,641	650	833
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(757)	(873)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	21,705	21,683	194	390
Equity attributable to owners of the company	157,211	157,073	142,432	142,628
Non-controlling interests	11,179	15,144	-	-
Net equity	168,390	172,217	142,432	142,628
Total liabilities and equity	396,228	419,493	182,988	183,987

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 <u>As at 31/08/2017</u>		The Group S\$'000 <u>As at 31/05/2017</u>	
Secured	57,959	Unsecured	29,985
		Secured	47,041
		Unsecured	29,939

Amount repayable after one year

The Group S\$'000 <u>As at 31/08/2017</u>		The Group S\$'000 <u>As at 31/05/2017</u>	
Secured	89,852	Unsecured	-
		Secured	112,286
		Unsecured	-

TEE Land Limited

Details of any collateral

The total secured borrowings are represented:

- (i) Obligations under finance lease secured on the motor vehicle of the Group and
- (ii) Bank loans and long-term bank loans secured by legal mortgages over the Group's development properties, property, investment properties, fixed deposit and corporate guarantee from the holding company.

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

	The Group S\$'000	
	First Quarter Ended	
	31/08/2017	31/08/2016
Operating activities		
Profit before tax	131	456
Adjustments for:		
Share of results of associates	(634)	(795)
Depreciation of property, plant and equipment	98	762
Amortisation of financial guarantee liabilities	(61)	(96)
Amortisation of issuance costs on term notes	45	45
Amortisation of deferred sales commission expenses	604	321
Amortisation of show flat expenses	117	156
Interest income	(264)	(316)
Interest expenses	1,121	1,458
Operating cash flows before movements in working capital	1,157	1,991
Trade receivables	3,385	(929)
Other receivables	(1,032)	10,593
Inventories	(1)	(2)
Development properties	(117)	(20,319)
Completed property held for sale	11,683	-
Trade payables	(7,588)	749
Other payables	1,430	(6,938)
Unrealised currency translation loss/(gain)	1001	(100)
Cash generated from/(used in) operations	9,918	(14,955)
Interest paid	(592)	(823)
Income tax paid	(166)	(636)
Net cash from/(used in) operating activities	9,160	(16,414)
Investing activities		
Dividend received from associates	-	457
Purchase of property, plant and equipment	(4)	(1,992)
Additional assets held for sale	(239)	-
Repayment of loans receivable from associates	1,170	751
Loans receivable from associates	(486)	(1,021)
Interest received	1,114	68
Net cash from/(used in) investing activities	1,555	(1,737)
Financing activities		
Interest paid	(594)	(830)
Drawdown of long-term borrowings	2,593	44,332
Repayment of long-term borrowings	(15,090)	(23,625)
Repayment of finance lease payables	(3)	(3)
Repayment of long-term loan	-	(4,050)
Repayment of deemed capital to non-controlling interests	(4,345)	-
Deemed capital injection by non-controlling interests	-	614
Dividend paid to non-controlling interests	(1,841)	-
Net cash (used in)/from financing activities	(19,280)	16,438

TEE Land Limited

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	
	First Quarter Ended	
	31/08/2017	31/08/2016
Net decrease in cash and cash equivalents	(8,565)	(1,713)
Cash and cash equivalents at beginning of the period	34,068	24,331
Effect of foreign exchange rate changes	(634)	(48)
Cash and cash equivalents at end of the period (Note A)	24,869	22,570

Note A: Cash and cash equivalents

	The Group S\$'000	
	First Quarter Ended	
	31/08/2017	31/08/2016
Cash at banks	9,036	10,331
Cash on hand	1	1
Fixed deposits	4,339	2,039
Project accounts (see Note below):		
Cash at banks	11,493	10,232
Fixed deposits	-	2,004
Total cash and cash equivalents per statement of cash flow	24,869	24,607
Less: Encumbered bank deposit	-	(2,037)
Total cash and cash equivalents per statement of financial position	24,869	22,570

As at 31/08/2017, the Group has cash and cash equivalents of S\$Nil (31/08/2016: S\$2,037,000) placed with a bank in Vietnam as security for banking facilities.

Note:

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

TEE Land Limited

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

	Share capital	Currency translation reserve	Capital reserve	Merger 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
The Group								
Balance at 01/06/2017	142,238	(873)	(6)	(5,969)	21,683	157,073	15,144	172,217
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	22	22	(5)	17
Other comprehensive income for the year	-	116	-	-	-	116	385	501
<i>Transactions with owners, recognised directly in equity:</i>								
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Balance at 31/08/2017	142,238	(757)	(6)	(5,969)	21,705	157,211	11,179	168,390
Previous Corresponding Period								
Balance at 01/06/2016 as previously stated	142,238	(2,305)	(6)	(5,969)	24,051	158,009	13,459	171,468
Prior year adjustment	-	(22)	-	-	1,183	1,161	-	1,161
Balance at 01/06/2016 as restated	142,238	(2,327)	(6)	(5,969)	25,234	159,170	13,459	172,629
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	597	597	(173)	424
Other comprehensive income for the year	-	662	-	-	-	662	373	1,035
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	614	614
Balance at 31/08/2016	142,238	(1,665)	(6)	(5,969)	25,831	160,429	14,273	174,702

TEE Land Limited

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

	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
The Company			
Balance at 01/06/2017	142,238	390	142,628
Total comprehensive loss for the period	-	(196)	(196)
Balance at 31/08/2017	142,238	194	142,432
Previous Corresponding Period			
Balance at 01/06/2016	142,238	2,213	144,451
Total comprehensive loss for the period	-	(595)	(595)
Balance at 31/08/2016	142,238	1,618	143,856

- 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.

Balance at 31/05/2017 and 31/08/2017

The Company	
No of shares	Capital S\$'000
446,876,000	142,238

During the quarter ended 31/08/2017, there were no changes in the share capital of the Company.

As at 31/08/2017 and 31/08/2016, there were no shares held as treasury shares and outstanding convertibles.

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

	The Group and the Company	
	31/08/2017	31/05/2017
Total number of issued shares	446,876,000	446,876,000

- 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

The Company does not have treasury shares during or as at the end of the current financial period reported on.

- 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.

TEE Land Limited

- 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 period as those adopted in the audited annual 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.

- 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**

Earnings per ordinary share ("EPS") of the Group based on net profit attributable to owners of the company:

- (i) Based on the weighted average number of shares (cents)
- (ii) On a fully diluted basis (cents)
 - Weighted average number of shares ('000)

The Group	
First Quarter Ended	
31/08/2017	31/08/2016
*	0.13
N.A.	N.A.
446,876	446,876

The Company does not have any dilutive instruments as at 31/08/2017.

**Denotes amount less than 0.01 cents*

- 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**

The Group
The Company

Cents	
As at 31/08/2017	As at 31/05/2017
35.2	35.1
31.9	31.9

- 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

First Quarter ended 31/08/2017 (1QFY2018) against First Quarter ended 31/08/2016 (1QFY2017)

Revenue increased by S\$12.2 million (88.4%) due mainly to higher progressive revenue from development projects, namely Hilbre 28, 183 Longhaus and Harvey Avenue project in 1QFY2018.

Cost of sales correspondingly increased by S\$11.8 million (120.3%). However, gross margin reduced from 28.4% in Q1FY2017 to 16.3% in Q1FY2018. The lower gross margin in Q1FY2018 was due mainly to higher revenue from development properties in Q1FY2018 as compared to proportionately higher rental income in Q1FY2017, which has higher gross margin.

Other operating income decreased by S\$0.2 million (40.0%) due mainly to lower interest and financial guarantee income in Q1FY2018, and unrealised exchange gain from the Australian Dollar in Q1FY2017.

Selling and distribution expenses increased by S\$1.4 million (224.8%) due mainly to promotional expenses incurred for the completed properties held for sale and sales commission.

Administrative expenses decreased by S\$1.0 million (35.1%) due mainly to lower depreciation expenses as one hotel was sold in FY2017, and the other hotel and the corporate building were reclassified as fixed asset held for sale and investment property respectively.

Other operating expenses of S\$0.2 million in 1QFY2018 was due mainly to unrealised foreign exchange loss caused largely by the depreciation of Malaysian Ringgit in Q1FY2018.

Share of results of associates decreased by S\$0.2 million (20.3%) due mainly to the lower revenue recognised for our joint venture projects in 1QFY2018, as most of the joint venture projects have been completed.

Finance costs decreased by S\$0.4 million (23.1%) due mainly to repayment of loan as one of the hotels have been sold, and also repayment of loan from sales proceeds collected for completed development project, Peak I, which was refinanced.

As a result, the Group recorded a profit before tax of S\$0.1 million in Q1FY2018 compared to S\$0.5 million in Q1FY2017.

Income tax expense increased from S\$32,000 in 1QFY2017 to S\$114,000 in 1QFY2018 mainly because of higher taxable income from the higher development project revenue recognised.

Overall, profit after tax for Q1FY2018 decreased by 96.0%, from S\$0.4 million in Q1FY2017 to S\$17,000 in Q1FY2018.

TEE Land Limited

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 (Continued)**

Statement of Financial Position

Financial Period ended 31/08/2017 (1QFY2018) against Financial Year ended 31/05/2017 (FY2017)

Cash and bank balances decreased by S\$9.2 million due mainly to repayment of long-term borrowings. A more detailed commentary on the decrease in cash and bank balances is described in the commentary on Statement of Cash Flows.

Trade receivables decreased by S\$3.5 million due mainly to net payments received from progress billings, particularly for Hilbre 28.

Completed properties and land held for sale decreased by S\$11.7 million due mainly to Hilbre 28 being fully sold.

The decrease in property, plant and equipment was due mainly to depreciation for 1QFY2018.

Trade payables decreased by S\$7.8 million mainly due to net payment to trade creditors.

Long-term borrowings (current and non-current portion) decreased by S\$11.5 million due mainly to repayment of loan for Hilbre 28 as the development project was completed and fully sold.

Financial guarantee liabilities decreased by S\$0.1 million due mainly to financial guarantee income recognised.

Loan from non-controlling interest decreased by S\$0.7 million due to partial repayment of loan.

Statement of Cash Flows

First Quarter ended 31/08/2016 (1QFY2017) against First Quarter ended 31/08/2015 (1QFY2016)

Operating activities

The Group generated cash of S\$9.2 million from operating activities in Q1FY2018 due mainly to the sale of completed properties held for sale and decrease in trade receivables, offset to some extent by net decrease in payables.

Investing activities

Net cash of S\$1.6 million was generated from investing activities in Q1FY2018 due mainly to interest received and net repayment of loans receivable from associates, offset to some extent by increase in non-current asset held for sale (renovation of Larmont Hotel).

Financing activities

Net cash of S\$19.3 million was used in financing activities in Q1FY2018 due mainly to the net repayment of long-term borrowings, repayment of deemed capital injection to non-controlling interests (shareholders' loans considered as quasi equity) and payment of dividend to non-controlling interests.

As a result, there was a net decrease in cash and cash equivalents of S\$8.6 million, thereby bringing the total cash and cash equivalents amount to S\$24.9 million as at 31/08/2017.

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

The actual results for Q1FY2018 are in line with the commentary in Paragraph 10 of the full year result announcement for FY2017 made on 26/07/2017.

TEE Land Limited

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

In Singapore, there are signs of some recovery in the property market. However, the overall economic environment is still uncertain, with more interest rate hikes expected. The Group will remain cautious in its expectation. The Malaysian property sector continues to face weak buying sentiment. For Thailand, the property market is expected to remain steady. Australia's hotel sector performance was modest in the first half year of 2017 and room rates are expected to grow steadily over the next 12 months. The Group will continue to explore opportunities to realise value in its investment in the remaining hotel in Sydney. The rebuilding work in Christchurch is a long-term project by the New Zealand government. Therefore, demand for workers' accommodation will remain stable.

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/recommendeded, 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

There was no interested person transaction for the financial period under review, arising from the IPT general mandate obtained on 23 September 2016.

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST

The Company confirms that it has procured undertakings from all the Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the listing Manual of the SGX-ST.

TEE Land Limited

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

We, Phua Cher Chew and Saw Chin Choo, being two Directors of TEE Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31/08/2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Saw Chin Choo
Non-Executive Director

Dated 11 October 2017