TEE LAND

Growing Steadily

TEE LAND ANNUAL REPORT 2018

CONTENTS

OUR VISION

Our vision is to create living and working spaces that harmonise societies, businesses and people. We aspire to develop homes that resonate with consummate lifestyle choices, as well as industrial, commercial and hospitality properties that cater to the evolving needs of the local community.

ABOUT THE 2018 ANNUAL REPORT

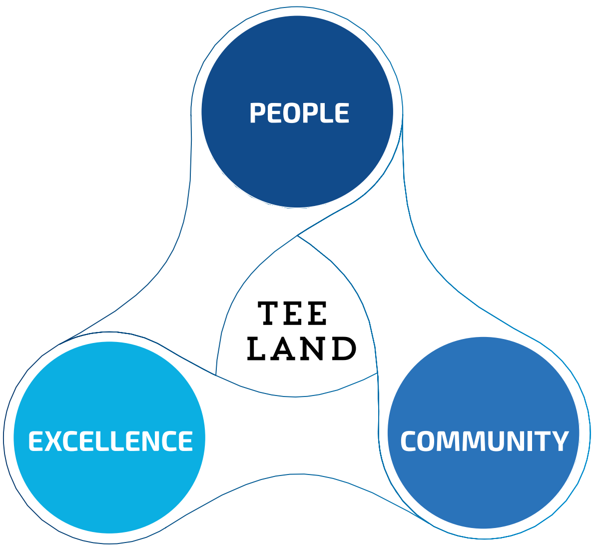
This year's annual report illustrates our portfolio of developments and our refocused strategy towards Singapore. Going forward, TEE Land remains steadfast in growing steadily.

CORPORATE PROFILE

TEE Land Limited ("TEE Land" or "the Group") is a regional real estate developer and investor, with a presence in Singapore, Malaysia, Australia and New Zealand. The Group undertakes residential, commercial and industrial property development projects, as well as invests in income-generating assets.

We are an established property developer with a strong track record of delivering quality and well-designed living, commercial and industrial spaces that harmonise societies, businesses and people. Our property development projects are predominantly freehold in tenure and are targeted at middle-to-high income consumers who value exclusivity in good locations.

Incorporated in 2012 and listed on the Mainboard of the Singapore Exchange in 2013, the Group is a subsidiary of SGX Mainboard listed TEE International Limited.



MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

The past financial year ("FY2018") has been an eventful one. While we elatedly monitored the Singapore residential market recovery since the second half of 2017, the additional property cooling measures introduced in early July 2018 has paved the way for a more cautious market going forward, further adding on to the current uncertain global macro-environment. As the old adage goes, "A wise man adapts himself to circumstances, as water shapes itself to the vessel that contains it." We believe that with constant refining of our strategies at the back of a transient business environment, coupled with a focus on the execution of planned initiatives, we are priming ourselves for steady growth over a longer term.

STURDY PERFORMANCE

During FY2018, we launched two residential projects – wholly-owned development 24One Residences at Pasir Panjang that was fully sold within a few months, and 51%-owned development Rezi 35, a continuation of the Rezi series in the Geylang locality that is more than 90% sold.

Construction remains on track for 24One Residences, Rezi 35 and our mixed development 183 Longhaus, of which the residential component is fully sold. In addition, we have completed the residential and retail components of our

TEE Land intends to stay **nimble as it pursues growth opportunities.**

Phua Cher Chew
Executive Director and Chief Executive Officer

Er. Dr. Lee Bee Wah
Non-Executive Chairman

inaugural project in Malaysia – Third Avenue at Cyberjaya, Malaysia ("Third Avenue"). The Temporary Occupation Permit ("TOP") has also been obtained for our landed development at 31 and 31A Harvey Avenue, as well as our commercial development TRIO located along Sam Leong Road.

In addition, we successfully acquired two plots of land located at 1 Seraya Crescent and 35 Gilstead Road during FY2018 and remain confident that these two developments would be well-received given their attractive attributes. We intend to launch these two developments during financial year 2019.

With a lean and efficient team in place to steer the Group forward, we expect this sturdy performance to continue alongside operational improvement in the future, while we remain focused on delivering ongoing and upcoming projects.

BUILDING THE FOUNDATION-STEADY GROWTH

At TEE Land, our firm foundation comprises two main aspects – a strong financial position and people.

To build up our financial reserves in preparation for future developments and investments, we realised value in our investment in associated company, Chewathai Public Company Limited, through the disposal of our 31.9% stake in it, bringing in total proceeds of S$13.68 million. At the same time, we continue to engage interested parties to realise value in the Larmont Hotel located in Sydney, Australia, as well as Third Avenue's office building, so that we can reallocate our resources.

Whilst the market takes time to acclimatise and adjust to the latest cooling measures, the Group will continue to strengthen its financial position through the sale of remaining unsold units in its inventory by adapting and refining its sales strategy, while concurrently realising value in its overseas investments. We will also prepare our two newly acquired land sites, 1 Seraya Crescent and 35 Gilstead Road, to be ready for launch at opportune times.

The recently introduced property cooling measures has led to the Board adopting a prudent and circumspect approach towards land acquisitions until there is greater clarity on the industry outlook and consumers' demand. As a result, the Group did not exercise the option for the proposed acquisition of Teck Guan Ville. Nonetheless, we will continue to keep a look out for good land banking opportunities.

Additionally, human capital is an essential element of TEE Land's business continuity. With this in mind, we will continue to invest in our human capital while building up and strengthening the team in all aspects of business operations to ensure deliverance of optimal value to shareholders in the longer term.

STRATEGIC FOCUS

The dynamics of real estate industry is always evolving. However, we believe that demand for high-quality developments in good localities will prevail, albeit uncertain global economic conditions and various country-specific concerns may dampen demand. On our part, we will focus on executing the right sales strategy to sell our developments, which includes working with the right business partners and introducing effective marketing campaigns promoting attractive deals to achieve faster turnaround for our projects.

As we build up our financial strength and move forward prudently, we remain open to exploring attractive overseas investment opportunities and acquiring land sites that present good development potential. We will also work on initiatives that will enhance effectiveness and efficiency of our operations, as well as the buying and living experiences for our customers.

SUSTAINABILITY REPORT

Acknowledging the importance of sustainability in our business, we are pleased to present TEE Land's inaugural sustainability report, which delves into our economic, environmental and social sustainability efforts. Not one to rest on our laurels, we will explore ways to improve our sustainability efforts through good business practices as well as enhance our sustainability disclosure.

SUPPORTERS – OUR UTMOST GRATITUDE

To thank our shareholders for their continuous support, the Board of Directors has recommended a final one-tier tax-exempt dividend of 0.15 cents per share for FY2018 in addition to the interim dividend of 0.25 cents per share declared in the third quarter of FY2018. This brings the total dividend for FY2018 to 0.40 cents per share, which is a notable increment compared to 0.15 cents per share paid for the last financial year 2017.

With the full repayment of TEE Land's inaugural issue of its S$30 million Medium Term Notes in October 2017, we would also like to extend our gratitude to the noteholders for their support over the past three years.

ACKNOWLEDGEMENT

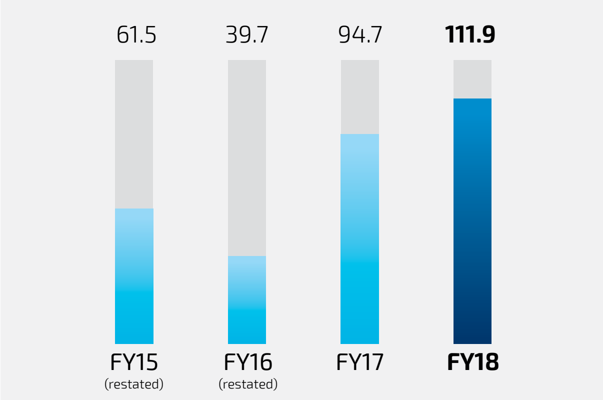
On behalf of the Board, we would like to express our appreciation to the management, staff, customers, business partners and government agencies for their valued support over the years. We would also like to express our gratitude to shareholders for their support and confidence in us. To our fellow directors, we thank you for your guidance and contributions through the years.

At TEE Land, we look forward to having everyone continuing the journey with us while we work hard to contribute to the performance of the Group.

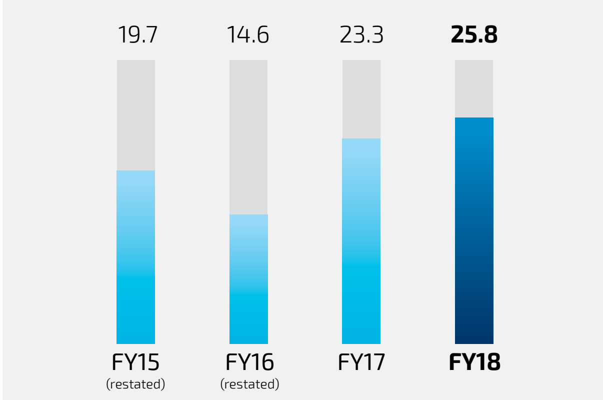
Er. Dr. Lee Bee Wah
Non-Executive Chairman

Phua Cher Chew
Executive Director and Chief Executive Officer

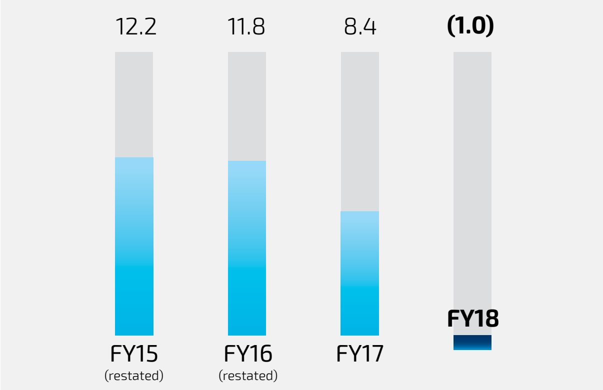
FINANICIAL HIGHLIGHTS



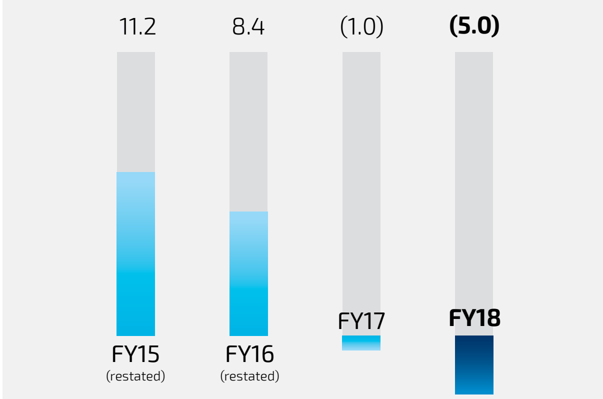
Revenue (S$'m)



Gross Profit (S$'m)

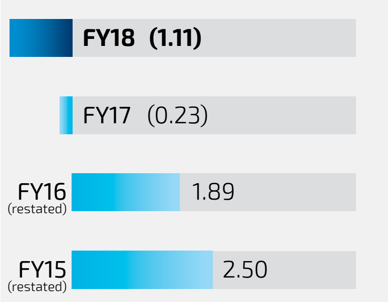


Earnings Before Interest and Tax (S$'m)

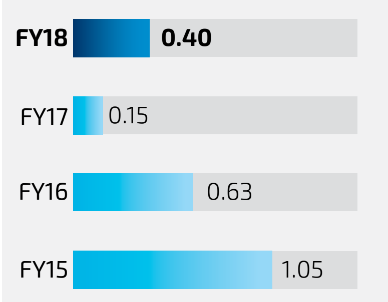


Profit / (Loss) Attributable to Owners of the Company (S$'m)

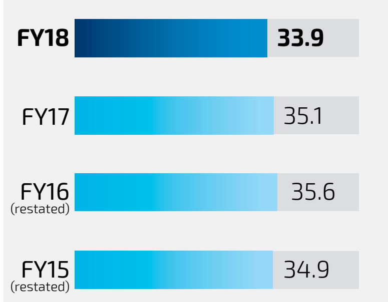
PER SHARE (CENTS)



Earnings / (Loss) - Basic

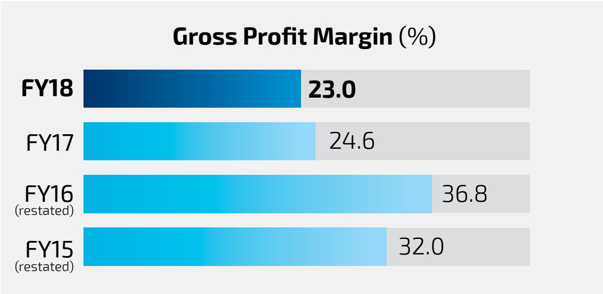


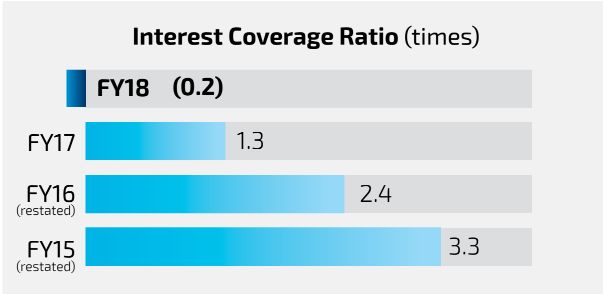
Dividend

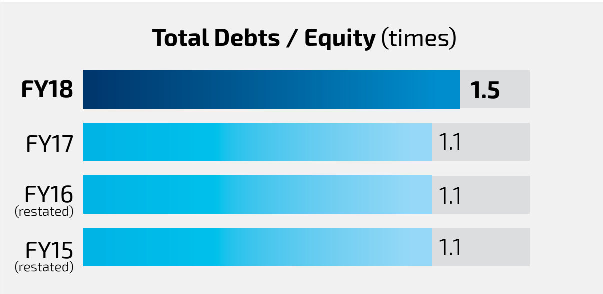


Net Asset Value

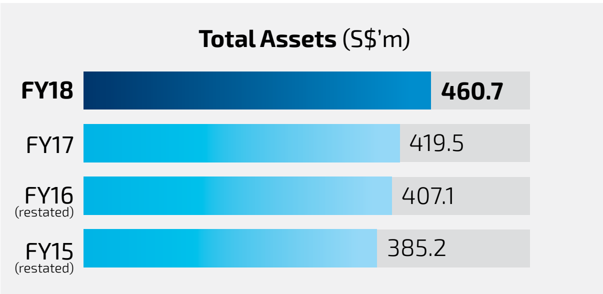
FINANCIAL RATIOS

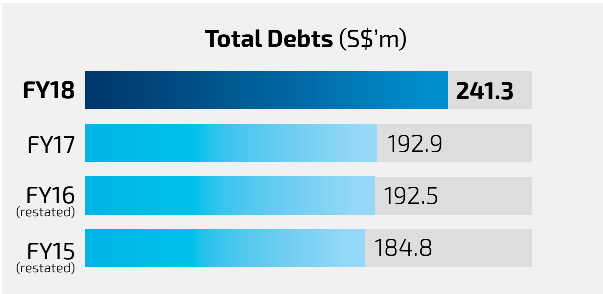


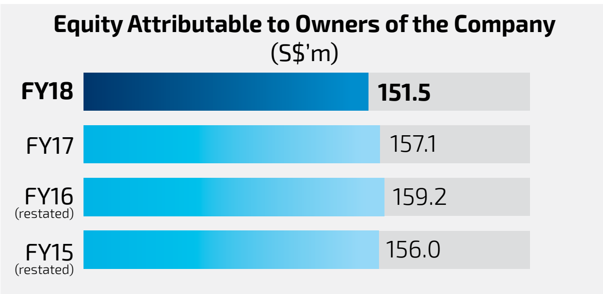


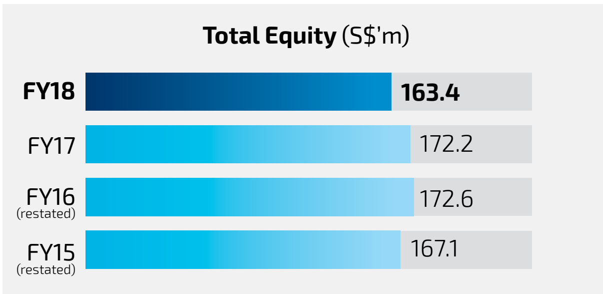


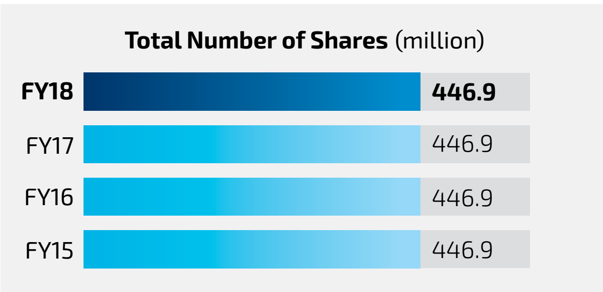
AT YEAR-END





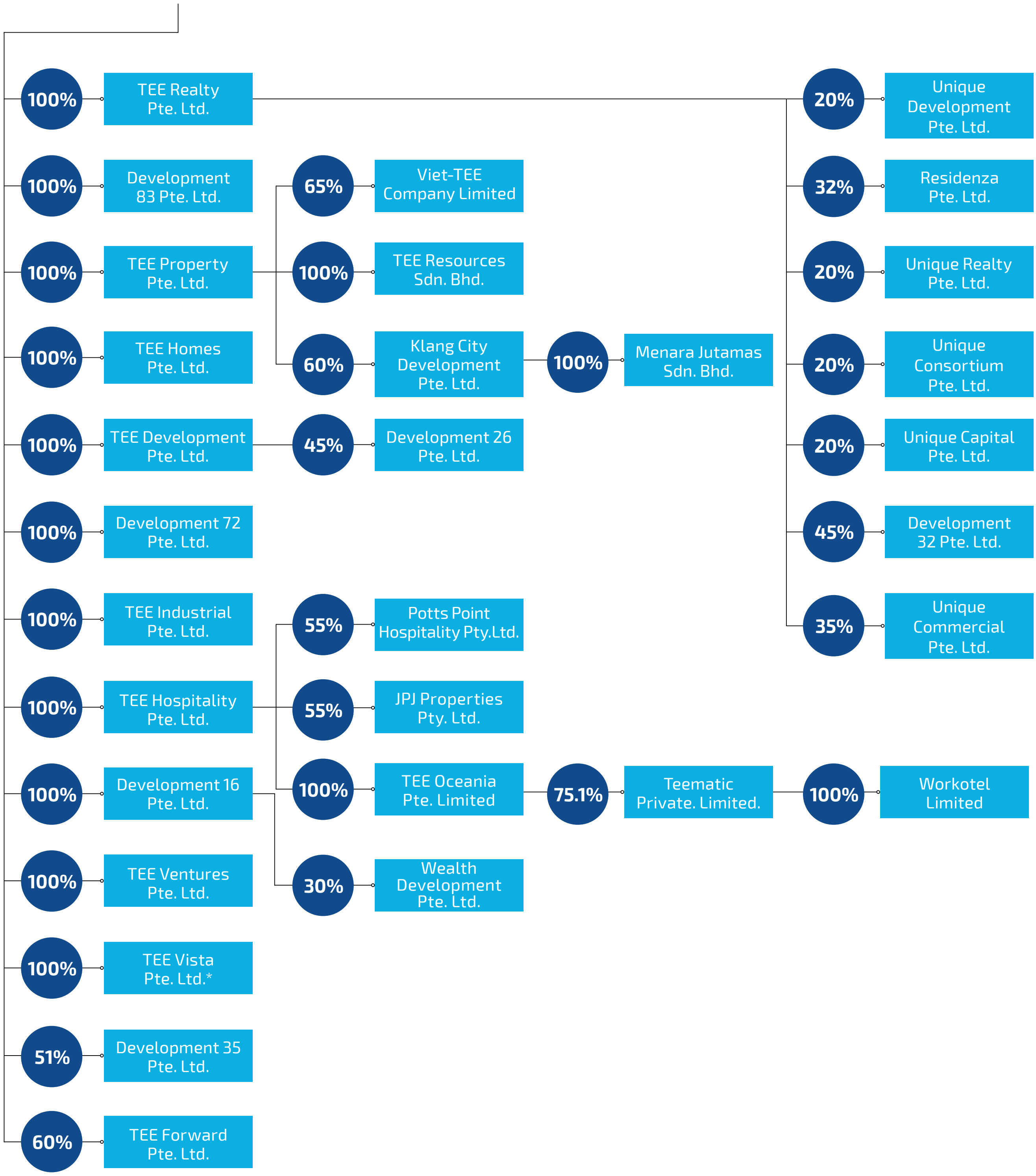






CORPORATE STRUCTURE

TEE LAND



* Formerly known as Ley Choon Development Pte. Ltd.

CORPORATE STRUCTURE

SINGAPORE PROJECTS

1&2. **183 Longhaus,** Artist Impression
3. **Rezi 35,** Artist Impression
4. **240ne Residences,** Artist Impression

OVERSEAS PROJECTS & INVESTMENTS

5. **Larmont Hotel,** Sydney
6. **Third Avenue,** Malaysia (Artist Impression)
7. **Workotel,** New Zealand

5

6

7

PROJECTS AND INVESTMENTS

Name of Property	Location	Land Area (sqm)	Tenure	No. of Units	Estimated Completion/TOP Date	Group's Effective Interest
Residential						
Singapore						
Completed						
31 & 31A Harvey Ave	31 & 31A Harvey Avenue	1,026	Freehold	2	Mar-18	100%
Rezi 3Two	Geylang, Lorong 32	1,234	Freehold	65	Jun-17	45%
Hilbre 28	68 Hillside Drive	2,026	999 years from 1 Sep 1876	28	May-17	100%
Sky Green	568 MacPherson Road	6,218	Freehold	176	Nov-15	20%
The Peak @ Cairnhill I	51 Cairnhill Circle	978	Freehold	52	Sep-14	100%
Ongoing						
Rezi 35	Geylang Lorong 35	1,115	Freehold	44	Dec-19	51%
24One Residences	241 Pasir Panjang	1,202	Freehold	24	Mar-19	100%
Upcoming						
Lattice One	1 Seraya Crescent	2,236	Freehold	48	Sep-20	100%
35 Gilstead	35 Gilstead Road	3,528	Freehold	70	Dec-21	60%

Name of Property	Location	Land Area (sqm)	Tenure	No. of Units	Estimated Completion/TOP Date	Group's Effective Interest
Mixed Developments						
Ongoing (Singapore)						
183 Longhaus	183 Upper Thomson Road	1,576	Freehold	40 Residential 10 Commercial	Dec-18	100%
Ongoing (Malaysia)						
Third Avenue	Jalan Teknokrat 3, Cyberjaya, Selangor	24,085	Freehold	701 Residential 31 Commercial 1 Office Building	Nov-18	100%

Name of Property	Location	Land Area (sqm)	Tenure	No. of Units	Estimated Completion/TOP Date	Group's Effective Interest
Commercial						
Completed (Singapore)						
Hexacube	160 Changi Road	1,670	Freehold	32 Retail 4 Restaurant 37 Office	Mar-17	30%
TRIO	11 Sam Leong Road	1,149	Freehold	28 Retail 15 Restaurant	Jan-18	35%

Name of Property	Location	Tenure/ No. of Units	Group's Effective Interest
Income-Generating			
Singapore			
TEE Building	25 Bukit Batok Street 22 (2,600sqm)	30+30 Lease	100%
Overseas			
Workotel	19 Main South Road, Christchurch, New Zealand	107 Units 4 Houses	75.1%
Thistle Guest House	21 Main North Road, Christchurch, New Zealand	10 Rooms	75.1%
Larmont Hotel Sydney	2-14 Kings Cross Road, Potts Point, New South Wales	103 Rooms	55%

OPERATING AND FINANCIAL REVIEW

COMPETITIVE STRENGTHS

EXPERIENCED DEVELOPER IN SINGAPORE

Singapore remains as the foundation of the Group's business. To date, the Group has completed 19 projects in Singapore. The Group has another 5 projects currently being launched and/or under construction, including joint venture projects in Singapore. Going forward, the Group strives to develop more projects that are wholly-owned or majority-owned.

The Group has illustrated a good track record in securing well located land at reasonable prices via various channels. We will stay disciplined and focused on our core strategy and carry out comprehensive evaluations of new business opportunities.

ESTABLISHED PRESENCE BEYOND SINGAPORE

TEE Land is a regional developer and investor with an established presence in Malaysia, Australia and New Zealand. TEE Land develops property for residential, commercial and industrial use, as well as invests in income-generating assets. The Group will continue to monitor the dynamics of the overseas markets it has presence in for potential investments and redevelopment opportunities.

DELIVER QUALITY DEVELOPMENTS

TEE Land is recognised for providing quality homes targeted at middle-to-high income consumers who value exclusivity in good locations, as well as providing commercial and industrial spaces that are strategically located to cater to the masses. We have a proven track record of creating living, commercial and industrial spaces with an emphasis on practicality, quality, reliability and value to our diverse consumers.

LEVERAGE ON THE GROUP NETWORK

As part of TEE International Limited, TEE Land is underpinned by a shared heritage of success. This performance-based culture is supported by a forward-looking management team and a diverse talent workforce, which are focused on enhancing shareholders' value.

With an established network comprising professionals and consultants, the Group is able to deliver quality and innovative solutions.

A look at our number regionally:

PROJECTS / INVESTMENTS
CURRENT

6 SINGAPORE
5 OVERSEAS

PROJECTS / INVESTMENTS
COMPLETED / DIVESTED

19 SINGAPORE
12 OVERSEAS

INCOME STATEMENT

Revenue for FY2018 increased by S$17.2 million or 18.2% due mainly to progressive revenue recognised for new development projects (Harvey Avenue, 24One Residences and Rezi 35) and higher progressive revenue recognised for one ongoing development project (183 Longhaus), offset to some extent by lower development project revenue recognised for Hilbre 28 for the balance of unsold units sold (as the project was completed in FY2017) and The Peak @ Cairnhill I (fewer units sold in FY2018 compared to FY2017), and lower revenue from hotel operations as Quality Hotel was sold in FY2017 4Q.

Cost of sales for FY2018 correspondingly increased by S$14.9 million or 20.8%.

Gross margin for FY2018 decreased from 24.6% in FY2017 to 23.0% in FY2018 due mainly to lower revenue contribution from hotel operations, which had higher gross margin.

Other operating income for FY2018 decreased by S$5.0 million due mainly to the gain on disposal of Quality Hotel in Sydney and fair value gain of TEE Building recognised in FY2017.

Selling and distribution costs for FY2018 increased by S$6.6 million (122.5%) due mainly to higher development project revenue recognised, one-off marketing costs incurred for Third Avenue and selling the balance of the unsold units of Hilbre 28, as well as a complete write-off of showflat expenses for 24One Residences as the project was fully sold in FY2018 2Q.

Administrative expenses for FY2018 decreased by S$1.9 million (17.2%) due mainly to the absence of administrative expenses relating to the Quality Hotel in Sydney sold in FY2017 4Q.

Other operating expenses for FY2018 increased by S$7.4 million due mainly to the impairment loss on investment in Chewathai Public Company Limited ("Chewathai"), and fair value loss on investment properties, offset to some extent by lower impairment of completed properties held for sale in FY2018.

Share of results of associates improved from a share of loss of S$2.1 million in FY2017 to a share of profit of S$2.8 million in FY2018. The share of loss in FY2017 was due mainly to the provision of impairment and expected loss in certain development projects in Singapore. The share of profit in FY2018 was due mainly to share of profit from Chewathai up to 24 January 2018 (being the date the disposal of Chewathai was approved at general meeting) and reversal of over accrual of costs for two joint venture projects.

Finance costs for FY2018 decreased by S$1.8 million (28.7%) due mainly to the Quality Hotel in Sydney which was sold in FY2017 4Q, with the respective bank loan being fully repaid upon sale, and other repayment of loans.

The Group registered a loss before tax of S$4.7 million for FY2018 compared to a profit before tax of S$3.3 million for FY2017. If non-cash one-off items were to be excluded (including impairment loss on investment in Chewathai, fair value loss on investment properties, write down of completed properties and land held for sale and impairment loss on investment in an associate), the profit before tax for FY2018 would have been S$5.4 million.

Tax expense for FY2018 decreased by S$2.8 million due mainly to tax refund, reversal of over accrual of tax and deferred tax asset, of The Peak @ Cairnhill I, offset with tax expenses of certain profitable subsidiaries. The tax expense for FY2017 was due mainly to tax on the gain from disposal of Quality Hotel in Australia and taxable profit for profitable subsidiaries, offset to some extent by the deferred tax asset from impairment of the unsold units of The Peak @ Cairnhill I.

For FY2018, the Group registered a loss after tax of S$4.9 million compared to a profit after tax of S$0.3 million in FY2017.

STATEMENT OF FINANCIAL POSITION

Cash and bank balances decreased from S$34.1 million to S$29.0 million. This was due mainly to the increase in development properties. A more detailed commentary on the decrease in cash and bank balances is described in the commentary on Statement of Cash Flows.

Trade receivables increased from S$18.6 million to S$21.7 million due mainly to progressive billings for development property projects.

Other receivables (current portion) increased from S$12.3 million to S$19.2 million due mainly to amount receivable from the disposal of Chewathai, offset with repayment of interest receivable from associates and amortisation of deferred sales commission expense and deferred show flat costs.

Loans receivable from associates decreased from S$25.9 million to S$14.4 million due mainly to repayment of loans by associates.

Development properties increased from S$147.9 million to S$231.1 million due mainly to land and other preliminary development costs for the new land acquisition at Seraya Cresent and Gilstead Road, offset to some extent by the transfer of development property cost for the unsold unit of Harvey Avenue and unsold residential and shop units of Third Avenue to completed properties held for sale as these two developments have been fully completed.

OPERATING AND FINANCIAL REVIEW

Completed properties and land held for sale increased from S$47.6 million to S$48.3 million due mainly to the transfer of the unsold unit at Harvey Avenue and unsold residential and shop units of Third Avenue from development properties, offset to some extent by the sale of all unsold units at Hilbre 28, sale of one unit and write down of carrying value of unsold units at The Peak @ Cairnhill I to its estimated net realisable value.

Investment in associates decreased from S$40.3 million to S$11.9 million due mainly to the disposal of all shareholdings in Chewathai and payment of dividends by associates.

Property, plant and equipment decreased from S$735,000 to S$370,000 due mainly to depreciation expense charged in FY2018.

Deferred tax assets increased from S$2.9 million to S$3.1 million due mainly to the recognition of deferred tax assets for tax losses incurred in some of the subsidiaries.

Other receivables (non-current portion) of S$6.0 million was fully repaid in FY2018 2Q.

Bank loans increased by S$5.0 million because of the drawdown of a revolving credit facility.

Trade payables increased by S$7.5 million due mainly to construction costs payable as construction of our development properties progressed.

Other payables decreased from S$25.7 million to S$22.3 million due mainly to the repayment of advances from associates as the advances were finalised as dividend payments.

Long-term borrowings (current and non-current) increased from S$157.8 million to S$226.7 million due mainly to loans taken for new development properties, Seraya Crescent and Gilstead Road, offset to some extent by the full repayment of loan for Hilbre 28 as the project has been completed and fully sold.

Financial guarantee liabilities (current and non-current) decreased from S$0.5 million to S$0.4 million due mainly to the progressive recognition of financial guarantee income.

The term notes were fully repaid upon maturity in October 2017.

Income tax payable decreased from S$3.5 million to S$0.5 million due mainly to payment of income tax.

Deferred tax liabilities increased from S$0.4 million to S$1.0 million due mainly to profits from the progressive recognition of development project revenue.

Loans from non-controlling interests increased from S$3.7 million to S$8.1 million due mainly to shareholders' loans from non-controlling interests for the Gilstead Road development project.

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES

The Group used cash of S$68.0 million in operating activities in FY2018 due mainly to the increase in development properties and trade receivables, offset to some extent by the increase in payables.

INVESTING ACTIVITIES

Net cash of S$28.2 million was generated from investing activities in FY2018 due mainly to the proceeds from disposal of the Group's shareholdings in Chewathai, dividends received from and net repayment of loans by associates, and interest received.

FINANCING ACTIVITIES

Net cash of S$34.6 million was generated from financing activities in FY2018 due mainly to the net drawdown of long-term borrowings and bank loans, offset to some extent by the full redemption of term notes upon maturity, repayment of deemed capital to non-controlling interests with the sale of Quality Hotel in Sydney and the payment of interest.

As a result, there was a net decrease in cash and cash equivalents of S$5.2 million, thereby bringing the total cash and cash equivalents amount to S$29.0 million as at 31 May 2018.

BOARD OF DIRECTORS

1. ER. DR. LEE BEE WAH
2. MR. PHUA CHER CHEW
3. DR. TAN KHEE GIAP
4. MR. CHIN SEK PENG
5. MR. LIM TECK CHAI, DANNY
6. DATO PADUKA TIMOTHY ONG TECK MONG
7. MR. NEO WENG MENG, EDWIN

ER. DR. LEE BEE WAH

Non-Executive Chairman and Independent Director

Er. Dr. Lee is a Licensed Professional Engineer who made history at the Institution of Engineers Singapore ("IES") by becoming its first woman President in 2008. She is also the first Singaporean to be awarded Honorary Fellow of the Institution of Structural Engineers in the United Kingdom.

She is an Honorary Fellow Member of IES and a Board Member of the Professional Engineers Board, Singapore from 1999 to 2000 and 2006 to 2017. She holds a Master of Science (Engineering) from the University of Liverpool, UK and a Bachelor of Civil Engineering from Nanyang Technological University. She was conferred Honorary Doctorate by The University of Liverpool in July 2011.

Er. Dr. Lee is currently the Group Director of Meinhardt (Singapore) Pte. Ltd., a leading global engineering, planning and management consultancy firm headquartered in Singapore. Prior to this, she was the Principal Partner of LBW Consultants LLP, before the acquisition by Meinhardt Group.

She was appointed as an Independent Director of Koh Brothers Group Limited on 1 July 2015. Er. Dr. Lee is an elected Member of Parliament ("MP") since 2006 and is currently an MP for Nee Soon GRC. As an MP, she has brought up many issues in Parliament to improve the standing of the engineering profession in Singapore. These ranged from the salaries of engineers to the implementation of green engineering in building structures.

Er. Dr. Lee was President of the Singapore Table Tennis Association ("STTA") from 2008 to 2014. During her tenure, STTA has put Singapore on the global sporting map, winning regional and international awards, including medals in the 2008 Beijing Summer Olympics and in the 2012 London Olympics. She is currently Adviser to STTA and Singapore Swimming Association since 2014.

BOARD OF DIRECTORS

MR. PHUA CHER CHEW
Executive Director and CEO

Mr. Phua Cher Chew is our Executive Director and CEO. He joined TEE International's real estate division in July 2007 and has held the positions of general manager, executive director and managing director for real estate. Throughout his tenure, he has been instrumental in the Group's steady growth, leading to the expansion of our business and operations.

Prior to his appointment in TEE International, he worked in Trans Equatorial Engineering Pte. Ltd. (a wholly-owned subsidiary of TEE International) holding the positions of general manager of business development and business development manager.

He had also served as a Non-Executive Director of Chewathai Public Company Limited, an associated company of TEE Land listed on the Market for Alternative Investments of the Stock Exchange of Thailand, which was fully disposed in July 2018.

Mr. Phua holds a Bachelor of Business degree from Central Queensland University and a Diploma in Accounting from Singapore Polytechnic.

At the grassroots level, Mr. Phua has been involved actively, participating in the coordination of activities and serving as Chairman and assistant secretary of Nee Soon Central Zone 4 Resident's Committee from April 2003 to 2007. Since July 2011, he has been a member of Nee Soon Central Citizen's Consultative Committee. Mr. Phua is a member of the Singapore Institute of Directors.

DR. TAN KHEE GIAP
Independent Director

Dr. Tan Khee Giap is an Associate Professor and Co-Director of the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, National University of Singapore. Currently, he is also serving on the board of several listed companies and has been the chairman of Singapore National Committee for Pacific Economic Cooperation since 2008. He has also served as a consultant to international agencies and multinational corporations.

Dr. Tan started his career in the banking sector as a treasury manager and served as secretary to the Assets and Liabilities Committee of Overseas Chinese Banking Corporation for three years. He then moved on to teaching at the Department of Economics and Statistics, National University of Singapore before joining Nanyang Technological University in 1993, where he was Associate Dean of Graduate Studies Office from January 2007 to October 2009.

Dr. Tan holds a PhD in Economics from the University of East Anglia, United Kingdom.

MR. CHIN SEK PENG
Independent Director

Mr. Chin is the Managing Partner responsible for managing and running the assurance, advisory, consulting and related professional services of PKF-CAP LLP and its related entities. PKF-CAP LLP is a firm of chartered accountants in Singapore.

Mr. Chin started his accountancy and audit training in Casson Beckman, a medium sized firm of chartered accountants in London. After qualifying as a chartered accountant, he joined legacy Price Waterhouse and worked in UK, Europe and Singapore from 1983 to 1994. In 1994, he joined the Institute of Singapore Chartered Accountants ("ISCA") as the first Practice Review Director, heading, running and regulating the compliance of work standards of all audit practices in Singapore.

In 1999, Mr. Chin joined legacy Arthur Andersen as a partner in its Assurance and Business Advisory Division and in 2002, he left the firm to set up his own audit and consultancy practices together with another partner. He holds a Bachelor of Arts (Honours) degree in Accounting and Finance from Lancaster University in the United Kingdom and is a Fellow (Practising) Chartered Accountant of Singapore and a Fellow Member of the Institute of Chartered Accountants in England and Wales.

Mr. Chin also serves as Independent Director mainly in the capacity as Audit Committee Chairman to three other public companies listed on the Singapore Exchange and is a member of the Institute of Internal Auditors of Singapore. He was a council member of ISCA and the Chairman of the Public Accounting Practice Committee of ISCA until April 2018. He continues to be the Senior QA Advisor for the Quality Assurance Review Programme of ISCA.

MR. LIM TECK CHAI, DANNY
Independent Director

Mr. Lim Teck Chai, Danny is currently an equity partner in Rajah & Tann Singapore LLP.

Mr. Lim joined Rajah & Tann Singapore LLP upon graduation in May 1998 and has since been practicing and advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. He has experience in acquisitions, investments, takeovers, initial public offerings and restructurings, and his clients include multinational corporations, small medium enterprises, private equity and institutional investors, Singapore and foreign listed companies, financial institutions and others.

Mr. Lim holds a Bachelor of Law (Honours) degree from the National University of Singapore and a Master of Science (Applied Finance) degree from the Nanyang Technological University.

DATO PADUKA TIMOTHY ONG TECK MONG
Non-Executive Director

Dato Timothy Ong is Chairman of Asia Inc Forum, a regional platform for policy and business dialogue. He sits on a number of Brunei and regional boards including Baiduri Bank Group, Hotel Associates Sdn Bhd, National Insurance Bhd, YOMA Strategic Holdings and the Asian Advisory Board of Prudential Financial. He is a Governor of the Asian Institute of Management and a Trustee of the Ramon Magsaysay Awards foundation.

Dato Ong was Chair of the Brunei Economic Development Board from 2005 to 2010 and the APEC Business Advisory Council in 2000. He was chairman of the 23rd ASEAN-Japan Business Meeting and represented Brunei in the APEC Eminent Persons Group from 1993 to 1995.

He is the recipient of various state honours, including the Most Honorable Order of Seri Paduka Mahkota Brunei (DPMB) (Second Class) by His Majesty, the Sultan of Brunei, which confers the title 'Dato Paduka' and the Grand Cross of the Order of Bernardo O'Higgins (highest civilian award) by the President of Chile for his contribution to regional economic cooperation.

Dato Ong holds a Bachelor of Arts (Honours) degree in Economics and Political Science from the Australian National University and a Master of Science (with Distinction) degree in International Relations from the London School of Economics.

MR. NEO WENG MENG, EDWIN
Non-Executive Director

Mr. Neo joined TEE International in August 2014. In his role as the special assistant to the Group Chief Executive and Founder, he is responsible for leading and driving special projects as well as new corporate initiatives at the TEE International Group level.

In his role as the Head of Infrastructure at TEE International, he is responsible for driving the Infrastructure business to expand into new regions and markets as well as scaling up the existing infrastructure investments.

Under his leadership, the Infrastructure business has secured new strategic investors and diversified to be one of the leading waste management players in Singapore. In addition, Mr. Neo is a Company Director of various subsidiaries and an associated company of TEE International Group.

Prior to joining TEE International, Mr. Neo worked for the Singapore government holding various leadership positions in International Enterprise Singapore, a statutory board under the Ministry of Trade and Industry ("MTI"). He is also a recipient of the Firefly scholarship granted by MTI to pursue his undergraduate education in the United States.

Mr. Neo graduated Summa cum Laude from Stanford University, USA with a double degree in Electrical Engineering and Economics. He spends his past time reading and playing chess and is a member of the Gifted Education Programme (GEP) Alumni.

KEY EXECUTIVES

MR. NG TAH WEE, DAVID
Financial Controller and Company Secretary

Mr. Ng Tah Wee, David is our Financial Controller and Company Secretary responsible for the Group's statutory financial accounts, consolidation and financial reporting to the SGX-ST, overall financial and accounting management, and the corporate secretarial function of the Group.

Prior to joining our Group, he was the financial controller of China Bearing Ltd from November 2009 to March 2013. From April 2004 to October 2009, he was the chief financial officer of China Auto Electronics Group Ltd. Both China Bearing Ltd and China Auto Electronics Group Ltd are listed on SGX-ST Main Board. He was with Ho Bee Group for the period December 1993 to March 2004, serving in one of its subsidiaries, HBM Print Ltd, as finance and administrative manager from December 1993 to March 1997 and financial controller from April 1997 to March 2000. He served in another of Ho Bee Group's subsidiaries, Ho Bee Print Pte. Ltd., as financial controller from April 2000 to June 2001 and general manager (operations) from July 2001 to March 2004. He has over 30 years of experience in audit and accounting work.

Mr. Ng graduated with a Bachelor of Accountancy degree from the National University of Singapore. He is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants.

MR. WONG CHEE MENG, RAYMOND
Project Director

Mr. Wong Chee Meng, Raymond is our Project Director and is responsible for overseeing the property development and management matters of the Group. He has more than 30 years of experience in real estate project and construction management. In the course of his work, he had been involved with managing both local and overseas projects in the USA, China, Hong Kong, Indonesia and Malaysia.

Prior to joining the Group, he was the Assistant Director of Arcadis Project Management Pte Ltd from May 2014 to October 2016.

From September 1988 to December 2013, he was with Wing Tai Property Management Pte Ltd. He was the Assistant General Manager (Projects) from 2007. Mr. Wong first joined Wing Tai as a Senior Project Officer in 1988, and had since held the position of Assistant Project Manager in 1994, Project Manager in 1995, and Senior Project Manager in 1999. He had helped to set up the Project Department in the Malaysia Division (Southern) in year 2005.

Mr. Wong graduated with a Bachelor in Construction Economics (with Distinction) from the Royal Melbourne Institute of Technology, Australia, as well as a Technician Diploma in Building from the Singapore Polytechnic.

He is a Member of the Society of Project Managers, and a Member of the Singapore Institute of Building Ltd. He was also a Member of the "REDAS Design and Build Conditions of Contract" First Edition 2001, and a Member of the "Home Buyer's Guide for Building Quality 2001" published by the Consumer's Association of Singapore.

MR. LAWRENCE TOH LENG POH
Financial Controller (Commercial)

Mr. Lawrence Toh joined the Group in January 2017. He is responsible for overseeing the performance of the Group's overseas investments and assists the CEO in various aspects of operations, including the evaluation and developments of new investments, corporate finance and sustainability reporting.

Mr. Toh brings with him more than 15 years of experience in financial management and reporting, audit and operations. Prior to joining the Group, Mr. Toh has held key positions in SGX-ST Mainboard listed companies that are in the business of manufacturing, real estate investments, construction and recycling, as well as in KPMG LLP.

He is a fellow member of the Association of Chartered Certified Accountants, member of the Institute of Singapore Chartered Accountants and member of the Institute of Internal Auditors. He is also a director to several subsidiaries of the Group.

MS. FANNY CHENG HUI FEN
Assistant General Manager (Property Development)

Ms. Fanny Cheng is our Assistant General Manager (Property Development) and is responsible for overseeing matters relating to development planning, sales and marketing operations of the Group.

She joined the TEE International Group since 2004 and has held various appointments in the Group mainly in business development. Ms. Cheng also spearheads business development in land acquisition and property development. For property developments, she manages the entire process from inception, preparation and launching of projects. She performs strategic improvement to new development to enhance its project attributes and values.

Ms. Cheng holds a Bachelor of Science (2nd Upper Honours) Degree with a specialisation in Management from Manchester Business School, University of Manchester, a Graduate Certificate in Real Estate Finance from National University of Singapore and a Civil and Structure Engineering Diploma from Singapore Polytechnic.

INVESTOR RELATIONS

TEE Land views Investor Relations ("IR") as a strategic management responsibility that integrates finance, communication, marketing and securities law compliance. IR enables the most effective two-way communication between TEE Land and its stakeholders - amongst others, shareholders, the financial community, the media and the public, which will ultimately contribute to achieving a fair valuation of TEE Land.

INVESTOR RELATIONS POLICY

TEE Land is committed to delivering timely, transparent, and consistent disclosures to all stakeholders - amongst others, its shareholders, the financial community, the media and the public. The IR function falls under the office of the Chief Executive Officer and is helmed by the IR and Communications department of our parent company, TEE International Limited.

Our IR policy ensures non-discriminatory and open communications with all our stakeholders. We ensure that relevant and material information are disclosed in a clear, concise and consistent manner, complying with the listing manual of the Singapore Exchange Limited-Securities Trading ("SGX-ST"), and the Securities and Futures Act.

In addition, we have an impartial and structured practice of disclosing information on matters that may influence share price movement to shareholders, members of the financial community, media and the public simultaneously.

Maintaining our commitment to a high standard of corporate disclosure, we provide regular updates on our financial performance and other relevant information through SGX-ST's SGXNet broadcast network and on TEE Land's corporate website at http://www.teeland.com.sg.

CORPORATE GOVERNANCE

To upkeep good corporate governance practices, TEE Land has undertaken the pledge for board diversity launched by the Singapore Institute of Directors. "We are committed to enhancing decision making by harnessing the various skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the members of the Board." At present, board diversity has been readily embraced through a rigorous nomination process put in place to select our board members.

ENGAGING STAKEHOLDERS

TEE Land engages financial analysts, existing and potential investors, shareholders and the media on a regular basis through multiple channels, including one-to-one meetings, conference calls, group briefings and investor roadshows. Key Executives are present at such engagements to provide insights on TEE Land's financial performance and elaborate on our strategies and outlook. The Annual General Meeting ("AGM") is an avenue for us to reach out to our shareholders. It is the main platform for the Board of Directors and Key Executives to address shareholders' questions about the Group. Our Board of Directors, Key Executives and the external auditors are present at the AGM to clarify any shareholders' concerns pertaining to the Group's performance for the year, as well as to keep them informed about recent developments and projects.

In the event of any pressing enquiries from any stakeholders, our investor relations personnel are readily contactable through the main office line or via email.

DIVIDEND POLICY

We do not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, committed capital expenditure, working capital requirements and any other relevant considerations the Board of Directors may deem appropriate.

INVESTORS, SHAREHOLDERS AND MEDIA CONTACT

TEE Land Limited
Tel: (65) 6899 1428
Email: ir@teeland.com.sg

Ms. Celine Ooi
Senior Manager, Investor Relations & Communications
TEE International Limited
Tel: (65) 6697 6589
Email: ir@teeintl.com

IR Calendar	
2018	
Jan	Announcement of FY2018 Half-Year Results & Extraordinary General Meeting
Feb	Shareholders' Forum 2018
Apr	Announcement of FY2018 Third Quarter Results
May	Financial Year End
Jul	Announcement of FY2018 Full-Year Results
Sept	6th Annual General Meeting
Oct	Announcement of FY2019 First Quarter Results
2019	
Jan	Announcement of FY2019 Half-Year Results
Apr	Announcement of FY2019 Third Quarter Results
May	Financial Year End
Jul	Announcement of FY2019 Full-Year Results
Sept	7th Annual General Meeting
Oct	Announcement of FY2020 First Quarter Results

SUSTAINABILITY REPORT

BOARD STATEMENT

The Group's Board and management are fully committed to establishing and maintaining an effective sustainability management system underpinned by appropriate internal controls, enterprise risk management practices, as well as a clear accountability and reporting process. The Board considers Economic, Environmental and Social ("EES") related risks and opportunities during the formulation of overall business strategy, objectives and performance measurements of the Group.

The management has identified the nature and impact of relevant EES topics caused by its day-to-day operations, as well as determined the material EES topics which influence stakeholder values and the achievement of the Group's strategic objectives. The Board supports and approves the identification and assessment parameters of material EES topics.

The management has established a Sustainability Committee comprising key executives across various business functions. The Committee regularly reviews and assesses the performance of material EES topics and key performance measures so as to provide reasonable assurance to the Board and key stakeholders of the Group on the effectiveness of TEE Land's sustainability management system.

The Board and management will continue to dedicate leadership and maintain the high standards of sustainability governance to drive long-term growth for all stakeholders.

REPORTING PRACTICE AND BOUNDARY

The Group's inaugural sustainability report is prepared in accordance to the GRI standards "Core" option covering our sustainable practices and performance for the financial year ended 31 May 2018 ("FY2018"). This report focuses primarily on completed and ongoing real estate developments in the Singapore and Malaysia markets, which have material revenue contribution to the Group for FY2018. Such developments are either majority-owned projects or projects managed by us till obtaining the temporary occupation permit ("TOP"). This report makes references to the Group's parent company, TEE International Limited ("TEE International"), which is listed on the Singapore Exchange Limited-Securities Trading ("SGX-ST") Main Board and has published its own sustainability report.

The report incorporates primary components as set out by the SGX-ST Listing Manual Rule 711A's "Comply or Explain" requirements. The SGX-ST Listing Manual and GRI Standards do not mandate an external assurance. The Group's Sustainability Committee will review the option for external assurance going forward. This report forms part of the Group's Annual Report for FY2018 and is available at www.teeland.com.sg.

SUSTAINABILITY STRATEGY

MISSION AND VISION

The Group's core vision is to create living and working spaces that harmonise societies, businesses and people. We aspire to develop homes that resonate with consummate lifestyle choices, as well as industrial, commercial and hospitality properties that cater to the evolving needs of the local community.

SUSTAINABILITY PHILOSOPHY

Sustainability is essential to the Group's corporate philosophy and identity. We place a strong focus on good corporate governance as well as risk management practices throughout our value chain and across the entire organisation to achieve a sustainable and profitable business.

Committed to integrating sustainable practices into its business strategy, the Group has adopted industry best practices to establish a balanced and holistic approach to address the concerns of external and internal stakeholders to whom the Group strives to serve and partner with in the long term.

PEOPLE, COMMUNITY & EXCELLENCE

Our business success has been built upon three key pillars, namely People, Community and Excellence, enabling us to establish competitive strengths to stay ahead of competition. We remain nimble in keeping abreast of current trends and are dedicated to being a reliable as well as efficient real estate developer and investor. We are adaptive to new technologies by incorporating up-to-date smart features in our design to enhance buyers' experiences in the end products we deliver.

STAKEHOLDER ENGAGEMENT

The Group places a strong focus on meeting and exceeding expectations of our key stakeholder groups. Engaging and addressing the concerns of stakeholders enable us to strive for continual success in value creation for all stakeholders.

We have adopted a consistent and balanced process for the identification of key stakeholders who are material to our operations, businesses and management. The impact and nature of key stakeholder groups are evaluated using assessment parameters involving quantitative and qualitative matrices. The management has established multiple channels to engage and interact with key stakeholders on an ongoing basis, as well as provide timely and appropriate responses to address their inquiries and concerns.

As the Group continues to expand its operations, we are committed to reviewing the relevance and significance of key stakeholders on at least an annual basis, and including stakeholders who subsequently become material to the Group.

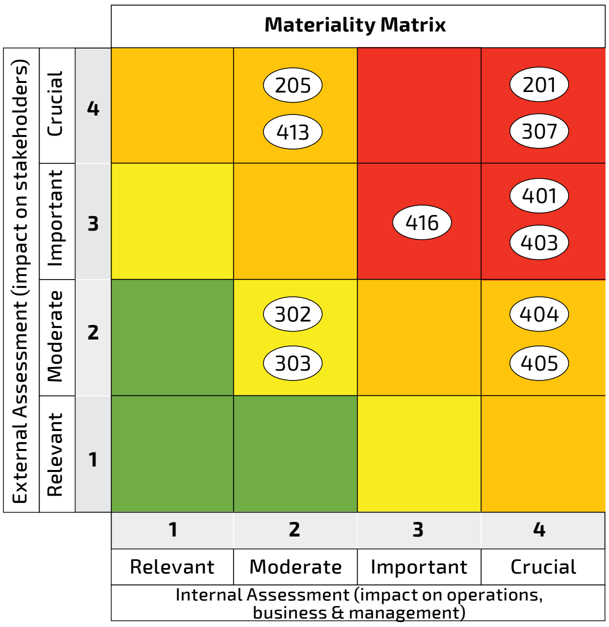
Key Stakeholders	Significance to the Group	Engagement Channels	Key Topics of Interest
Shareholders	Our shareholders are our utmost supporters as we continue to grow the Group. We fully understand the need to address their concerns, as well as share timely and accurate information about the Group with our shareholders to enable a transparent assessment of the Group's financial performance and state of affairs.	• General Meetings • Annual Report • Announcements via SGXNET • Investor Relations • Company website • Media releases	• Group performance • Business strategies and developments • Project execution and updates • Funding requirements • Regulatory compliance • Risk management • Anti-corruption and bribery • Operational effectiveness and efficiency
Employees	Our people are one of our most valuable assets. The well-being and capabilities of our employees ensure their continual contributions to the success in all aspects of our businesses.	• Sharing sessions and dialogues • Management feedback sessions • Regular meetings and discussions	• Benefits and remuneration • Employee well-being and welfare • Training and development • Career progression
Authorities and Regulators	Being a Mainboard listed company on the SGX-ST, we are required to comply with the requirements of the listing rules of SGX-ST as well as the Securities and Futures Act.	• Announcements via SGXNET • Attending seminars and trainings conducted by regulatory bodies and professionals • Newsletter updates • Direct engagement with authorities • Annual Report • Sustainability Report	• Compliance with laws and regulations • Anti-corruption and bribery
Contractors / Suppliers	In line with our goal of delivering quality products and services to our customers, we work with reliable contractors with good track records to ensure our projects are developed in a timely manner without compromising on quality that meets the mandated building requirements.	• Regular sessions to engage contractors and consultants • Project meetings	• Performance of projects • Payment matters
Customers	At TEE Land, we believe in providing quality and well-designed products for our customers. Our customers' experiences and satisfaction levels are part of our key priorities towards a sustainable business.	• Face-to-face meetings • Sales launches • Feedback sessions with appointed sales agencies	• Quality of projects and services • Product responsibility

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The management adopts the materiality approach in identifying critical sustainability issues and opportunities. The nature and impact of EES topics caused by day-to-day operations are assessed and prioritised using quantitative and qualitative parameters centred on the impact on external stakeholders, internal operations and management.

The material EES topics derived from the materiality assessment exercise with management will be assessed along with the Group's Enterprise Risk Management ("ERM") register to incorporate relevant EES related risks arising from external market environment as well as internal business processes. The material EES topics are prioritised in the materiality matrix below:



GRI Reference	Top Material Topics	Section Reference
201	Economic Performance	Economic
205	Anti-Corruption	Economic
302	Energy	Environmental
303	Water	Environmental
307	Environmental Compliance	Environmental
401	Employment	Social
403	Occupational Health and Safety	Social
404	Training and Education	Social
405	Diversity and Equal Opportunity	Social
413	Local Communities	Social
416	Customer Health and Safety	Social

ECONOMIC TOPICS

GRI201 ECONOMIC PERFORMANCE

During the reporting period, the Group focused on the execution of key initiatives to realise value in its projects and investments, improve cash position and sharpen its operational efficiency and effectiveness with the ultimate aim of laying a stronger foundation for the Group to propel forward.

Economic Performance		
	FY2018 [S$'000]	FY2017 [S$'000]
Economic Value Generated (a)	126,750	128,700
Revenue *(excluding rental)*	109,439	92,109
Sale of Assets *(physical assets and investments)*	13,948	32,820
Revenue from Financial Investments *(interest income, dividend and rental)*	3,363	3,771
Economic Value Distributed (b)	115,394	98,025
Operating Costs *(excluding employee wages and benefits)*	101,805	79,895
Employee Wages & Benefits	5,079	7,015
Payments to Providers of Capital *(dividend to shareholders and interest expense)*	5,596	6,950
Payments to Government *(current corporate tax, withholding tax and property tax)*	2,913	4,147
Community Investments *(contribution to charities)*	1	18
Economic Value Retained (a-b)	**11,356**	**30,675**

Going forward, the Group will strive to improve its economic performance and enhance its competitiveness in the real estate industry.

GRI205 ANTI-CORRUPTION

The Group firmly endorses a zero-tolerance policy against bribery and corruption. We consistently follow the Code of Business Conduct and Ethics Policy established by TEE International, which specifies the guidelines on business dealings and expected ethical behaviours.

We have developed a whistle-blowing policy and procedures to provide accessible channels for internal and external stakeholders to report suspected corruption, unethical practices, conflict of interests and other improprieties. For more information on our whistle-blowing policy, please visit our corporate website at www.teeland.com.sg.

During the reporting period, we have arranged anti-corruption talks for employees based on the corporate code of conducts, which includes dealings in securities and conflict of interest. There were no cases of complaints and corrupt practices during the reporting period.

The Group strives to continue to maintain the highest standards of ethics and integrity in our business dealings.

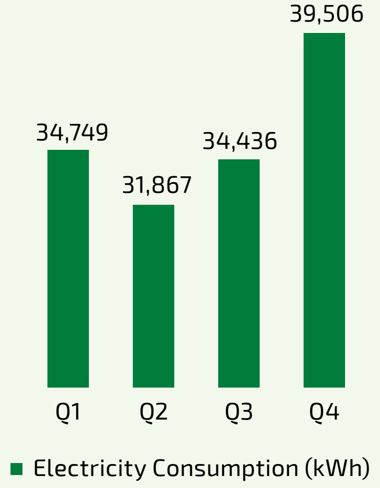
SUSTAINABILITY REPORT

ENVIRONMENTAL TOPICS

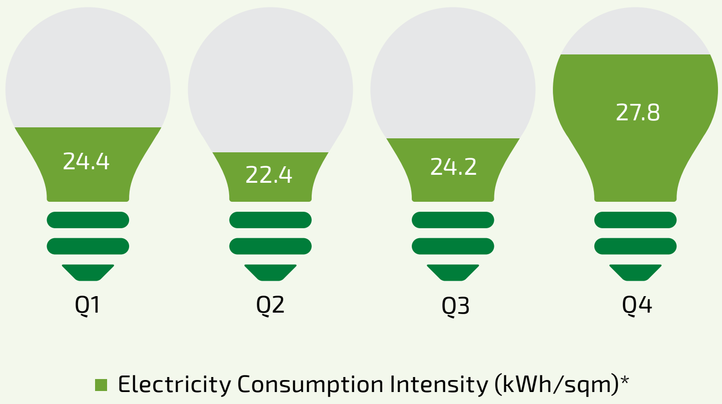
GRI302 ENERGY

The Group is conscious of daily energy use at our corporate office and various project sites. To enhance overall energy efficiency and cultivate environmental awareness of all employees, we have installed a solar photovoltaic system on the rooftop of our corporate office to supplement grid electricity usage while reducing carbon emissions. Environmentally-friendly designs such as LED lights with motion sensors, controlled central air-conditioning operating hour, as well as maximisation of natural light and ventilation help create a conductive and sustainable working environment. We track energy usage at our corporate office and project sites to ensure the effectiveness of environmentally-friendly measures.

Corporrate Office Electricity Consumption
(kWh)



Electricity Consumption Intensity at Corporate office
(kWh/sqm)*



Type	Project(s)	Status	Electricity	Period
Residential	24One Residences	Ongoing	25,742 kWh	Sep 2017 – May 2018
	Rezi 35	Ongoing	96,844 kWh	Jan 2018 – May 2018
	31 & 31A Harvey Avenue	Completed	63,875 kWh	Jun 2017 – Mar 2018
Commercial	TRIO	Completed	75,508kWh	Jun 2017 – Jan 2018
Mixed Use	Third Avenue, Cyberjaya	Ongoing	516,921kWh	Jun 2017 – May 2018
	183 Longhaus	Ongoing	38,138 kWh	Jun 2017 – May 2018

Total energy consumption varies from time to time as it is contingent on the type and number of ongoing projects, as well as the intensity of construction works. Nevertheless, we will conscientiously work towards making our operations more energy efficient whenever the opportunity to do so presents itself.

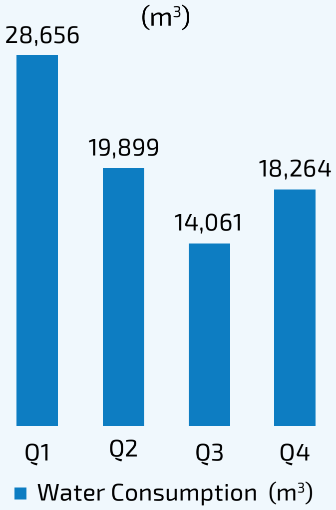
* Based on the gross floor area of TEE Land's corporate office of approximately 1,422sqm.

GRI303 WATER

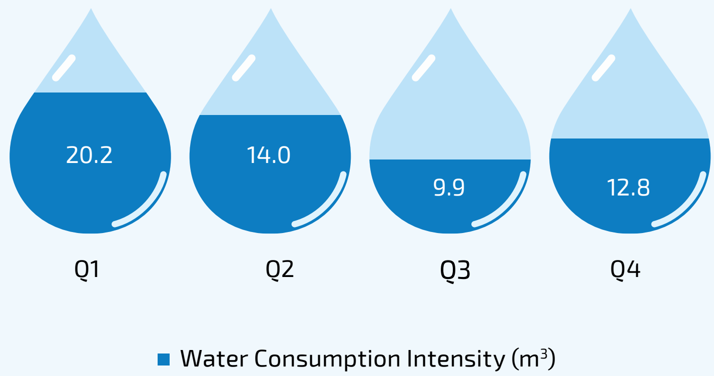
Water use is a key environmental practice that the Group focuses on across the organisation. As part of the Environmental Management System established by TEE International, we ensure responsible and conscious use of water resources at our corporate office and project sites. We encourage everyone to develop water conservation habits by installing sensor taps and putting up awareness posters at key touch points.

Water consumption at our corporate office and project sites are monitored and managed on an ongoing basis by accountable parties from the Sustainability Committee.

Corporate Office Water Consumption
(m^3)



Water Consumption Intensity at Corporate Office
(m^3/sqm)*



Type	Project(s)	Status	Water Consumption	Period
Residential	240ne Residences	Ongoing	578 m^3	Dec 2017 – May 2018**
	Rezi 35	Ongoing	1,175 m^3	Jan 2018 – May 2018
	31 & 31A Harvey Avenue	Completed	2,003 m^3	Jun 2017 – Mar 2018
Commercial	TRIO	Completed	3,472 m^3	Jun 2017 – Jan 2018
Mixed Use	Third Avenue, Cyberjaya	Ongoing	10,238 m^3	Jun 2017 – May 2018
	183 Longhaus	Ongoing	9,586 m^3	Jun 2017 – May 2018

Total water consumption varies from time to time as it is contingent on the type and number of ongoing projects, as well as the intensity of construction works. Nevertheless, we will conscientiously work towards making our operations more water efficient whenever the opportunity to do so presents itself.

GRI307 ENVIRONMENTAL COMPLIANCE

The Group's operations conform to local environmental laws and regulations. We organise regular review sessions with contractors and consultants to monitor environmental related risks at construction sites. All employees of the Group and that of contractors and consultants are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

Our main contractors are ISO 14001 (Environmental Management System) certified to comply fully with required environmental laws and regulations. Our project team and appointed consultants regularly conduct site visits to ensure contractors operate under their standard operating procedures.

Our development projects, 183 Longhaus, Rezi 35 and TRIO have met the green standards and have been awarded the Green Mark Certification administered by the BCA in Singapore. The office block of the Third Avenue, Cyberjaya project in Malaysia has been awarded the provisional Green Building Index certification administered by the Green Building Index Certification Panel.

During the reporting period, there were no incidences of non-compliance and penalties pertaining to environmental-related issues. To maintain the highest standards of environmental compliance and to prevent future occurrence of incidence, we will continue to review and improve current environmental management system and practices.

* Based on the gross floor area of TEE Land's corporate office of approximately 1,422sqm.
** Water supply was from a neighbouring childcare centre from September to November 2017. Water consumption readings during that period are unavailable.

SUSTAINABILITY REPORT

SOCIAL TOPICS

GRI401 EMPLOYMENT

Our employees are one of our most valuable assets. We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. We are an equal opportunity employer and have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference for any particular religion, age, ethnicity, race, physical disability or gender. Employees are required to observe and adhere to all relevant Group policies and practices.

All employees are required to conduct business dealings in line with the Code of Business Conduct and Ethics Policy established by TEE International. We encourage declaration of conflict of interest on an annual basis as a preventive safeguard for fair dealings and transparent business relationships. As of 31 May 2018, the Group has a total number of 32 employees, of which 69% are permanent staff. During the reporting period, we have 4 new hires and a staff turnover rate of 16%.

We will continue to cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings.

GRI403 OCCUPATIONAL HEALTH AND SAFETY

Our main contractors are OHSAS 18001:2007 Occupational Health and Safety Management System certified. All staff are responsible for observing the internal Occupational Health and Safety ("OHS") Standard Operating Procedures ("SOP") and reporting any OHS-related incidents to relevant parties.

TEE International has collectively formed a 30-employee formal joint management-worker health and safety committee comprising internal auditors, safety officers as well as Workplace Safety and Health coordinators to advise on OHS programmes for the TEE Group, which encompasses all real estate and engineering projects. The Group reviews OHS-related risks and controls on a regular basis to minimise potential risks at construction work sites.

To ensure safe and regulated practices, our contractors' safety officers and supervisors conduct training and briefings to supplement regulatory courses. Our project team and management prioritise and endorse the "safety first" mindset, complemented by appropriate ergonomic practices at workplace and construction sites.

During the reporting period, there were no cases of serious reportable injury, fatality and work-related accidents and diseases.

The Group strives to maintain its high OHS standards and drive continuous improvement in our OHS performance.

GRI404 TRAINING AND EDUCATION

To encourage and support our employees to develop their fullest potential and have a fulfilling career, the Group places priority on learning and development programmes. We customise and design training and development activities based on employees' training needs and work requirements.

As part of a long term sustainable growth strategy, the Group recognises and rewards leadership and talents through leadership renewal, as well as a succession planning programme, which is a key aspect of human capital management. This encompasses defining key leadership positions, high performing candidates and assessing each candidate's readiness for new leadership roles.

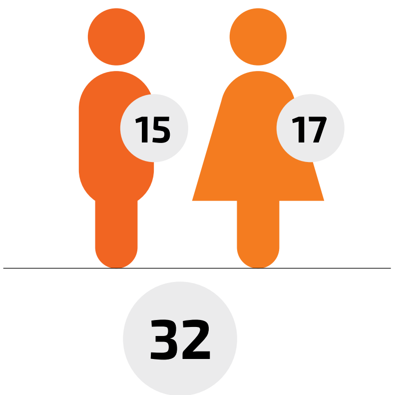
During the reporting period, the Group has dedicated a total of 326 training hours for all employees. Key training courses conducted this year covered financial reporting, corporate governance, leadership, market updates, ethics and taxation.

We will continue to provide training and education opportunities through comprehensive development programmes going forward and promote a conducive corporate environment where everyone can achieve their potential.

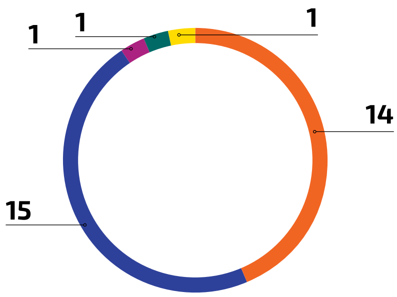
GRI405 DIVERSITY AND EQUAL OPPORTUNITY

The Group firmly advocates a diverse workforce, which drives innovative and cultural awareness. Our workforce embodies diverse demographics, culture, nationalities, qualifications and experiences. We strive to maintain a cohesive and inclusive environment for all employees and encourage sharing and mutual respect at work so as to create a healthy and positive work environment for everyone. The average age of workforce is 41 and comprises 5 nationalities in total. Our workforce composition by gender and level of positions is illustrated below. The Group will continue to maintain its diverse and inclusive workforce and advocate equal opportunity for all.

Workforce by Gender

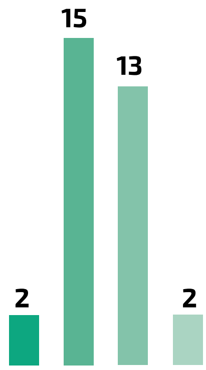


Workforce by Nationality



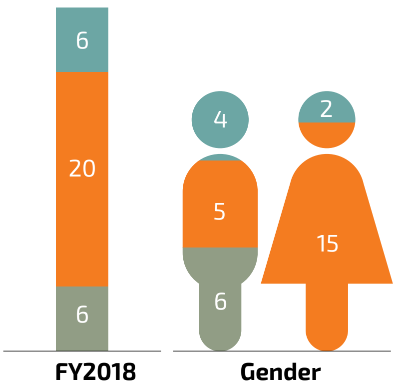
- Singapore
- Malaysia
- New Zealand
- China
- Vietnam

Workforce by Educational Qualifications



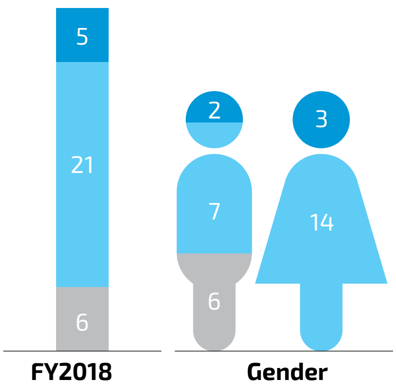
- Master Degree/Post Graduate
- Bachelor's Degree
- Diploma/GCE A level
- GCE O level/Certificate

Workforce by Seniority & Gender



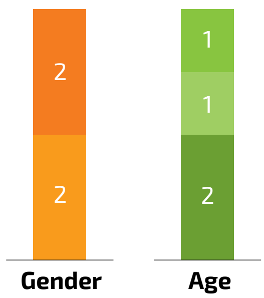
- Management (includes 1 Executive Director)
- Managerial & Executive Staff
- Non-Executive and Site Operations Staff

Workforce by Age & Gender



- < 30 years
- 30-50 years
- >50 years

New Hires by Gender & Age (FY2018)



- Male
- Female
- < 30 years
- 30-50 years
- >50 years

SUSTAINABILITY REPORT

GRI413 LOCAL COMMUNITIES

Driven by strong corporate values, we strive to make a positive impact on the community through cultivating a spirit of caring for others. Society at large is one of our key stakeholders and we take pride in encouraging volunteering activities which are held on an ongoing basis. The Group has adopted Villa Francis Home for the Aged ("VFHA") as a beneficiary for our volunteer programme, which entails spending time with residents and organising regular activities on various occasions. For instance, the employees visited the residents of VFHA during the Chinese New Year season. With this deeply entrenched commitment to corporate social responsibility, we strive to maintain and embark on more charitable programmes next year.

GRI416 CUSTOMER HEALTH AND SAFETY

We are committed to developing properties that embody high standards of quality, functionality and workmanship. Our customers' safety, security and overall well-being are paramount to the Group's success.

Our contractors comply with regulations legislated under the URA and BCA as well as the Environmental Management System established by TEE International. We endeavour to deliver products that meet or even exceed customers' expectations. Materials purchased go through a rigorous procurement process to ensure they are of premium quality, meet the required safety requirements and are befitting of the design and theme.

We engage qualified architects, engineers and consultants to incorporate efficient and eco-friendly features, thus enhancing the well-being of customers and operational efficiency of projects.

In August 2017, TEE Land was informed by the Singapore Civil Defence Force that one of its developments – The Peak @ Cairnhill 1 ("Peak 1")– fell short of fire safety standards due to the utilisation of non-Class "0" claddings. Though Peak 1 was still certified as safe for occupancy, we worked closely with our contractors to rectify the improper use of composite panels in a timely manner.

Moving forward, the Group will continue to place strong focus on its commitment towards product safety, quality and design, coupled with product enhancement initiatives such as greater indivision of eco-friendly features.

GRI STANDARDS CONTENT INDEX		
GRI Ref	**Disclosures**	**Page/Section Reference**
1. Organizational profile		
102-1	Name of the organization	Corporate Profile
102-2	Activities, brands, products, and services	Corporate Profile
102-3	Location of headquarters	Corporate Information
102-4	Location of operations	• Corporate Profile • Message to Shareholders • Singapore and Overseas Portfolio • Operating and Financial Review
102-5	Ownership and legal form	• Corporate Profile • Corporate Structure • Projects and Investments
102-6	Markets served	• Corporate Profile • Singapore and Overseas Portfolio • Operating and Financial Review
102-7	Scale of the organization	• Message to Shareholders • Financial Highlights • Projects and Investments • Operating and Financial Review • Sustainability Report
102-8	Information on employees and other workers	Sustainability Report
102-9	Supply chain	Sustainability Report
102-10	Significant changes to the organization and its supply chain	• Message to Shareholders • Projects and Investments • Operating and Financial Review
102-11	Precautionary Principle or approach	Message to Shareholders
102-12	External initiatives	Sustainability Report
102-13	Membership of associations	Not applicable
2. Strategy		
102-14	Statement from senior decision-maker	• Chairman's Statements
102-15	Key impacts, risks, and opportunities	• Chairman's Statements • Operation Review • Financial Review
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Strategy
102-17	Mechanisms for advice and concerns about ethics	Economic Topics: Anti-Corruption
4. Governance		
102-18	Governance structure	Corporate Governance Report
102-19	Delegating authority	Corporate Governance Report
102-20	Executive-level responsibility for economic, environmental, and social topics	Board Statement
102-21	Consulting stakeholders on economic, environmental, and social topics	Board Statement
102-22	Composition of the highest governance body and its committees	Corporate Governance Report
102-23	Chair of the highest governance body	Corporate Governance Report
102-24	Nominating and selecting the highest governance body	Corporate Governance Report
102-25	Conflicts of interest	• Governance Report • Anti-Corruption Pg 21 • Employment Pg 24
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102-27	Collective knowledge of highest governance body	Corporate Governance Report
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102-29	Identifying and managing economic, environmental, and social impacts	Board Statement
102-30	Effectiveness of risk management processes	Corporate Governance Report: Enterprise Risk Management
102-31	Review of economic, environmental, and social topics	Board Statement
102-32	Highest governance body's role in sustainability reporting	Board Statement
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102-38	Annual total compensation ratio	Corporate Governance Report
102-39	Percentage increase in annual total compensation ratio	Corporate Governance Report
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102-49	Changes in reporting	Not applicable
102-50	Reporting period	Reporting Practice and Boundary
102-51	Date of most recent report	Reporting Practice and Boundary
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SUSTAINABILITY REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Er. Dr. Lee Bee Wah
Non-Executive Chairman and Independent Director

Mr. Phua Cher Chew
Executive Director and CEO

Dr. Tan Khee Giap
Independent Director

Mr. Chin Sek Peng
Independent Director

Mr. Lim Teck Chai, Danny
Independent Director

Dato Paduka Timothy Ong Teck Mong
Non-Executive Director

Mr. Neo Weng Meng, Edwin
Non-Executive Director

AUDIT COMMITTEE

Mr. Chin Sek Peng (Chairman)
Er. Dr. Lee Bee Wah
Dr. Tan Khee Giap
Mr. Lim Teck Chai, Danny

NOMINATING COMMITTEE

Er. Dr. Lee Bee Wah (Chairman)
Mr. Chin Sek Peng
Mr. Phua Cher Chew

REMUNERATION COMMITTEE

Dr. Tan Khee Giap (Chairman)
Mr. Chin Sek Peng

STRATEGIC ADVISORY COMMITTEE

Mr. Phua Chian Kin (Chairman)
Dr. Tan Khee Giap
Mr. Lim Teck Chai, Danny

COMPANY SECRETARIES

Mr. Ng Tah Wee, David
Ms. Yeo Ai Mei
Ms. Lai Foon Kuen, ACIS

REGISTERED OFFICE

Co. Reg. No.: 201230851R

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Singapore 659591
Tel: (65) 6899 1428
Fax: (65) 6897 3468
Email: enquiries@teeland.com.sg
Website: http://www.teeland.com.sg

SHARE REGISTRAR

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8 Robinson Road
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Tel: (65) 6593 4848
Fax: (65) 6593 4847

INDEPENDENT AUDITORS

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600 North Bridge Road,
#05-01 Parkview Square,
Singapore 188778

Auditor Engagement Partner
Mr. Sim Guan Seng
(Appointed with effect from 29 May 2017)

INVESTOR RELATIONS

Ms. Celine Ooi
Tel: (65) 6697 6589
Fax: (65) 6565 1738
Email: ir@teeland.com.sg

PRINCIPAL BANKERS/FINANCIAL INSTITUTIONS

Hong Leong Finance Limited
United Overseas Bank Limited
Australia and New Zealand Banking Group Limited

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE AT A GLANCE

Governance	Implemented and Presented in Annual Report
BOARD'S CONDUCT OF AFFAIRS	
Board size • Comprises seven (7) members • Mr. Neo Weng Meng, Edwin was appointed as a Non-Executive Director on 16 January 2018 • Ms. Saw Chin Choo resigned as director on 31 July 2018	Guideline 2.1
Board independence • Independent directors make up at least 50% of the Board • Description of Determination of Independence	Guidelines 2.2, 2.3
Board competencies • Directors have diverse backgrounds and qualifications	Guidelines 2.5, 2.6
Directorships or chairmanships held by the Company's directors in listed companies • List of past and present directorships	Guideline 4.4
Role separation between CEO & Chairman • Chairman and CEO are two separate individuals	Guideline 3.1
Board/committee meetings and attendance during the year • Board met four (4) times • Nominating committee met once • Remuneration committee met twice • Audit committee met four (4) times • Collated directors' attendance to meetings	Guideline 1.4
Nominating committee • Majority of members are independent	Guideline 4.1
Selection of directors • Stringent selection process in place	Guideline 4.6
Limit on number of directorships • Should not exceed six (6) public-listed companies	Guideline 4.4
Board and individual director appraisal • Formal process with specific criteria	Guidelines 5.1, 5.2, 5.3
Continuous training and development of directors • Updated regularly on accounting and regulatory changes • Given further appropriate training periodically	Guideline 1.6
Board's approval for matters including material transactions • Clear specification of matters to be approved by the Board	Guideline 1.5
Information to the Board • Sufficient lead time provided before meetings • Access to company secretary • Access to independent professional advice	Guidelines 6.1, 6.2, 6.3, 6.5
REMUNERATION MATTERS	
Remuneration committee • Comprises two (2) non-executive directors, two of whom (including Chairman) are independent	Guideline 7.1
Structure for non-executive director fee • Framework is clearly specified	Guideline 7.2
Remuneration structure of executive director and top 5 executives • Comprises fixed and variable components	Guideline 8.1, 8.4

CORPORATE GOVERNANCE REPORT

Governance	Implemented and Presented in Annual Report
Disclosure of remuneration of directors and top 5 executives • Disclosure in bands	Guidelines 9.2, 9.3
Disclosure of employee related to directors/CEO • No employee related to directors/CEO	Guideline 9.4
ACCOUNTABILITY AND AUDIT	
Audit committee • Comprises entirely independent directors	Guideline 12.1
Competencies of audit committee • AC members have relevant experience and expertise	Guideline 12.2, Directors' Profile
Risk management and internal controls • Enterprise Risk Management ("ERM") Framework in place • Considered adequate and effective	Guidelines 11.1, 11.2, 11.3
Internal audit function • Internal audit function is outsourced to Protiviti Pte Ltd • Internal audit works closely with external auditors • AC reviews effectiveness of internal audit function annually	Guidelines 13.1, 13.2, 13.3, 13.4, 13.5
Independence of external auditors • Considered independent • Breakdown of fees	Guideline 12.6
Compliance with legislative and regulatory requirements • Details on compliance practices	Guideline 10.2
Whistle-blow policy • Details of policy	Guideline 12.7
COMMUNICATION WITH SHAREHOLDERS	
Timely disclosure of financial results • Fair and timely disclosure through appropriate channels	Guideline 15.2
Corporate website & SGXNet • Investor relations policy • Distinctive link with information were on website • Easy access to material information	Guidelines 15.1, 15.2, Investor Relations
Briefings on results announcement • To shareholders, analysts and the media	Guidelines 15.3, 15.4
Soliciting and understanding views of shareholders • General meetings	Guideline 15.4
Shareholders participation • Voting at general meetings • Proxies	Guidelines 14.2, 14.3, 15.3, 16.1, 16.5
Dividend policy • No dividend policy	Guideline 15.5
ADDITIONAL GOVERNANCE PRACTICES	
Dealings in securities • Details on internal compliance code	Dealing in Securities
Interested person transactions • Details on internal policy	Interested Person Transactions ("IPT")
Material contracts • Details on material contracts	Material Contracts

Corporate Governance Practices

The Board of Directors and management of TEE Land believe that ensuring business and performance sustainability, safeguarding shareholders' interests and maximising long-term shareholders' value entails a firm commitment to high standards of corporate governance.

TEE Land upholds the highest standards of corporate governance, business integrity and professionalism in all aspects of its business operations, reinforced by the adoption of a set of internal corporate governance guidelines based on the Code of Corporate Governance 2012 ("2012 Code"). Unless otherwise specifically explained, the Company is compliant with the principles and guidelines recommended in the 2012 Code and will strive to improve its corporate governance practices through regular reviews.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guideline 1.1: Board's Role

The Board's primary objectives are to maximise long-term shareholders' value and protect the Group's assets. In its leadership role to guide the Group, the Board's responsibilities apart from statutory responsibility include:

(1) Providing entrepreneurial leadership;
(2) Approving the Group's policies, strategies and financial plans;
(3) Ensuring adequate financial and human resources are in place for the Group to meet its objectives;
(4) Overseeing the Group's framework of risk management and internal controls, as well as corporate governance practices;
(5) Reviewing the Group's financial and management performance;
(6) Considering sustainability issues as part of the Group's strategic formulation;
(7) Identifying the key stakeholder groups and recognising that their perceptions affect the Group's reputation; and
(8) Setting the Group's core values and ethical standards.

Guideline 1.2: Objective Directors

Each director brings to the Board skills, experience, insights and sound judgement, alongside strategic networking relationships that would serve to further the interests of the Group. In order to perform the Board's role effectively, all directors are obliged to act in good faith and exercise independent judgement as fiduciaries in the best interests of the Group and shareholders.

Guideline 1.3: Delegation of Authority to Board Committees

Various Board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Strategic Advisory Committee ("SAC"), have been constituted with clear terms of reference to assist the Board in executing its functions and responsibilities. To ensure good corporate governance, all Board Committees are regularly engaged in active communications with the Board. Internal guidelines on financial authority and approval guidelines for investments, divestments, loans and other capital investments have been established by the Group.

The SAC comprises three members, namely Mr. Phua Chian Kin (Chairman), Mr. Lim Teck Chai, Danny (Member), and Dr. Tan Khee Giap (Member). The key roles of the SAC, which operates within the boundary of authority delegated by the Board, includes providing advisory support on the development of the Group's overall strategy, reviewing strategic issues, reviewing and approving feasibility studies for real estate acquisitions, strategic investments and divestments, as well as the awarding of contracts and procurement of services related to real estate developments, and approving material capital and operating expenditures.

CORPORATE GOVERNANCE REPORT

Guideline 1.4: Board and Board Committee Meetings and Directors' Record of Attendance

To facilitate full attendance, all Board and Board Committee meetings and the Annual General Meeting ("AGM") are scheduled after consultation with the directors. The Board meets at least four times annually at regular intervals, apart from ad-hoc meetings that are convened when matters requiring the Board's attention arise. In accordance with the Company's Constitution, meetings could be held via tele-conference, video-conference and/or through the use of any other audio or similar communication means.

Four formal Board meetings and various Board Committee meetings were held during FY2018. The attendance of directors at the Board and Board Committee meetings, as well as the frequency of the meetings, are as follows:

Attendance records of meetings of the Board and Board Committees during FY2018:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Strategic Advisory Committee
Er. Dr. Lee Bee Wah	4 of 4	4 of 4	1 of 1	–	–
Dr. Tan Khee Giap	4 of 4	4 of 4	–	2 of 2	4 of 4
Mr. Chin Sek Peng	4 of 4	4 of 4	1 of 1	2 of 2	–
Mr. Lim Teck Chai, Danny	4 of 4	4 of 4	–	–	4 of 4
Mr. Phua Cher Chew [1]	4 of 4	4 of 4	1 of 1	2 of 2	–
Dato Paduka Timothy Ong Teck Mong [2]	3 of 4	3 of 4	–	–	–
Ms. Saw Chin Choo [3]	4 of 4	4 of 4	–	2 of 2	–
Mr. Neo Weng Meng, Edwin [4]	2 of 4	1 of 4	–	-	–
Mr. Phua Chian Kin [5]	-	–	–	–	4 of 4

1 Mr. Phua Cher Chew is not a member of the AC but was invited to attend AC meetings. He is also not a member of the RC but was invited to attend the RC meeting.

2 Dato Paduka Timothy Ong Teck Mong is not a member of the AC but was invited to attend AC meetings.

3 Ms. Saw Chin Choo is not a member of the AC but was invited to attend AC meetings. She resigned as a director of the Company on 31 July 2018.

4 Mr. Neo Weng Meng, Edwin was appointed as a Non-Executive Director on 16 January 2018. He is not a member of the AC but was invited to attend AC meetings.

5 Mr. Phua Chian Kin is not a director of the Company. He was appointed as Chairman of the SAC with effect from 1 March 2016.

Guideline 1.5: Matters for Board Approval

The key roles of the Board and matters which require the Board's approval are, *inter alia* :

(1) The review, deliberation and approval of the Group's corporate strategies and directions, annual budgets, major investments, divestments and funding proposals; and

(2) The review of the Group's financial performance, risk management and internal control processes and systems, human resource requirements and corporate governance practices.

The Board works closely with the management, who are responsible for the day-to-day operation and administration of the Group, and ensures adherence with the policies and strategies set by the Board.

Guidelines 1.6 & 1.7: Director Orientation & Training

When appointing a new director, a formal letter of appointment will be issued setting out the director's duties and obligations. To facilitate an understanding on the Group's business activities, strategic directions and corporate governance policies and practices, appropriate orientation programmes and briefings by the management will be given to any new director.

All directors are regularly updated on accounting and regulatory changes, and are given further appropriate training periodically. The directors attended training and update sessions at the Singapore Institute of Directors, recognised training institutions and in-house workshops organised by the Company. Types of courses or seminars attended during the year include those covering corporate governance, financial reporting standards, leadership, as well as sustainability reporting and ethnics, amongst others.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

Guideline 2.1: Strong and Independent Board

It is imperative to have an effective Board in place performing its responsibilities while leading and controlling the business of the Group. Taking into account the various geographical locations where the Group is currently operating in, the Board firmly believes that it should comprise executive directors with in-depth knowledge of the business and relevant experience, as well as non-executive and/or independent directors who would provide a broader and independent perspective on the Group's activities.

There are seven directors on the Board, of whom four are independent directors, two are non-executive directors and one is an executive director. As of 16 January 2018, Mr. Neo Weng Meng, Edwin, joined the Board as a non-executive director. As of 31 July 2018, a Non-Executive Director, Ms. Saw Chin Choo, resigned as a director of the Company. Despite the changes in the composition of the Board, Board independence has not been affected. Board independence remains in-line with the recommendation of the 2012 Code, which states that at least one-third of the Board should comprise independent directors. Independence has been determined by the NC based on the "independence" criteria set out in the 2012 Code.

The composition of the Board is as follows:

Er. Dr. Lee Bee Wah, Independent Director (Chairman)
Dr. Tan Khee Giap, Independent Director
Mr. Chin Sek Peng, Independent Director
Mr. Lim Teck Chai, Danny, Independent Director
Mr. Phua Cher Chew, Executive Director
Dato Paduka Timothy Ong Teck Mong, Non-Executive Director
Ms. Saw Chin Choo, Non-Executive Director (Resigned as a director on 31 July 2018)
Mr. Neo Weng Meng, Edwin, Non-Executive Director (Appointed as a director on 16 January 2018)

Aside from having independent directors constituting at least 50% of the Board leading the Group, the Board also recognises the importance of gender diversity. We have a female director - the Chairman of the Board - who enables the Board to make more objective decisions on corporate affairs through robust and balanced discussions.

Inclusively, non-executive directors actively participate in constructive discussions with the management to develop strategic plans and conduct management performance reviews.

CORPORATE GOVERNANCE REPORT

Guideline 2.2: Independent Directors Composition

As stipulated in the 2012 Code, independent directors should comprise 50% of the Board in a case where the Chairman and CEO are the same person, the Chairman and CEO are immediate family members, the Chairman is part of the management team or the Chairman is not an independent director.

Er. Dr. Lee Bee Wah, Non-Executive Chairman, and Mr. Phua Cher Chew, Executive Director and CEO of TEE Land, are not related. In addition, the Chairman is an independent director who is not part of the management team.

In view of the above, the Board has surpassed the independence requirements with independent directors making up at least 50% of the Board. With sufficient presence of independent directors, a lead independent director has not been appointed.

Guideline 2.3: Board Independence

A review of each director's independence is conducted annually by the NC in accordance with the 2012 Code's "independence" criteria. In determining independence, the NC takes into consideration whether a director has business relationships with the Company or any of its related companies, and if applicable, whether such relationships could interfere or be reasonably perceived to interfere, with the exercise of the director's independent judgement in acting in the best interests of the Group.

The NC noted that Rajah and Tann Singapore LLP, being a regional law firm in which Mr. Lim Teck Chai, Danny is an equity partner, was engaged to provide various legal services to the Group. The legal fees were charged at an arm's length basis. The aggregate sum of payments to Rajah and Tann Singapore LLP, based on the relevant shareholding proportion held by the Company in the respective subsidiaries, amounted to approximately S$119,000 for the financial year.

In view of the above, the NC is of the firm view that Mr. Lim Teck Chai, Danny, is deemed independent. Mr. Lim has abstained from attending meetings relating to, and voting on any board resolutions that relate to the selection and/or engagement of legal services by the Group where Rajah and Tann Singapore LLP has submitted a quotation for the project.

Guideline 2.4: Independence of Directors Who Have Served on the Board Beyond Nine Years

As none of the directors have served on the Board for more than nine years, the Board has determined that there is no requirement for progressive refreshing of the Board at the moment.

Guidelines 2.5 & 2.6: Board Competency

The NC reviews the size and composition of the Board, each Board Committee and the skills and core competencies of its Board members to ensure an appropriate balance and diversity of skills and experience, taking into consideration the scope and nature of the operations of the Group. Core competencies that are taken into consideration include banking, finance, accounting, business and management experience, real estate related industry knowledge, familiarity with regulatory and compliance requirements and knowledge of risk management. Collectively, the Board possesses professional expertise in the relevant fields such as real estate, engineering, finance, economics, and legal, which are necessary to perform their role as the Board.

Guidelines 2.7 & 2.8: Role of Non-Executive Directors and Regularity of Non-Executive Directors Meetings

The non-executive directors are actively involved in the development of strategies and goals, and the assessment of management performance in meeting goals that have been agreed upon. With more than one-third of the Board comprising non-executive directors, it ensures the objectivity of such strategic discussions through the provision of broad perspectives. Furthermore, non-executive directors have meetings periodically without the presence of the management to enable more comprehensive checks on the effectiveness of the management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Guideline 3.1: Division of Chairman and CEO Roles

Er. Dr. Lee Bee Wah is the Non-Executive Chairman while Mr. Phua Cher Chew is the Executive Director and CEO of TEE Land. The roles of the Chairman and CEO are separate to ensure a clear distinction of responsibilities, increased accountability and greater capacity of the Board for independent decision-making. Through a consensus of the Board, a division of responsibilities and functions between the two roles has been established. Additionally, the Chairman and the CEO are not related.

Guideline 3.2: Role of Chairman

As Chairman, Er. Dr. Lee Bee Wah takes on the responsibilities of leading the Board, overseeing the execution of the Board's decisions and strategic direction and ensuring high standards of corporate governance. She approves Board's meeting agenda and ensures that sufficient time is allocated for comprehensive discussion of each agenda item. To promote effective and meaningful contributions by non-executive directors, she advocates an open environment for debate and free speech. She also regulates the quality and quantity of information, as well as the timeliness of information flow between the Board and the management. On a whole, she provides oversight, guidance and advice to the CEO and management.

Assisted by the management team, the CEO, Mr. Phua Cher Chew, makes strategic and key operational proposals to the Board and executes approved proposals after robust Board discussions. He is responsible for managing and developing the Group's businesses and overseeing the Group's day-to-day operations.

At AGMs and other shareholders' meetings, the Chairman chairs the meetings while ensuring constructive dialogue between shareholders, the Board and management.

Guidelines 3.3 & 3.4: Appointment of Lead Independent Director

The 2012 Code states that a company should appoint an independent director to be the lead independent director in a case where the Chairman and CEO are the same person, the Chairman and CEO are immediate family members, the Chairman is part of the management team or the Chairman is not an independent director. Since it has been established that the above does not apply to the Company, the Board has determined that there is no requirement to appoint a lead independent director.

BOARD COMMITTEES

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Guideline 4.1: Nominating Committee

The NC comprises two independent directors and an executive director as follows:

Independent Directors
Er. Dr. Lee Bee Wah (Chairman)
Mr. Chin Sek Peng (Member)

Executive Director
Mr. Phua Cher Chew (Member)

CORPORATE GOVERNANCE REPORT

The majority of the NC members are independent from business and management relationships. Both the independent directors, including Er. Dr. Lee Bee Wah, the Chairman of the NC, are independent from a 10% shareholder of the Company.

Guidelines 4.2 & 4.3: Responsibilities of NC and Determining Directors' Independence

The NC has the key responsibilities of making recommendations to the Board on all Board appointments and reappointments while ensuring a formal and transparent process, assessing the effectiveness of the Board as a whole and affirming the independence of directors annually. Board composition is also evaluated to ensure a diversity of skills and experience within the Board and Board Committees.

The NC is guided by, *inter alia*, the following terms of reference:

(1) Recommend the appointment and re-appointment of directors;

(2) Review the Board's structure, size and composition on a regular basis and make recommendations to the Board on any adjustments that are deemed necessary;

(3) Perform an annual review on the independence of each director, and ensure that independent directors constitute at least one-third of the Board. In relation to the Board's independence, the NC would conduct a particularly rigorous review on the independence of any director who has served on the Board beyond nine years from the date or his/her first appointment;

(4) Decide, when a director has other public-listed company board representations and/or principal commitments, whether the director is able to and has been adequately carrying out his or her duties as director of the Company. Guidelines will be adopted to address the competing time commitments that are faced when Directors serve on multiple boards;

(5) Recommend the performance evaluation process for the Board, the Board Committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board;

(6) Perform an annual assessment of the effectiveness of the Board;

(7) Review the succession plans for the Board (in particular, the Chairman and CEO);

(8) Review the training and professional development programmes for Board members;

(9) Review and approve any employment of persons related to directors and substantial shareholders and the proposed terms of their employment; and

(10) Perform such other functions as the Board may determine.

At 31 May 2018, the key details of each director are as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Appointment	Past & Present Directorships in the Last Three (3) Years in Other Listed Companies
Er. Dr. Lee Bee Wah	Non-Executive Chairman and Independent Director	15 May 2013	29 September 2017	Present • Koh Brothers Group Limited
Dr. Tan Khee Giap	Independent Director	15 May 2013	23 September 2016	Present • Breadtalk Group Limited • Boustead Projects Limited Past • Artivision Technologies Limited • Forterra Real Estate Pte. Ltd. (Trustee-Manager for Forterra Trust)
Mr. Chin Sek Peng	Independent Director	15 May 2013	29 September 2017	Present • Sunpower Group Ltd • Cortina Holdings Limited • Sitra Holdings (International) Limited
Mr. Lim Teck Chai, Danny	Independent Director	15 May 2013	29 September 2015	Present • UG Healthcare Corporation Limited • Kimly Limited • Stamford Land Corporation Ltd Past • China Star Food Group Limited • SinCap Group Limited
Mr. Phua Cher Chew	Executive Director	18 December 2012	29 September 2017	Present • Chewathai Public Company Limited
Dato Paduka Timothy Ong Teck Mong	Non-Executive Director	15 May 2013	23 September 2016	Present • YOMA Strategic Holdings Ltd
Ms. Saw Chin Choo [1]	Non-Executive Director	18 December 2012	23 September 2016	Present • TEE International Limited
Mr. Neo Weng Meng, Edwin [2]	Non-Executive Director	16 January 2018	–	Present • Not applicable

1 Ms. Saw Chin Choo resigned as a director of the Company on 31 July 2018.

2 Mr. Neo Weng Meng, Edwin was appointed as Non-Executive Director on 16 January 2018.

Upon review on the declarations by the four independent directors in accordance with the 2012 Code's "independence" criteria, the NC is of the opinion that all four independent directors are considered independent.

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Guideline 4.4: Listed Company Board Representations and Other Principal Commitments

The maximum number of Board representations as determined by the NC and concurred by the Board for each director should not exceed six (6) public-listed companies. With increasing demands on a director's role, this limit has been imposed to ensure that each director allocates sufficient time and attention to adequately perform his/her role as a director of the Company. Any additional directorship beyond the recommended number shall be reviewed by the NC to determine if that director is able to and has been adequately carrying out his/her duties as a director of the Company. Based on the reviews by the NC, the Board is of the view that the Board and its Board Committees operate effectively, with each Director contributing to the overall effectiveness of the Board.

Guideline 4.5: Appointment of Alternate Directors

With reference to Guideline 4.5 of the 2012 Code, which recommends Boards to generally avoid approving the appointment of alternate directors unless in exceptional cases for limited periods, no alternate directors have been appointed to the Board of the Company.

Guideline 4.6: Selection and Appointment of Directors

The NC has in place a formal procedure for making recommendations to the Board on the selection and appointment of directors. The NC, in consultation with the Board and management as appropriate, determines the qualification, skill set, competence and expertise required or expected of a new Board member, taking into account the size, structure, composition, and progressive renewal of the Board, as well as the nature and size of the Group's operations.

Recommendations from Board members, business associates, advisors, professional bodies and other industry players are reviewed by the NC.

The NC will review the curriculum vitae and other particulars/information of the candidate. The NC, in evaluating the suitability of the nominee or candidate, will take into account his/her qualifications, business and related experience and ability to contribute effectively to the Board process. The NC will also determine if the candidate is able to commit time to his/her appointment having regard to his/her other Board appointments, and if he/she is independent. The evaluation process will involve an interview or meeting with the candidate. Appropriate background and confidential searches will also be made. Recommendations of the NC are then put to the Board for its consideration. The Board will review the recommendations and approve the appointment as appropriate.

All directors, including the Chairman of the Board and CEO, are required to subject themselves for re-election at least once every three years. Pursuant to Regulation 89 of the Company's Constitution, one-third of the directors shall retire from office by rotation at each AGM. In addition, any newly appointed director is also required to submit himself or herself for re-election at the AGM following his or her appointment pursuant to Regulation 88 of the Company's Constitution.

Mr. Neo Weng Meng, Edwin was appointed as a Non-Executive Director on 16 January 2018. The NC has reviewed Mr. Neo's background, qualifications and experiences and is of the view that he will bring valuable insights to the Board and contribute to the Group. The Board of Directors has accepted NC's recommendation and approved the appointment of Mr Neo as a Non-Executive Director of the Company. As a new director appointed on 16 January 2018, Mr. Neo Weng Meng, Edwin will stand for re-election pursuant to Regulation 88 of the Company's Constitution.

The NC has recommended the re-appointments of Dr. Tan Khee Giap and Mr. Lim Teck Chai, Danny, who will be retiring by rotation pursuant to Regulation 89 of the Company's Constitution at the forthcoming AGM following a review of their performance and contributions.

The Board has accepted the NC's recommendations and accordingly, the abovementioned directors will be offering themselves for re-election.

Guideline 4.7: Directors' Information

Key information on the directors, with regards to academic and professional qualifications, board committees served on (as a member or chairman), date of first appointment as a director, date of last re-appointment as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, can be found in the table on the previous page and the Board of Directors section of the annual report.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Guidelines 5.1 and 5.3: Process for Accessing Board performance

Formal processes for assessing the Board's effectiveness as a whole and contribution from each of the respective Board Committees, namely the AC, NC and RC, have been agreed upon by the Board. Collective assessment of the members of the Board and Board Committees occurs annually.

Performance evaluations for the Board and respective Board Committees were carried out for FY2018, in which a questionnaire was utilised to facilitate the performance evaluation exercise. In evaluating the effectiveness of the Board, the NC has considered factors relating to individual directors such as the principal commitment of the directors including the number of public-listed company board representations that each of them has, the attendance to-date at Board and Board Committee meetings, as well as the professional experience and expertise of the directors. No external facilitator was utilised by the Board for this exercise. The NC discussed the results and observations of this exercise and shared the findings with the Board.

The NC has considered that individual director's evaluation as recommended by the 2012 Code was not deemed necessary and that the current annual assessment of the Board as a whole was sufficient for the time being.

Guideline 5.2: Criteria for Performance Evaluation

Objective and stringent performance evaluation criteria have been agreed upon by the NC and approved by the Board. The evaluation criteria include comparisons with industry peers and ensuring the Board stays focused on enhancing long-term shareholders' value. Reviews for a change in the criteria occur only when circumstances deem it necessary and are subject to the approval of the Board.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines 6.1 & 6.2: Timely Access and Provision of Information

Recognising that a complete, adequate, timely and constant flow of information to the Board is vital for the Board to effectively and efficiently fulfil its duties, sufficient lead time is provided to directors to prepare for meetings. All Board and Board Committee meeting papers are disseminated to directors at least three (3) working days in advance of any meeting. Any additional information requested by the directors is promptly furnished. This facilitates meeting discussions that are more productive, with a focus on queries that directors may have.

Background and explanatory information such as facts, resources required, risk analysis and mitigation strategies, financial impact, expected outcomes, conclusions and recommendations are provided in all management proposals that required approval from the Board. Depending on the matter on-hand, employees who can provide additional insights on the issue will be present at the relevant time during the Board and Board Committees meetings.

Guideline 6.3: Access to Company Secretary

There are three Company Secretaries, namely Mr. Ng Tah Wee, David, Ms. Yeo Ai Mei and Ms. Lai Foon Kuen. Their roles include, *inter alia*:

(1) Administering, attending and preparing minutes of Board and Board Committees proceedings;

(2) Assisting the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board;

(3) Supporting the Chairman in ensuring that the Company's Constitution and relevant rules and regulations including requirements of the Companies Act and Listing Manual of the SGX-ST are complied with;

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(4) Aiding the Chairman in ensuring timely and good information flow to the Board and Board Committees, and between management and non-executive directors; and

(5) Advising the Board on corporate governance best practices.

All directors are provided with the contact details of the Company's management and the Company Secretaries to facilitate direct access to these personnel.

Guideline 6.4: Appointment and Removal of Company Secretary

Any appointment and removal of the Company Secretary is subject to the approval of the Board.

Guideline 6.5: Access to Independent Professional Advice

The directors, both as a group and individually, may seek and obtain independent professional advice at the expense of the Company in order to fulfil their duties and responsibilities. This is subject to the approval of the Chairman.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guideline 7.1: Composition of Remuneration Committee

The RC comprises two independent directors and a non-executive director as follows:

Independent Directors
Dr. Tan Khee Giap (Chairman)
Mr. Chin Sek Peng (Member)

Non-Executive Director
Ms. Saw Chin Choo (Member) (Resigned as a director on 31 July 2018)

As Ms. Saw has resigned from the Board on 31 July 2018, a replacement will be appointed to the RC as a Member in due course. With the majority of the RC comprising independent directors, it minimises the risks of potential conflict of interests.

Guideline 7.2: Remuneration Framework

The RC is primarily responsible for ensuring that the process of developing the executive remuneration policy and determining individual director's and key management personnel's remuneration packages are carried out in a formal and transparent manner. For talent retention purposes, the RC assists the Board to ensure that the remuneration policies and practices promote staff retention and motivation to perform, yet without being excessive to maximise shareholders' value.

Subject to the Board's endorsement, the RC recommends to the Board a framework of remuneration and terms of employment covering all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, grant of shares and share options, and benefits in kind. In addition, specific remuneration packages for each director, key management personnel and employees related to directors or substantial shareholders of the Group (if any) are deliberated on before the Board endorses it.

Guideline 7.3: Expert Advice on Remuneration

If the need arises, the RC will seek expert advice internally and externally on remuneration of the directors. Remuneration consultants have not been engaged by the Company for FY2018 to advise on the remuneration of the directors.

Guideline 7.4: Termination of Contracts of Service

The RC reviews the contracts of service of the executive directors and key management personnel to ensure that they contain fair and reasonable termination clauses which are not overly onerous and do not reward poor performance.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Guidelines 8.1 & 8.4: Remuneration Structure of Executive Director and Key Management Personnel, and Contractual Provisions

The performance-based remuneration system that is adopted by the Company is very flexible and responsive to the performance of the market, Company, business units, and individual employees. The RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate. In designing the compensation structure, the RC strikes a balance between short term versus long term compensation and between cash versus equity incentive compensation. The complete remuneration mix available comprises three main components – annual fixed cash, annual performance-related variable component, as well as the TEE Land Employee Share Option Scheme ("TEE Land ESOS") and TEE Land Performance Share Plan ("TEE Land PSP").

As at the date of this report, the Company has in place contractual provisions to allow the Group to reclaim certain incentive components of remuneration from the executive directors.

Guideline 8.2: Long-term Incentive Schemes

The TEE Land ESOS and TEE Land PSP are administered by the RC as the long-term incentive component of the remuneration structure. These performance-related components of remuneration link rewards to corporate and individual performance. With the purpose of aligning interests with those of shareholders, directors, key management personnel and staff who are eligible for ESOS are strongly encouraged to hold their shares beyond the vesting period, when awarded.

Guideline 8.3: Remuneration of Non-Executive Directors

A fixed fee has been recommended by the Board for the effort, time spent and responsibilities for each of the independent and non-executive directors. With higher level of responsibility, the respective chairmen of the Board and various Board Committees are remunerated with higher directors' fees. Executive directors and the nominee director from TEE International Limited (the parent company) receive lower directors' fees as compared to the independent and non-executive directors.

Similar to the previous year, TEE Land will be seeking shareholders' approval at the AGM to pay the directors' fees on a current year basis. On this basis, TEE Land will pay all directors on a quarterly basis in arrears. Directors based overseas are reimbursed for out-of-pocket travelling and accommodation expenses in Singapore.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guideline 9.1: Report on Remuneration

Discretion and independent judgement are exercised by the RC in ensuring that the compensation structure aligns with shareholders' interest and promotes long-term success of the Group while discouraging behaviours contrary to the Group's risk profile.

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Guideline 9.2: Directors' Remuneration

Given that the labour market remains competitive, the Board has reviewed and decided not to fully disclose the remuneration of the Company's directors. Instead, remuneration has been disclosed in bands and further broken down to various remuneration components.

Remuneration Bands and Name of Director of the Company	Directors' Fees[1] %	Attendance Fees %	Salaries[2] %	Bonuses[2] %
S$250,000 to below S$500,000				
Mr. Phua Cher Chew	2.5	2.3	72.0	23.2
Below S$100,000				
Er. Dr. Lee Bee Wah	91.2	8.8	–	–
Dr. Tan Khee Giap	87.0	13.0	–	–
Mr. Chin Sek Peng	89.1	10.9	–	–
Mr. Lim Teck Chai, Danny	86.1	13.9	–	–
Dato Paduka Timothy Ong Teck Mong	90.9	9.1	–	–
Ms. Saw Chin Choo[3]	54.2	45.8	–	–
Mr. Neo Weng Meng, Edwin[4]	77.0	23.0	–	–

Notes:

1 The directors' fees for FY2018.

2 The salaries and bonuses shown are inclusive of Singapore Central Provident Fund contributions.

3 Ms. Saw Chin Choo resigned as a director of the Company on 31 July 2018.

4 Mr. Neo Weng Meng, Edwin was appointed as Non-Executive Director on 16 January 2018.

The total directors' fees for FY2018, which was approved in the AGM on 29 September 2017, amounted to S$342,000.

Guideline 9.3: Remuneration of Key Management Personnel

The level and mix of remuneration of the key management personnel (who are not directors or the CEO) for FY2018 are set out in the table below.

Remuneration Band	Salaries[1] %	Bonuses[1] %
S$100,000 to below S$250,000		
4 Key Management Personnel	88.5%	11.5%
Total Remuneration	S$739,148	

Note:

1 The salaries (including attendance fees at Board and/or Board Committees' meetings) and bonuses shown are inclusive of Singapore Central Provident Fund Contributions.

Taking into consideration the highly competitive business environment, the nature of the industry, and the confidentiality of the Group's remuneration policies, the Board is of the view that providing full disclosure of the remuneration of each key management personnel is not in the best interests of the Group and may adversely affect talent attraction and retention. As at 31 May 2018, the Group had four (4) key management personnel, namely Mr. Ng Tah Wee, David, Ms. Fanny Cheng Hui Fen, Mr. Lawrence Toh Leng Poh and Mr. Wong Chee Meng, Raymond.

Guideline 9.4: Remuneration of Employees Related to Directors or CEO

No employee of the Company and its subsidiaries was an immediate family member of a director or the CEO and whose remuneration exceeded S$50,000 during the financial year ended 31 May 2018. "Immediate family member" refers to the spouse, child, adopted child, step-child, brother, sister and parent.

Guidelines 9.5 & 9.6: Employee Share Schemes

Recognising the importance of human capital for the future growth and development of our Group, employee share schemes are in place to reward the contributions and continued dedication of our employees and non-executive directors. The TEE Land PSP is a share-based incentive which complements the TEE Land ESOS to form an integral part of our incentive compensation programme. These two complementary programmes provide for greater flexibility in structuring market competitive compensation packages of eligible participants and additional incentive for motivating and retaining employees.

While the TEE Land ESOS grants options, the TEE Land PSP is designed to reward employees with fully-paid shares, or the equivalent in cash or a combination of both, at the sole discretion of the Company. Awards granted under the TEE Land PSP will only vest upon the fulfilment of prescribed service conditions, as may be decided by the Company at the relevant point in time and/or according to the extent to which employees achieve their performance targets over specific performance periods, as determined by the RC which administers the programme. Performance targets are set based on medium-term corporate objectives encompassing market competitiveness, quality of returns, business growth and productivity growth.

The TEE Land PSP primarily targets executives in key positions who are able to drive the growth of our company through their creativity and innovation, and perform above expectations. During the PSP awards selection process, the RC will take into account the compensation and/or benefits to be given to the participants under any concurrent share scheme implemented by the Company. The number of new shares to be issued under the TEE Land PSP and ESOS programmes is capped at the existing maximum limit of 15% of the Company's total issued share capital (excluding treasury shares).

The TEE Land ESOS, if awarded, will provide eligible employees with an opportunity to participate in the equity of our Company that serves to motivate better staff performance through increased dedication and loyalty.

As of 31 May 2018, no option has been granted under the TEE Land ESOS and no shares have been awarded under the TEE Land PSP.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Guideline 10.1: Provision of Balanced and Comprehensible Company Performance Assessment

The Company seeks to maximise shareholders' value by maintaining accountability of the Board to the shareholders, as well as of the Company's management to the Board. The Board is accountable to shareholders for the Group's performance.

The Board provides shareholders with the Group's quarterly financial results and annual financial reports in a timely manner. Results for the first three quarters are released to shareholders no later than 45 days from the end of each financial quarter. Annual results are released within 60 days from the financial year-end. In presenting the annual and quarterly financial information to shareholders, the Board aims to provide shareholders with a fair and clear assessment of TEE Land's performance, position and prospects.

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The Board embraces openness and transparency in the conduct of the Group's affairs, whilst preserving the commercial interests of the Group. Financial reports and other price sensitive information are disseminated to shareholders through announcements via SGX-ST's SGXNet broadcast network ("SGXNet"), press releases, the Company's website and media and analyst briefings.

Guideline 10.2: Compliance with Legislative and Regulatory Requirements

For the financial year under review, the CEO and the Financial Controller ("FC") have provided assurance to the Board on the integrity of the financial statements for TEE Land and its subsidiaries. For interim financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the SGX-ST Listing Manual. The assurances were confirmed by Mr. Phua Cher Chew, Executive Director, and Ms. Saw Chin Choo, Non-Executive Director. In addition, the Company has procured undertakings from all directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the SGX-ST Listing Manual.

The Company completes and submits compliance checklists to SGX-ST when applicable to ensure that all announcements, circulars and letters to shareholders comply with the requirements set out in the SGX-ST Listing Manual.

Guideline 10.3: Management Accounts to the Board

The management updates the Board on matters concerning the business and operations regularly or when required by the Board. Major issues are highlighted to the Board for their attention. Such timely updates enable the Board to make a fair and informed assessment of the Company's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guideline 11.1: Risk Management and Internal Control Systems

The Group has in place an Enterprise Risk Management ("ERM") Framework, which was established since FY2014, to facilitate the Board's assessment on the adequacy and effectiveness of the Group's risk management and internal controls systems. The framework sets out the governing policies, processes and systems pertaining to each key risk area of the Group. The adequacy and effectiveness of the Group's risk management and internal controls systems in managing these key risk areas are assessed on a regular basis to take into account the ever-changing business and operating environments as well as evolving corporate governance requirements.

Identified risks affecting the attainment of business objectives and financial performance of the Group over the short to medium term are summarised in the Group Risks Register and rated in accordance with their likelihood and consequential impact to the Group. These identified risks are managed and mitigated through counter measures.

The ERM Framework expands on existing internal controls, resulting in a stronger and more extensive focus on the broad spectrum of enterprise risk management. The ERM Framework incorporates the internal control systems within it. This enables us to leverage on the ERM Framework to satisfy internal control needs and to move towards a more comprehensive risk management process.

Guideline 11.2: Adequacy and Effectiveness of Risk Management and Internal Control Systems

The ERM system is an integral part of the Group's business and operations management process. At least once a year, the Board receives reports from the management for review pertaining to the Group's risk profile, evaluated results and counter measures to mitigate or transfer identified potential risks so as to assure that the process is operating effectively as desired. Such review exercises ensure the continued relevancy of the ERM and internal control systems in place.

Guideline 11.3: Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board has the overall responsibility for the governance of risks and ensures that the Group has the capabilities to manage and control the risks in new and existing businesses.

During FY2018, the AC reviewed reports submitted by the internal and external auditors relating to the effectiveness of TEE Land's internal controls covering the adequacy and effectiveness of internal controls to address the key financial, operational, compliance risks and information technology risks.

The Board has received assurance from the CEO and FC that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal controls are in place and effective.

Based on the ERM Framework and the internal controls established and maintained by TEE Land, work performed by the internal and external auditors, reviews performed by the management, various Board Committees and the Board, and the above assurance from the CEO and FC, the Board with the concurrence of the AC, is of the opinion that TEE Land's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks during FY2018.

Guideline 11.4: Risk Committee

Taking into account the Group's business operations as well as ERM Framework and existing internal control systems, the Board is of the view that a separate risk committee is currently not necessary. Instead, the oversight of the ERM Framework and policies is incorporated as part of the functions of the AC.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Guideline 12.1: Audit Committee Membership

The AC consists of four independent directors as follows:

Independent Directors
Mr. Chin Sek Peng (Chairman)
Er. Dr. Lee Bee Wah (Member)
Dr. Tan Khee Giap (Member)
Mr. Lim Teck Chai, Danny (Member)

All the AC members are independent from business and management relationships. At least 2 members including the Chairman of the AC have sufficient accounting and related financial management expertise. All the members of the AC are suitably qualified to discharge the AC's responsibilities. The primary role of the AC is to undertake any matter within its Terms of Reference ("TOR").

The AC is guided by, *inter alia*, the following TOR:

(1) Review significant financial reporting issues and judgements to ensure integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(2) Review with the internal and external auditors on their audit plans, their evaluation of the system of internal controls, their audit reports and their management letters and management's responses;

(3) Review and report to the Board the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management policies;

(4) Review at least annually the adequacy and effectiveness of the Group's internal audit function including ensuring it is staffed with persons with the relevant qualifications and experience;

(5) Make recommendations to the Board on proposals to shareholders on the appointment, re-appointment, resignation and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

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(6) Review interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual; and

(7) Review the policy and arrangements by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters; and conduct an independent investigation of such matters for appropriate follow-up action pursuant to the Group's whistle-blowing programme.

Guideline 12.2: AC Members Expertise

The Board is of the view that Mr. Chin Sek Peng is well qualified to chair the AC with his extensive and practical financial management, auditing and accounting knowledge and experience. Er. Dr. Lee Bee Wah and Dr. Tan Khee Giap have practical experience and knowledge on issues concerning the committee from serving on the audit committees of other public-listed companies on the SGX-ST. Mr. Lim Teck Chai, Danny, who is a partner in Rajah & Tann Singapore LLP, is well versed in the compliance requirements of SGX-ST and Monetary Authority of Singapore through his experience in practising and advising on all aspects of corporate legal advisory and transactional work, both locally and regionally.

Guideline 12.3: Authority of AC

The AC has full access to, and the cooperation of, management and full discretion to invite any director or officer to attend meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

Guideline 12.4: Duties and Responsibilities of AC

The AC holds quarterly meetings to review the integrity of financial information including the relevance and consistency of the accounting principles adopted, after which the financial results and corresponding SGXNet announcements are recommended to the Board for approval. Additionally, the AC reviews the adequacy and effectiveness of TEE Land's internal control systems – including financial, operational, compliance and information technology controls and risk management policies - and regulatory compliance through discussions with management and the auditors.

In the review of the financial statements for the financial year ended 31 May 2018, the AC had a discussion with management and external auditors on the accounting principles that were applied and their judgement of items that may affect the integrity of the financial statements. Recommendation for the release of the full-year financial statements was made to the Board following the review and discussions.

In addition, the AC reviews the adequacy and effectiveness of the Group's internal audit function, which includes ensuring it is staffed with persons with the relevant qualifications and experience at least annually.

The AC also reviews the scope of work of the internal and external auditors to ensure that they are adequate in addressing the key risks of the Group. All audit findings and recommendations from the internal and external auditors are provided to the AC for discussion at AC meetings. In addition, the cost effectiveness of the audit, as well as the independence and objectivity of the external auditors are reviewed. The nature, extent and costs of non-audit services provided by the external auditors are taken into account to strike a balance in maintaining the objectivity of the external auditors.

Interested person transactions ("IPTs") are reported by the management to the AC every quarter in accordance with the Group's review guidelines on IPT.

The AC also recommends to the Board on matters relating to the external auditors, covering appointment, re-appointment, removal, remuneration and terms of engagement. The re-appointment of the external auditors is subject to shareholders' approval at the Company's AGM.

For the financial year ended 31 May 2018, the external auditors have included in their auditors' report various key audit matters ("KAM") which they considered as significant to be mentioned in their report including the audit procedures that they have carried out to address these KAM. The AC noted that these KAM required significant judgement involving estimates by management, and were therefore considered important matters by the external auditors. The AC set out below its responses to the three of the KAM in the table on next page.

AC Commentary to Key Audit Matters for FY2018

Key audit matters involving significant judgement and estimates	Matters considered	Conclusion by AC
Recognition of revenue from sale of development properties	The Group's revenue from sale of development properties comprised revenue recognised based on the percentage of completion ("POC") method and completion of construction method of $101,729,000 and $532,000 respectively for the financial year ended 31 May 2018. The AC noted that the external auditor considered revenue recognised using the POC method is a key audit matter. The POC method is an area of significant judgement and estimates as the stage of completion of the development property at the end of the reporting period is estimated based on the contract costs incurred to date compared to the total contract costs to complete the development. Total contract costs to complete the development include estimation of variation works and other claims from contractors. Any changes to the estimation of total contract costs will impact the determination of the percentage of completion and hence the amount of revenue recognised for the development properties sold.	The AC is satisfied with the amount of revenue recognised from sale of development properties using the POC method based on the following work performed: i. Reviewed the audit procedures carried out by the external auditor; ii. Raised questions and discussed with the external auditor on any significant matters noted in its audit and iii. Discussed with management on areas of judgement and estimates in making reasonable determination of the stage of completion of the contract using the POC method to recognise revenue from sale of development properties.
Valuation of development properties, and completed properties and land held for sale	Development properties, and completed properties and land held for sale (collectively "development projects") are stated at the lower of cost and net realisable value ("NRV"). The determination of the NRV of these development projects is dependent upon the management's estimates of future demand and selling prices of these development projects. The determination of NRV is considered a key audit matter as any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective development projects.	The AC is satisfied that development projects are stated at the lower of cost and NRV in accordance with the requirements of the Financial Reporting Standards in Singapore based on the following work performed: i. Reviewed audit procedures performed by the external auditor; ii. Made enquiries of and discussed with the external auditor on any significant issues arising from its work that should be communicated to the AC; iii. Discussed with management and iv. Reviewed the valuer's reports including the valuer's competency, capability and objectivity.

CORPORATE GOVERNANCE REPORT

Key audit matters involving significant judgement and estimates	Matters considered	Conclusion by AC
Valuation of investment properties	As at 31 May 2018, the Group has a portfolio of investment properties comprising a leasehold building in Singapore and freehold properties in New Zealand and Thailand. The investment properties are stated at fair value. The fair values of these investment properties are determined by valuers using a combination of the direct comparison method, discounted cash flow method and the income capitalisation method of valuation, if any. The auditor considered this matter a key audit matter as valuers have used valuation techniques which involved assumptions and significant unobservable inputs. The key assumptions used to determine the fair value included market-corroborated capitalisation yield, terminal yield and discount rate. Any significant changes in the key assumptions could result in a significant impact to the fair values of the investment properties.	The AC is satisfied with the competencies and qualifications of the professional valuers including the valuation methodology and key assumptions used in determining the fair value of the Group's investment properties based on its review of the valuation reports and the audit procedures carried out by the external auditor including discussion with them and management.

Guideline 12.5: External and Internal Auditors

In the past year, the AC invited external and internal auditors to AC meetings when they would give independent professional advice to the AC, where required. The AC also met with the external and internal auditors on separate occasions without the presence of the management.

Guideline 12.6: Independence of External Auditors

The AC considered the adequacy of resources and experience of the external auditors, the audit engagement partner assigned to the audit, other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Based on these considerations, the AC is of the opinion that the appointment of auditing firm Baker Tilly TFW LLP is appropriate in meeting the Group's audit obligations. Baker Tilly TFW LLP has confirmed that it is registered with the Accounting and Corporate Regulatory Authority.

In addition, the AC reviewed the independence and objectivity of the external auditors through discussions with them as well as a review of the volume and nature of non-audit services provided by the external auditors during the financial year under review. The AC concluded that it is satisfied with the independence of the external auditors that has not been compromised by the provision of such non-audit services.

With regards to the Group's significant foreign incorporated subsidiaries, member firms of Baker Tilly International, of which Baker Tilly TFW LLP is also a member, have been engaged as the external auditors. Upon review of the appointments of these audit firms, the Board and AC are of the opinion that these appointments do not compromise the standard and effectiveness of the audit of the Company.

Therefore, the Group is compliant with Rule 712, 715 and 716 of the Listing Manual of SGX-ST. Accordingly, the AC has recommended the re-appointment of Baker Tilly TFW LLP as the Company's external auditors at the forthcoming AGM.

The details of the fees of the auditors of the Company during FY2018 are set out as follows:

Fees on Audit Services to Independent Auditors:	**S$'000**
– Company's Independent Auditors	101
– Other Independent Auditors	70
Total	171

Fees on Non-Audit Services to Independent Auditors:	
– Company's Independent Auditors	40
– Other Independent Auditors	49
Total	89

Guideline 12.7: Whistle-blowing Policy

TEE Land has a whistle-blowing policy in place that strongly encourages employees and vendors to report malpractices and misconduct in the workplace. Employees who have acted in good faith will be protected from victimisation and harassment by their colleagues. All information received will be kept confidential to protect the identity and interest of all whistle-blowers. Anonymous disclosures are accepted and anonymity honoured.

This policy provides a single and confidential line for reporting concerns about possible improprieties to the AC Chairman in good faith and confidence. Processes are clearly defined in the policy to ensure independent investigation of such matters and appropriate follow-up action, which provides assurance that employees will be protected from reprisals.

The whistle-blowing policy is available at TEE Land's website at www.teeland.com.sg. For FY2018, there have been no reported incidences.

Guideline 12.8: Updates on Accounting Standards

External auditors in attendance of the quarterly AC meetings provide updates to keep the AC abreast of changes in accounting standards or other codes and regulations, and issues which have a direct impact on financial statements.

Guideline 12.9: Former Partner or Director Involved in Company's Audit Process

With reference to the guidelines of the 2012 Code, there is no former partner or director of Baker Tilly TFW LLP acting as a member of the AC, within a year commencing on the date of cessation from being a partner of Baker Tilly TFW LLP or having a financial interest in the specified auditing firm.

CORPORATE GOVERNANCE REPORT

Principle 13: Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Guidelines 13.1 & 13.2: Internal Auditor

The internal audit function is currently outsourced to Protiviti Pte Ltd, a professional service firm providing internal audit, risk management and related risk consulting services.

On an annual basis, the internal auditors prepare and execute a risk-based audit plan to review the adequacy and effectiveness of the system of internal controls of the Group that address financial, operational, compliance and information technology risks. The internal auditors have access to all necessary company documents, records, properties and personnel, including access to the AC.

Guidelines 13.3, 13.4 & 13.5: Internal Auditor Function and Review of Effectiveness

The internal auditors work closely with the external auditors, who highlight any material internal control weaknesses that come to their attention in the course of the statutory audit.

All audit findings and recommendations made by the internal auditors are reported to the AC. Significant issues, if any, are discussed during AC meetings. Internal auditors follow up on their findings and recommendations in subsequent visits to ensure management has implemented them in a timely and appropriate manner, and report the results to the AC accordingly.

The internal audit function is reviewed annually by the AC. The AC is of the opinion that the internal auditors have performed its functions effectively and adequately in accordance with the standards set by nationally and internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing by The Institute of Internal Auditors.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guideline 14.1: Information to Shareholders

TEE Land's corporate governance practices promote fair and impartial treatment of all shareholders. To facilitate shareholders' ownership rights, TEE Land ensures that all material information is comprehensively and accurately disclosed in a timely manner via SGXNet. Recognising the importance of good corporate governance, the timely disclosure of relevant and adequate information enables shareholders to make informed decisions related to their investments in TEE Land.

Guideline 14.2: Opportunity for Shareholders to Participate and Vote at General Meetings

All shareholders are entitled to attend the AGM and are provided the opportunity to participate effectively and vote at the AGM. The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote on behalf of the shareholder at the AGM. Shareholders are also kept informed of the rules that govern general meetings of shareholders.

Guideline 14.3: Proxies for Nominee Companies

While there is no limit imposed on the number of proxy votes for relevant intermediaries as defined under Section 181 of the Companies Act, the Constitution of the Company allows each shareholder (other than relevant intermediaries) to appoint up to two proxies to attend AGMs.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guideline 15.1: IR Policy

The Group has an internal investor relations ("IR") team which manages communications with all stakeholders, as well as attend to and ensure that all queries and concerns are promptly addressed by the relevant management personnel. For details on the Group's IR activities, please refer to the "Investor Relations" section of this report.

Guideline 15.2: Timely Disclosure of Information to Shareholders

TEE Land is committed to timely, fair and transparent disclosure of material and comprehensive information to its shareholders, which is usually done through SGXNet. In addition, TEE Land adopts the practice of regularly communicating major developments in its businesses and operations through the appropriate channels. Such channels include press releases, annual reports, shareholder circulars, shareholders' meetings, announcements via SGXNet and through TEE Land's corporate website at www.teeland.com.sg.

Guideline 15.3: Regular Dialogue with Shareholders

To encourage greater shareholder participation at AGMs or other general meetings and enable the Board and management to engage shareholders, the Company holds its AGM and other general meetings at venues that are accessible via public transport.

The Company held a Shareholders' Forum in February 2018 to update shareholders on the Company's business overview, latest corporate and industry developments, as well as to address any concerns. An announcement on details of the Shareholders' Forum was released on 19 January 2018.

Guideline 15.4: Soliciting and Understanding Shareholders' Views

Briefings for the media and analysts are held to keep them updated on quarterly and full-year results, which in turn enables wider dissemination of the Group's updates to the masses and investor community. Such briefings are an avenue for management to gather insights from these stakeholders.

Guideline 15.5: Dividend Policy

TEE Land does not have a fixed policy on the payment of dividends to shareholders. The Group prefers to retain the flexibility on deploying profits for growth while striking a balance in rewarding our shareholders. The Board and management review the decision pertaining to a dividend payment half yearly.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guideline 16.1: Effective Participation of Shareholders

Shareholders are given prior notice of shareholders' meetings through published notices and reports or circulars sent to all shareholders. The AGM procedures provide opportunities for shareholders to enquire about each resolution tabled for approval. Opportunities will be given to shareholders to participate, engage, and openly communicate their views on matters relating to TEE Land to the directors. As the authentication of shareholder identity information and other related security issues are still concerns that remain, the Company has decided for the time being to not implement voting in the absentia by mail, email or fax.

CORPORATE GOVERNANCE REPORT

Guideline 16.2: Separate Resolutions at General Meetings

Separate resolutions are proposed on each substantially separate issue, with the exception of interdependent and linked resolutions.

Guideline 16.3: General Meetings' Attendees

The Board Chairman presides over the AGM and is accompanied by fellow Board members, the Chairmen of the AC, NC, and RC, as well as the Company Secretaries. The Company's external auditor, Baker Tilly TFW LLP, will also be present to address any relevant queries from the shareholders.

Guideline 16.4: General Meetings' Minutes

The joint Company Secretaries prepare the AGM minutes, which include substantial comments or queries from shareholders and responses from the Board members, management, external auditors and/or any other parties concerned. These minutes are available to shareholders upon their written request.

Guideline 16.5: Poll Voting at General Meetings

Pursuant to the Company's Constitution, a poll may be demanded by the Chairman of the general meeting or by at least two members or any member(s) representing not less than one-tenth of the total voting rights of all members having the rights to vote at the meeting. The Company will be conducting poll voting for all the resolutions proposed at the forthcoming AGM for greater transparency in the voting process in accordance with the Listing Manual of SGX-ST. Electronic polling has been utilised for TEE Land's AGMs. After each voting process, detailed results will be released on the public domain.

DEALING IN SECURITIES

In line with Rule 1207(19) of the Listing Manual of SGX-ST, the Company has adopted its own internal securities trading policy (compliance code), with regards to dealing in the Company's securities. Directors, Company's management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited from dealing in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's results for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year results and ending on the day of the announcement, or when they are in possession of unpublished price-sensitive information on the Group.

They are also advised to observe insider-trading laws at all times even when dealing in securities within the permitted trading period. In addition, they are discouraged from dealing in the Company's securities on short-term considerations.

When the Company is involved in any major corporate exercise such as investment or divestment that could be price-sensitive in relation to the Company's securities, directors, management and officers of the Group involved are advised not to deal in the Company's securities.

Other than directors and CEO who are required to notify their dealings of the Company's securities, the following officers are also required to notify the Company of their dealings within two business days. They are:

- Company Secretary
- Chief Financial Officer/Financial Controller

The guidelines on share buyback under the Share Buyback Mandate, to be renewed at the Company's forthcoming AGM also provides that the Company will not effect any purchases of shares on the SGX-ST during the period of one month immediately preceding the announcement of the Company's full year results and two weeks immediately before the announcement of the Company's first, second and third quarter results.

The Company has adhered to its policy for securities transactions for FY2018.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has adopted an internal policy in respect to any transactions with interested persons and has set out procedures for review and approval of the Group's IPT. All IPT are recorded in an IPT Register and subject to quarterly review by the AC.

Detail of IPT for the year ended 31 May 2018 are as follow:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Mr. Phua Chian Kin (Substantial shareholder of the Company)	S$969,000	–
TEE International Limited (Holding company)	S$276,000	–
Rajah & Tann Singapore LLP (An independent director of the Company is a partner of the firm)	S$119,000	–

MATERIAL CONTRACTS

Other than as disclosed under Interested Person Transactions, pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there were no material contracts involving the interests of the CEO, director or controlling shareholder that have been entered into by the Company or its subsidiaries since the end of the previous financial year and no such contracts subsisted at the end of the financial period under review.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of TEE Land Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2018.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 65 to 130 are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 May 2018 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Er. Dr. Lee Bee Wah
Mr. Phua Cher Chew
Ms. Saw Chin Choo (Resigned on 31 July 2018)
Dato Paduka Timothy Ong Teck Mong
Dr. Tan Khee Giap
Mr. Chin Sek Peng
Mr. Lim Teck Chai, Danny
Mr. Neo Weng Meng, Edwin (Appointed on 16 January 2018)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act as shown below:

	Number of ordinary shares					
	Shareholdings registered in their own names			Shareholdings in which a director is deemed to have an interest		
Name of directors and companies in which interest are held	**At 1.6.2017/ date of appointment if later**	**At 31.5.2018**	**At 21.6.2018**	**At 1.6.2017/ date of appointment if later**	**At 31.5.2018**	**At 21.6.2018**
Holding company						
TEE International Limited						
Ordinary shares						
Er. Dr. Lee Bee Wah	764,000	764,000	764,000	–	–	–
Mr. Phua Cher Chew	666,556	666,556	666,556	–	–	–
Dato Paduka Timothy Ong Teck Mong	2,258,279	2,258,279	2,258,279	–	–	–
Ms. Saw Chin Choo	1,390,000	1,395,000	1,395,000	3,312	3,312	3,312
Mr. Neo Weng Meng, Edwin	100,000	200,000	200,000	–	–	–
Warrants to subscribe for ordinary shares at the exercise price of $0.215 each						
Er. Dr. Lee Bee Wah	–	76,400	76,400	–	–	–
Mr. Phua Cher Chew	–	66,655	66,655	–	–	–
Dato Paduka Timothy Ong Teck Mong	–	225,827	225,827	–	–	–
Ms. Saw Chin Choo	–	139,500	139,500	–	331	331
Mr. Neo Weng Meng, Edwin	–	20,000	20,000	–	–	–
The Company						
TEE Land Limited						
Ordinary shares						
Er. Dr. Lee Bee Wah	1,374,233	1,774,233	1,774,233	–	–	–
Mr. Phua Cher Chew	4,379,537	4,379,537	4,379,537	–	–	–
Dato Paduka Timothy Ong Teck Mong	664,885	664,885	664,885	–	–	–
Ms. Saw Chin Choo	368,000	436,900	436,900	220	220	220
Mr. Chin Sek Peng	260,000	260,000	260,000	100,000	100,000	100,000
Mr. Neo Weng Meng, Edwin	61,100	61,100	61,100	–	–	–

SHARE OPTIONS

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this statement are:

Mr. Chin Sek Peng	(Chairman and independent non-executive director)
Er. Dr. Lee Bee Wah	(Independent non-executive director)
Dr. Tan Khee Giap	(Independent non-executive director)
Mr. Lim Teck Chai, Danny	(Independent non-executive director)

All members of this committee are non-executive and independent directors.

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Act, including the following:

- Reviews the audit plan of the independent auditor of the Company and the co-operation given by the management to the independent auditor;

- Reviews the quarterly, half-yearly and full-year result announcements of the Group and the Company before their submission to the Board of Directors of the Company;

- Reviews the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company and independent auditor's report on those financial statements before their submission to the Board of Directors of the Company;

- Reviews the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls and risk management policies;

- Meets with the independent auditor and where appropriate, the other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;

- Reviews the cost effectiveness and the independence and objectivity of the independent auditor;

- Reviews the nature and extent of non-audit services, if any, provided by the independent auditor;

- Recommends to the Board of Directors the independent auditor to be nominated, approves the compensation of the independent auditor, and reviews the scope and results of the audit;

DIRECTORS' STATEMENT

AUDIT COMMITTEE (cont'd)

- Reports actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate;

- Reviews the scope, results and cost effectiveness of internal audit procedures as well as the effectiveness of the Group's and Company's internal audit function; and

- Reviews the interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The Audit Committee has full authority to investigate any matter within its terms of reference, and has full access to and co-operation by the management and has full discretion to invite any director, executive officer or other employee of the Group to attend its meetings. The independent auditor has unrestricted access to the Audit Committee and the Audit Committee has reasonable resources available to enable it to discharge its functions properly.

The Audit Committee also undertakes such other functions as may be agreed to by the Audit Committee and the Board of Directors of the Company.

INDEPENDENT AUDITOR

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Phua Cher Chew Director	Neo Weng Meng, Edwin Director

30 August 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEE LAND LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TEE Land Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 65 to 130, which comprise the statements of financial position of the Group and the Company as at 31 May 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 May 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from sale of development properties

Description of key audit matter

As disclosed in Notes 4 and 39 to the financial statements, revenue from sale of development properties amounted to $102,261,000 which represents approximately 91% of the Group's revenue for the financial year ended 31 May 2018.

As disclosed in Notes 2(b) and 3, the Group's revenue from sales of development properties is recognised when significant risks and rewards of ownership of the properties is transferred to the buyer, which may be based on percentage of completion ("POC") or completion of construction ("COC") method.

Revenue recognised using the POC method amounted to $101,729,000 which represents approximately 91% of the Group's total revenue in the current financial year. This revenue stream is an area of significant judgement and estimates as the stage of completion of the development property at the end of the reporting period is estimated based on the contract costs incurred to date compared to the total contract costs to complete the development.

Total contract costs to complete the development include estimation of variation works and other claims from contractors. Any changes to the estimation of total contract costs will impact the determination of the percentage of completion and hence the amount of revenue recognised for the development properties sold.

In addition, the allocation of land and development construction costs to residential and commercial units within the same development is based on relative estimated sale values of the residential and commercial units. The estimated sale values refer to selling prices stated in the sale and purchase agreements for residential and commercial units sold and open market values estimated by the independent professional valuers (the "valuers") for unsold residential and commercial units. Any changes to the estimated sale values can have a significant impact to the amount of contract costs allocated to the development properties sold.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEE LAND LIMITED

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Recognition of revenue from sale of development properties (cont'd)

Our audit procedures to address the key audit matter

Our audit procedures in relation to revenue from sale of development properties, among others, included:

- We performed procedures to understand, evaluate and validate relevant key controls put in place by the management over the recognition of revenue from sales of development properties;
- For revenue recognised using the POC method, we reviewed management's total budgeted contract costs for each of the development properties, and assessed the reasonableness of the assumptions and estimates applied by management which include key elements such as development construction costs, variation works, expected borrowing costs and other property expenses, and taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the financial year;
- We discussed with management regarding the progress of the construction of development properties and compared the value of work performed to-date to the budget sheet (i.e. contract cost) and performed arithmetic computation of the POC and revenue to be recognised for the financial year; and
- For residential and commercial units sold, we reviewed the sales and purchase agreements with the buyers and verified the sale values used in allocation of contract costs to sold development properties; and for unsold residential and commercial units, where estimated sale values are determined by valuers, we evaluated the qualification and competence of the valuers and compared the estimated sale values to, where available, recent transacted prices and prices of comparable properties located in the same vicinity as the development properties. We checked arithmetic calculations in allocation of contract costs to residential and commercial units within the same development.

Valuation of development properties and completed properties and land held for sale

Description of key audit matter

As at 31 May 2018, the Group has a portfolio of development properties comprising residential properties, commercial properties and mixed-use development properties in Singapore and Malaysia. The Group also has completed properties in Singapore and freehold land held for sale in Vietnam on that date.

As disclosed in Notes 3, 15 and 16 to the financial statements, the development properties and completed properties and land held for sale (collectively "development projects") are stated at the lower of cost and net realisable value. The determination of the net realisable values of these development projects are dependent upon the management's estimates of future demand and selling prices of these development projects. Management performs cost analysis for each property, taking into account the costs incurred to date, the development status, estimated costs to complete each property, estimated future demand and selling price of completed properties and land held for sale. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties. Management also compared the carrying amounts of the development projects to the open market values estimated by valuers to determine whether a write-down is required for those development projects with slower-than-expected sales or with low or negative margins. Changes to these estimates can have a significant impact to the financial statements.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Valuation of development properties and completed properties and land held for sale (cont'd)

Our audit procedures to address the key audit matter

Our audit procedures in relation to valuation of development projects, among others, included:

- We obtained an understanding and assessed the Group's processes for setting and monitoring selling prices and cost budgets;

- We assessed the Group's estimated sale values of the development projects by comparing estimated sale values to, where available, recent transacted prices and prices of comparable properties located in the same vicinity as the development projects;

- We compared the carrying amounts of the development projects to the open market values estimated by valuers;

- We considered the competencies, capabilities and objectivity of valuers;

- We assessed the appropriateness of the valuation models and property related data including estimates used by the valuers;

- We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below their respective costs, we have reviewed management's assessment of realisable values of the assets and checked the computations of the write-down, if any, and considered the adequacy of the disclosures in respect of the write-down;

- We reviewed the budgeted development construction costs by making enquiries with management and comparing the estimation to the historical cost incurred and the approved budget; and

- We also performed substantive test including test of details of transactions on the accuracy and completeness of the total contract costs including test of major costs components of the contract costs to source documents.

Valuation of investment properties

Description of key audit matter

As at 31 May 2018, the Group has a portfolio of investment properties comprising a leasehold building in Singapore and freehold properties in New Zealand and Thailand.

As disclose in Notes 2(h), 3 and 21 to the financial statements, these investment properties are stated at fair values.

In determining the fair value of the investment properties, the valuers have used valuation techniques which involves assumptions and significant unobservable inputs which are disclosed in Note 21 to the financial statements.

Any significant changes in the key assumptions could result in a significant impact to the fair values of the investment properties.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEE LAND LIMITED

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Valuation of investment properties (cont'd)

<u>*Our audit procedures to address the key audit matter*</u>

Our audit procedures in relation to valuation of investment properties, among others, included:

- We assessed management's processes for the selection of valuers, the determination of the scope of work of the valuers, and the review and acceptance of the external valuation reports;
- We evaluated the professional qualifications and competencies of the valuers;
- We read the terms of engagement of the valuers to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- We held discussions with the valuers and challenged their key assumptions applied by comparing them against market comparable and historical data; and
- We also considered whether the financial statements disclosures appropriately reflect the Group's exposure to the fair value measurement risk. For example, we assessed the Group's fair value hierarchy policy against the requirements of FRS 113 Fair Value Measurement, and reviewed the selected Level 3 assets to evaluate whether they were categorised in the appropriate level.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2018, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEE LAND LIMITED

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Sim Guan Seng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 August 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 May 2018

		Group	
	Note	**2018 $'000**	2017 $'000
Revenue	4	**111,921**	94,690
Cost of sales		**(86,154)**	(71,349)
Gross profit		**25,767**	23,341
Other operating income	5	**3,133**	8,126
Selling and distribution costs		**(11,896)**	(5,347)
Administrative expenses		**(9,016)**	(10,883)
Other operating expenses	6	**(11,026)**	(3,563)
Finance costs	7	**(4,479)**	(6,279)
Share of results of associates	18	**2,838**	(2,090)
(Loss)/profit before tax	8	**(4,679)**	3,305
Tax expense	9	**(187)**	(3,016)
(Loss)/profit for the year		**(4,866)**	289
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation, representing other comprehensive income for the year		**375**	1,911
Total comprehensive (loss)/income for the year		**(4,491)**	2,200
(Loss)/profit attributable to:			
Equity holders of the Company		**(4,982)**	(1,048)
Non-controlling interests		**116**	1,337
		(4,866)	289
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company		**(4,411)**	406
Non-controlling interests		**(80)**	1,794
		(4,491)	2,200
Loss per share for loss attributable to equity holders of the Company			
Basic (cents)	10	**(1.11)**	(0.23)
Diluted (cents)	10	**(1.11)**	(0.23)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

At 31 May 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
ASSETS					
Current assets					
Cash and bank balances	11	**28,997**	34,068	**858**	1,829
Trade receivables	12	**21,688**	18,571	–	–
Other receivables	13	**19,222**	12,285	**126,859**	142,449
Inventories		**58**	27	–	–
Loans receivable from associates	14	**14,376**	25,860	–	2,883
Development properties	15	**231,127**	147,854	–	–
Completed properties and land held for sale	16	**48,311**	47,584	–	–
		363,779	286,249	**127,717**	147,161
Non-current asset held for sale	17	**47,617**	47,481	–	–
Total current assets		**411,396**	333,730	**127,717**	147,161
Non-current assets					
Other receivables	13	–	6,000	**10,709**	3,830
Investment in associates	18	**11,932**	40,269	–	–
Investment in subsidiaries	19	–	–	**32,861**	32,996
Property, plant and equipment	20	**370**	735	–	–
Investment properties	21	**33,905**	35,812	–	–
Deferred tax assets	22	**3,116**	2,947	–	–
Total non-current assets		**49,323**	85,763	**43,570**	36,826
Total assets		**460,719**	419,493	**171,287**	183,987
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	23	**6,499**	1,499	**5,000**	–
Trade payables	24	**31,731**	24,187	–	–
Other payables	25	**22,348**	25,746	**9,611**	8,458
Finance lease	26	**13**	12	–	–
Long-term borrowings	27	**97,658**	45,530	**10,000**	–
Financial guarantee liabilities	28	**186**	200	**907**	2,056
Term notes	29	–	29,939	–	29,939
Income tax payable		**541**	3,522	**93**	73
Total current liabilities		**158,976**	130,635	**25,611**	40,526

The accompanying notes form an integral part of these financial statements.

	Note	Group		Company	
		2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Non-current liabilities					
Deferred tax liabilities	22	**1,025**	374	–	–
Finance lease	26	**27**	38	–	–
Long-term borrowings	27	**128,999**	112,248	–	–
Financial guarantee liabilities	28	**235**	301	**1,027**	833
Loans from non-controlling interests	30	**8,056**	3,680	–	–
Total non-current liabilities		**138,342**	116,641	**1,027**	833
Equity					
Share capital	31	**142,238**	142,238	**142,238**	142,238
Currency translation reserve	32	**(302)**	(873)	–	–
Merger reserve	33	**(5,969)**	(5,969)	–	–
Capital reserve	34	**(6)**	(6)	–	–
Accumulated profits		**15,584**	21,683	**2,411**	390
Equity attributable to equity holders of the Company		**151,545**	157,073	**144,649**	142,628
Non-controlling interests	35	**11,856**	15,144	–	–
Total equity		**163,401**	172,217	**144,649**	142,628
Total liabilities and equity		**460,719**	419,493	**171,287**	183,987

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 May 2018

	Share capital $'000	Currency translation reserve $'000	Merger reserve $'000	Capital reserve $'000	Accumulated profits $'000	Equity attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total $'000
Group								
At 1 June 2016	142,238	(2,327)	(5,969)	(6)	25,234	159,170	13,459	172,629
(Loss)/profit for the year	–	–	–	–	(1,048)	(1,048)	1,337	289
Other comprehensive income for the year								
– currency translation difference on consolidation	–	1,454	–	–	–	1,454	457	1,911
Total comprehensive (loss)/income for the year	–	1,454	–	–	(1,048)	406	1,794	2,200
Capital injection by non-controlling interests	–	–	–	–	–	–	1,732	1,732
Dividend payable to non-controlling interests	–	–	–	–	–	–	(1,841)	(1,841)
Dividends (Note 36)	–	–	–	–	(2,503)	(2,503)	–	(2,503)
At 31 May 2017	142,238	(873)	(5,969)	(6)	21,683	157,073	15,144	172,217
(Loss)/profit for the year	–	–	–	–	(4,982)	(4,982)	116	(4,866)
Other comprehensive income for the year								
– currency translation difference on consolidation	–	571	–	–	–	571	(196)	375
Total comprehensive (loss)/income for the year	–	571	–	–	(4,982)	(4,411)	(80)	(4,491)
Capital injection by non-controlling interests	–	–	–	–	–	–	1,137	1,137
Repayment of deemed capital to non-controlling interests	–	–	–	–	–	–	(4,345)	(4,345)
Dividends (Note 36)	–	–	–	–	(1,117)	(1,117)	–	(1,117)
At 31 May 2018	**142,238**	**(302)**	**(5,969)**	**(6)**	**15,584**	**151,545**	**11,856**	**163,401**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 May 2018

	Share capital $'000	Accumulated profits $'000	Total $'000
Company			
Balance at 1 June 2016	142,238	2,213	144,451
Profit for the year, representing total comprehensive income for the year	–	680	680
Dividends (Note 36)	–	(2,503)	(2,503)
Balance at 31 May 2017	142,238	390	142,628
Profit for the year, representing total comprehensive income for the year	–	3,138	3,138
Dividends (Note 36)	–	(1,117)	(1,117)
Balance at 31 May 2018	**142,238**	**2,411**	**144,649**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2018

	Group	
	2018 $'000	2017 $'000
Operating activities		
(Loss)/profit before tax	**(4,679)**	3,305
Adjustments for:		
Share of results of associates	**(2,838)**	2,090
(Loss)/gain on fair value of investment properties	**1,495**	(431)
Depreciation of property, plant and equipment	**387**	1,291
Gain on disposal of stock dividend	**(160)**	–
Dividend income	**(544)**	–
Impairment on investment in associates	**7,568**	–
Allowance for doubtful trade receivables	**6**	–
Allowance for doubtful other receivables	**181**	–
Property, plant and equipment written off	**10**	542
Non-current asset held for sale written off	**82**	–
Write-down of completed properties and land held for sale	**1,684**	2,894
Reversal of impairment loss on property, plant and equipment	**–**	(168)
Gain on disposal of non-current asset held for sale	**–**	(5,348)
Amortisation of deferred sales commission expenses	**5,565**	3,133
Amortisation of show flat expenses	**514**	689
Amortisation of financial guarantee liabilities	**(255)**	(512)
Amortisation of term notes	**61**	181
Interest income	**(827)**	(1,190)
Interest expenses	**4,479**	6,279
Operating cash flows before movements in working capital	**12,729**	12,755
Trade receivables	**(2,984)**	(10,698)
Other receivables	**67**	8,005
Inventories	**(31)**	(11)
Development properties	**(94,748)**	(33,283)
Completed properties and land held for sale	**13,956**	(1,353)
Trade payables	**6,818**	12,748
Other payables	**1,245**	(1,525)
Currency translation adjustments	**(73)**	(580)
Cash used in operations	**(63,021)**	(13,942)
Interest paid	**(2,225)**	(3,114)
Income tax paid	**(3,521)**	(3,478)
Income tax refunded	**790**	–
Net cash used in operating activities	**(67,977)**	(20,534)
Investing activities		
Sale proceeds from non-current asset held for sale	**–**	32,820
Purchase of property, plant and equipment (Note 20)	**(24)**	(8,073)
Addition to non-current asset held for sale (Note 17)	**(1,067)**	–
Dividend received from associates	**9,930**	6,535
Proceeds from disposal of investment in associates	**4,856**	–
Proceeds from capital reduction in investment in associates	**450**	–
Repayment of loans receivable from associates	**12,488**	4,272
Loans receivable from associates	**(919)**	(1,303)
Loans from non-controlling interests	**–**	3,680
Interest received	**2,476**	1,684
Net cash from investing activities	**28,190**	39,615

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2018

	Group	
	2018 $'000	2017 $'000
Financing activities		
Interest paid	**(4,774)**	(6,241)
Drawdown of bank loans	**10,000**	–
Repayment of bank loans	**(5,000)**	(1,615)
Drawdown of long-term borrowings	**96,408**	83,805
Repayment of long-term borrowings	**(27,021)**	(82,502)
Repayment of finance lease payables	**(12)**	(11)
Repayment of long-term loan	**–**	(4,050)
Repayment of term notes	**(30,000)**	–
Repayment of deemed capital to non-controlling interests	**(4,345)**	–
Capital injection by non-controlling interests	**1,137**	1,732
Fixed deposit released	**–**	2,037
Dividend paid to non-controlling interests	**(1,841)**	–
Dividends paid	**–**	(2,503)
Net cash from/(used in) financing activities	**34,552**	(9,348)
Net (decrease)/increase in cash and cash equivalents	**(5,235)**	9,733
Cash and cash equivalents at beginning of the year	**34,068**	24,331
Effect of foreign exchange rate changes of cash and cash equivalents	**164**	4
Cash and cash equivalents at end of the year	**28,997**	34,068

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Bank loans (Note 23) $'000	Finance lease (Note 26) $'000	Long-term borrowings (Note 27) $'000	Term notes (Note 29) $'000	Total $'000
Balance at 1 June 2017	1,499	50	157,778	29,939	189,266
Changes from financing cash flows:					
– Proceeds	10,000	–	96,408	–	106,408
– Repayment	(5,000)	(12)	(27,021)	(30,000)	(62,033)
Non-cash changes					
– Amortisation of term notes	–	–	–	61	61
Effect of changes in foreign exchange rate	–	2	(508)	–	(506)
Balance at 31 May 2018	6,499	40	226,657	–	233,196

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Registration No. 201230851R) is incorporated and domiciled in Singapore. The Company was admitted to the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 6 June 2013.

The principal place of business and registered office is at 25 Bukit Batok Street 22, Singapore 659591.

The principal activities of the Company are investment holding. The principal activities of its associates and subsidiaries are disclosed in Notes 18 and 19 respectively.

The Company's immediate and ultimate holding corporation is TEE International Limited, a company incorporated in Singapore. Related companies refer to companies controlled by TEE International Limited.

2 Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ($) which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ($'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, loan receivable from associates, bank loan, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs. From 1 June 2017, as a result of the amendments to FRS 7 *Statement of Cash Flows (Disclosure Initiative)*, the Group has provided additional disclosure in relation to changes in liabilities from financing activities for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial performance or financial position of the Group and the Company.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 May 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company except as disclosed below:

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the Singapore Exchange ("SGX") or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS Convergence"), known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 May 2019 will be prepared in accordance with SFRS(I) issued by ASC. These financial statements will be the last set of financial statements prepared under the current FRSs in Singapore.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition to the adoption of the new framework, the Group will be adopting other new SFRS(I), amendments to standards and interpretations of SFRS(I) which are effective from the same date.

The Group does not expect the application of the new standards, amendments to standards and interpretations, and the IFRS Convergence to have significant impact on the financial statements except as set out below:

Application of SFRS(I) 1 and IFRS Convergence

When the Group adopts SFRS(I) in its 2019 financial statements, the Group will apply SFRS(I) 1 with 1 June 2017 as the date of transition for the Group and the Company.

SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, subject to certain mandatory exceptions and optional exemptions under SFRS(I) 1. The Group plans to elect relevant optional exemptions. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

Currency translation reserve

The Group plans to elect the optional exemption to reset its cumulative currency translation reserve for all foreign operations to nil at the date of transition on 1 June 2017. As a result, the currency translation reserve of $302,000, determined in accordance with FRSs as at 1 June 2017 will be reclassified to retained earnings as at 1 June 2017.

Subsequent to the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. SFRS(I) 15 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt the new standard on the required effective date using the full retrospective method and apply the practical expedients available for full retrospective approach under SFRS(I) 15.

The Group has performed a preliminary assessment of SFRS(I) 15 and the results of its assessment is subject to changes arising from a more detailed ongoing analysis. The Group is engaged in the development of properties for sale. Management has assessed that for most of the Group's developments, performance obligations for the sale of pre-completion units will be satisfied over time which will not significantly affect the current revenue recognition.

The Group did not expect any significant impact upon adoption of SFRS(I) 15.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces IAS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace IAS 39 incurred loss model.

(a) *Classification and measurement*

While the Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under SFRS(I) 9.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments (cont'd)

(b) *Impairment*

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

The Group has not undertaken a detailed assessment of the impact of the impairment provisions under SFRS(I) 9 but the Group expects that the new expected credit loss model may result in an earlier recognition of credit losses.

The Group plans to adopt the standard when it becomes effective in financial year ending 31 May 2019.

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing IAS 17 "*Leases*". It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The Group will assess the potential impact of SFRS(I) 16 and plans to adopt the standard on the required effective date.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and related cost can be reliably measured.

Sales of development properties

Revenue from sales of development properties is recognised when significant risks and rewards of ownership of the real estate is transferred to the buyer, which may be:

(a) on a continuous transfer basis; or

(b) at a single point of time (e.g. at completion, upon or after delivery).

Under (a), revenue is recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership of the development properties in their current state occurs as construction progresses. Under the percentage of completion method, revenue and costs are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on the contract costs incurred to date compared to the total budgeted contract costs to complete the development. Profits are recognised only in respect of properties with finalised sales agreements. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(b) Revenue (cont'd)

Sales of development properties (cont'd)

Under (b), where transfer of significant risks and rewards of ownership coincides with the time when the property is completed or when the development units are delivered to the purchasers, revenue is recognised upon completion of construction, and when legal title passes to the buyer or when equitable interest in the property rests with the buyer upon release of the handover notice to the buyer, whichever is earlier. Payments received from buyers prior to this stage are recorded as advances received from customers and are classified as current liabilities.

In determining whether revenue should be recognised on a continuous transfer basis or at a single point of time, the Group evaluate and consider the terms and conditions of the sale of the development properties.

Revenue from hotel operations

Revenue from hotel operations is recognised when the services are rendered.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

2 Summary of significant accounting policies (cont'd)

(d) Basis of consolidation (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary company. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary company attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill, non-controlling interest and other components of equity related to the subsidiary company are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific FRS.

Any retained equity interest in the previous subsidiary company is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(e) Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

For financial statements of the associate which are prepared as of the same reporting date of the Group, the most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the date of the audited financial statements used is not co-terminus with that of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the financial year.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss. On disposal of investment in associates, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(f) Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss. The assets are not depreciated or amortised while they are classified as held for sale.

(g) Property, plant and equipment

Land and buildings are initially recorded at cost. Freehold land is subsequently stated at cost less any impairment in value.

Other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

2 Summary of significant accounting policies (cont'd)

(g) Property, plant and equipment (cont'd)

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation

No depreciation is provided on freehold land. Leasehold building is amortised evenly over the term of the lease.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Building on freehold land	25 to 40
Leasehold building	37
Computer	3
Renovation	5
Motor vehicles	3 to 5
Machinery and tools	3 to 5
Office equipment	2 to 6

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(h) Investment properties

Investment properties are those properties that are held to earn rental income and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers (the "valuers") on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(h) Investment properties (cont'd)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Impairment of non-financial assets

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion.

Cost of property comprise land costs, development construction costs, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

Completed properties and land held for sale but remained unsold at year end are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised attributable to unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less costs to be incurred in marketing and selling, and the anticipated costs to completion, where appropriate.

Development properties are classified as current when they are expected to be realised in, or are intended for sale in, the Group's normal operating cycle.

2 Summary of significant accounting policies (cont'd)

(j) Development properties (cont'd)

Show flat expenses are incurred to build a show flat before the launch of a new development property. The show flat provides potential buyers how the development property would look like when it is completed. During the construction stage, costs incurred are deferred and recognised as deferred show flat costs in other receivables until the show flats are ready for use and are amortised over the marketing period.

Deferred sales commission expenses are payable to estate agents only when buyers are secured. These direct and incremental costs recoverable as a result of securing a specifically identifiable contract with a buyer are deferred and recognised as deferred sales commission expense in the other receivables. Such assets are expensed as and when the related revenue is recognised.

All known or anticipated losses on the development projects are provided for in the year in which such losses are determined.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using first-in, first-out method. Cost comprises purchase cost and other incidental cost in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(l) Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivable. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables" (excluding prepayments, deferred sales commission expenses and deferred show flat costs), "loans receivable from associates" and "cash and bank balances" on the statements of financial position.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(l) Financial assets (cont'd)

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Offset

Financial assets and liabilities are offset and the net amount presented at the end of the reporting period, only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and excludes pledged fixed deposits.

(n) Financial liabilities

Financial liabilities include trade payables, other payables (excluding provision for unutilised annual leave, advance received from customers and rental and security deposits), bank loans, finance lease, borrowings, term notes and financial guarantee liabilities.

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2 Summary of significant accounting policies (cont'd)

(o) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

(p) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage time is recognised as a finance cost in profit or loss.

(q) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(r) Leases

When Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the outstanding liability and finance charges. The corresponding leases liabilities, net of finance charges, are included in finance leases. The finance charge is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the assets or the lease term.

When Group entity is the lessee:

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(r) Leases (cont'd)

When Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to leases) is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

(s) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(t) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

(u) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

2 Summary of significant accounting policies (cont'd)

(v) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

(w) Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

(x) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") who is Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about allocating resources and assessing performance of the operating segments.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

2 Summary of significant accounting policies (cont'd)

(y) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group/entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the paragraphs below).

Non-current asset held for sale

As disclosed in Note 17, freehold land and building on freehold land of Larmont Hotel Sydney was presented as non-current asset held for sale following the decision of the Group's management and directors on 26 July 2016 to sell the hotel in Australia and the Group's active marketing for sale since that date.

As of 31 May 2018, negotiations with potential buyers for the hotel are still ongoing. The Group's management expects to complete the sale of the freehold property in the next financial year and therefore the freehold property remains classified as a non-current asset held for sale in the consolidated statement of financial position.

If the property no longer meets the classification as non-current asset held for sale, it will be reclassified back to property, plant and equipment and valued at the lower of its carrying amount before it was classified as held for sale (adjusted for depreciation or amortisation) and its recoverable amount at the date of the decision not to sell.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Revenue from sales of development properties

As described in Note 2(b), revenue and costs associated with sold units of properties under development are recognised as revenue and costs respectively by reference to the stage of completion of the development activity at the end of the reporting period based on the contract costs incurred to date compared to the total budgeted contract costs to complete the development.

The key judgements and accounting estimates relate to (1) the estimation of total contract costs to completion which impacts the total budgeted costs and the percentage of completion; and (2) the appropriate allocation of land and development construction costs between the residential and commercial units.

The costs to completion have been estimated by management after considering the remaining work to be done and the total budgeted contract costs based on contracts awarded and management's past experiences from comparable projects.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Revenue from sales of development properties (cont'd)

As described in Note 2(j), cost of a property comprises land cost, development expenditure, borrowing costs and other related expenditures. The land and development construction costs which cannot be specifically attributable to specific residential and commercial units within the same development are allocated based on relative estimated sale values of the residential and commercial units. The estimated sale values refer to selling prices stated in the sale and purchase agreements with buyers for residential and commercial units sold and open market values estimated by the valuers for unsold residential and commercial units. Management considers that the use of this basis for allocating costs of land and development construction will more closely approximate the basis on which the economic value of the land and development construction costs had been determined. Any changes to the estimated sale values can have a significant impact to the amount of contract costs allocated to the development properties sold.

Development properties, completed properties and land held for sale

Development properties, completed properties and land held for sale are stated at lower of cost and estimated net realisable value, assessed on an individual property basis.

The determination of the estimated net realisable values of these development projects is dependent on the management's estimates of future demand and selling prices of these development projects. Management performs cost analysis for each property, taking into account the costs incurred to date, the development status, estimated costs to complete each property, estimated future demand and selling price of completed properties and land held for sale. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

Management also compared the carrying amounts of the development projects to the open market values estimated by valuers to determine whether a write-down is required for those development projects with slower-than-expected sales or with low or negative margins.

The process of evaluating the net realisable value of each property is subject to management judgment and the effect of assumptions in respect of the development plan, timing of sale and prevailing market condition.

The carrying amounts of the Group's development properties and completed properties and land held for sale are disclosed in Notes 15 and 16 respectively.

Valuation of investment properties

Investment properties are stated at fair value based on an independent professional valuation. In determining the fair value, the valuers have used valuation techniques which involve certain estimates and significant unobservable inputs which are disclosed in Note 21. The key assumptions used to determine the fair value include market-corroborated capitalisation yield, terminal yield and discount rate.

The valuers have considered valuation techniques (including income capitalisation method, discounted cash flow method and direct comparison method) in arriving at the open market value as at the end of the reporting period. Income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Valuation of investment properties (cont'd)

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuers have appropriate recognised professional qualifications and their estimates are reflective of current market conditions at the end of the reporting period. The carrying amount of investment properties are disclosed in Note 21.

Loans receivable from associates

The Group makes allowances for doubtful receivables based on assessment of the recoverability of loans receivable from associates. Allowances are applied to loans receivable when events or changes in circumstances indicate that the balance may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimates, such difference will impact the carrying amount of receivables and doubtful receivables expenses in the period in which such estimates has been changed.

The carrying amount of the Group's and the Company's loans receivable from associates is disclosed in Note 14.

Impairment of investment in associates and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates of the Group and subsidiaries of the Company.

The carrying amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amounts of the Group's investment in associates and the Company's investment in subsidiaries are disclosed in Notes 18 and 19 respectively.

Allowances for doubtful trade and other receivables

The Group makes allowances for doubtful debts based on on-going evaluation of collectability and aging analysis of individual receivables by reference to their past default experience. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

The carrying amounts of the Group's and the Company's trade and other receivables and allowance for doubtful trade and other receivables are disclosed in Notes 12 and 13 respectively.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

4 Revenue

	Group	
	2018 **$'000**	2017 $'000
Revenue from sale of development properties	**102,261**	80,048
Revenue from hotel operations	**7,178**	12,061
Rental income	**2,482**	2,581
	111,921	94,690

Revenue represents the invoice value of goods and services supplied. Included in the Group's revenue from sales of development properties is revenue recognised based on the percentage of completion method and completion of construction method of $101,729,000 and $532,000 (2017: $73,003,000 and $7,045,000) respectively.

5 Other operating income

	Group	
	2018 **$'000**	2017 $'000
Interest income	**827**	1,190
Gain on disposal of non-current asset held for sale (Note 17)	**–**	5,348
Gain on foreign currency exchange	**965**	–
Dividend income	**544**	–
Gain on disposal of stock dividend	**160**	–
Gain on fair value of investment properties (Note 21)	**–**	431
Amortisation of financial guarantee liabilities (Note 28)	**255**	512
Management fee income	**138**	133
Liquidated guarantee income	**–**	223
Others	**244**	289
	3,133	8,126

6 Other operating expenses

	Group	
	2018 **$'000**	2017 $'000
Foreign exchange loss	**–**	295
Completed properties and land held for sale written down	**1,684**	2,894
Property, plant and equipment written off (Note 20)	**10**	542
Non-current asset held for sale written off (Note 17)	**82**	–
Impairment loss on investment in associates (Note 18)	**7,568**	–
Fair value loss on investment properties (Note 21)	**1,495**	–
Impairment loss on trade receivables (Note 12)	**6**	–
Impairment loss on other receivables (Note 13)	**181**	–
Reversal of impairment loss on property, plant and equipment (Note 20)	**–**	(168)
	11,026	3,563

7 Finance costs

	Group	
	2018 **$'000**	2017 $'000
Interest on borrowings	**7,513**	9,532
Interest on bank overdraft	**4**	–
Interest on finance lease	**2**	2
Less: Amounts capitalised in the cost of development properties (Note 15)	**(3,040)**	(3,255)
	4,479	6,279

8 (Loss)/profit before tax

	Group	
	2018 **$'000**	2017 $'000
(Loss)/profit before tax is arrived at after charging/(crediting):		
Audit fees paid to:		
– auditor of the Company	**101**	86
– other auditors*	**70**	100
– under provision in respect of prior year		
– auditor of the Company	**21**	–
– other auditors	**19**	22
Non-audit fees:		
– auditor of the Company	**40**	–
– other auditors*	**49**	99
– over provision in respect of prior year	**(7)**	–
Directors' fee	**294**	300
Directors' remuneration:		
– directors of the Company	**453**	898
– directors of the subsidiaries	**67**	80
Employee benefits expense (including directors' remuneration)	**5,079**	7,015
Rental expenses	**118**	119
Depreciation of property, plant and equipment	**387**	1,291
Amortisation of deferred sales commission expenses	**5,565**	3,133
Amortisation of show flat expenses	**514**	689
Amortisation of term notes	**61**	181
Costs of defined contribution plans included in employee benefits expense	**190**	126
Costs of development properties recognised as cost of sales	**82,283**	65,608

* Other auditors include independent member firms of Baker Tilly International network.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

9 Tax expense

	Group	
	2018	2017
	$'000	$'000
Income tax		
– Current year	**1,069**	3,554
– Over provision in prior years	**(1,645)**	(5)
Deferred income tax		
– Current year (Note 22)	**457**	(509)
– Under/(over) provision in prior year	**17**	(53)
Foreign tax expenses	**289**	29
	187	3,016

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	Group	
	2018	2017
	$'000	$'000
(Loss)/profit before tax	**(4,679)**	3,305
Share of results of associates	**(2,838)**	2,090
(Loss)/profit before tax exclude share of results of associates	**(7,517)**	5,395
Tax at the domestic income tax rate of 17% (2017: 17%)	**(1,278)**	917
Expense not deductible for tax purpose	**2,855**	1,179
Deferred tax assets not recognised	**18**	19
Singapore statutory stepped income exemption	**(81)**	(90)
Foreign tax expenses	**289**	29
Effect of different tax rates in other countries	**124**	1,126
Over provision in prior years	**(1,628)**	(58)
Others	**(112)**	(106)
	187	3,016

10 Loss per share

The calculation of the basic and diluted loss per share attributable to the equity holders of the Company is based on the following data:

	Group	
	2018	2017
Net loss attributable to the equity holders of the Company ($'000)	**(4,982)**	(1,048)
Number of ordinary shares outstanding for basic and diluted loss per share ('000)	**446,876**	446,876
Basic and diluted loss per share (cents per share)	**(1.11)**	(0.23)

There are no dilutive ordinary shares for 2018 and 2017.

11 Cash and bank balances

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at banks	**3,796**	21,501	**856**	1,827
Cash on hand	**2**	1	**–**	–
Fixed deposits	**3,159**	2,167	**2**	2
Project accounts				
– Cash at banks	**20,035**	6,380	**–**	–
– Fixed deposits	**2,005**	4,019	**–**	–
	28,997	34,068	**858**	1,829

Fixed deposits bear interest ranging from 0.50% to 5.20% (2017: 0.50% to 3.85%) per annum and mature within 6 months (2016: within 9 months) from the end of the reporting period.

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

12 Trade receivables

	Group	
	2018	2017
	$'000	$'000
Trade receivables	**21,694**	18,571
Less: Allowance for doubtful receivables	**(6)**	–
Trade receivables	**21,688**	18,571

Movement in the allowance for doubtful receivables as follows:

	Group	
	2018	2017
	$'000	$'000
Balance at the beginning of the year	**–**	–
Additions	**6**	–
Balance at the end of the year	**6**	–

The average credit period given to customers is 14 to 30 days (2017: 14 to 30 days). No interest is charged on the outstanding trade receivables.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

13 Other receivables

	Group		Company	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Current				
Associates	**102**	88	**–**	–
Bank interest receivable	**–**	12	**–**	–
Deferred sales commission expense	**2,827**	3,410	**–**	–
Deferred show flat costs	**129**	131	**–**	–
Deposits	**231**	255	**–**	–
Former joint developer	**–**	21	**–**	–
Holding company	**1,675**	1,567	**–**	–
Interest receivable	**1,959**	3,597	**583**	251
Non-controlling interests	**1,114**	1,115	**–**	–
Option money paid for purchase of properties	**3,374**	3,374	**–**	–
Prepayments	**945**	612	**166**	18
Subsidiaries	**–**	–	**126,026**	142,148
Third parties	**10,421**	1,477	**83**	32
	22,777	15,659	**126,858**	142,449
Less: Allowance for doubtful receivables	**(3,555)**	(3,374)	**–**	–
	19,222	12,285	**126,858**	142,449
Non-current				
Loan to former joint developer	**–**	6,000	**–**	–
Subsidiaries	**–**	–	**10,709**	3,830
	–	6,000	**10,709**	3,830
	19,222	18,285	**137,567**	146,279

Movement in the allowance for doubtful receivables as follows:

	Group	
	2018 $'000	2017 $'000
Balances at the beginning of the year	**3,374**	3,374
Addition	**181**	–
Balances at the end of the year	**3,555**	3,374

NOTES TO FINANCIAL STATEMENTS

13 Other receivables (cont'd)

The Group's other receivables that are impaired at the end of the reporting period and the allowance for impairment losses are as follows:

	Group	
	2018	2017
	$'000	$'000
Gross amounts	**3,735**	3,374
Less: Allowance for impairment losses	**(3,555)**	(3,374)
	180	–

In determining the recoverability of other receivables, the Group and the Company consider any change in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period.

The amounts due from associate, former joint developer (current portion), holding company, related parties and non-controlling interests are non-trade in nature, unsecured, interest-free and repayable on demand.

The Company's current receivables from subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand except for amount of $3,872,000 (2017: $Nil) which bears interest rate at 11.50% (2017: Nil) per annum.

The amount of $3,374,000 was for an option to acquire 26 plots of land located in Mukim Klang, Daerah Klang Negeri Selangor, Malaysia from a third party (the "Seller"). The Group has terminated the acquisition as a result of non-compliance of conditions precedent by the Seller and assessed and determined that the option money may not be collectible. Accordingly, allowance for doubtful receivable has been provided for this option money amount since the financial year ended 31 May 2015. In 2018, management reassessed that the option money may still be uncollectible and hence remain as doubtful receivable at the end of the reporting period.

Included in amounts receivable from third parties were:

(a) An amount of $8,421,000 being the amount receivable from the exercise of the call option by the Purchaser on the Option Shares in Chewathai Public Company Limited ("Chewathai"). The Purchaser, Chartchewa Company Limited, is the buyer of the Group's entire shareholding interest in the capital of Chewathai ("Chewathai Shares"), the Group's associate in Thailand. The Option Shares represents 151,119,300 Chewathai Shares for which the Purchaser had exercised call option on 28 May 2018. The amount of $8,421,000 has been fully repaid in August 2018.

(b) An amount of $646,000 being the amount receivable for the Distribution Shares, payable by the Purchaser. The Distribution Shares were the stock dividend declared by Chewathai before the exercise of the call option by the Purchaser, for which the Purchaser was obligated to purchase at the same price as the Chewathai Shares. The amount of $646,000 has been fully repaid in August 2018.

In 2017, non-current loan to former joint developer was unsecured and repayable 12 months after the reporting date. The non-current loan to former joint developer bore floating interest of 1.1% per annum below Hong Leong Finance Enterprise Base Rate, which approximates an average of 4.15% per annum at the end of reporting period. The loan has been fully repaid in September 2017.

Non-current receivables from subsidiaries are non-trade in nature, unsecured, bears interest at 5.00% (2017: 5.00%) per annum and expected to be repaid upon completion of the development project held by the subsidiary.

The fair value of non-current other receivables is computed based on cash flow discounted at market borrowing rate at 5.00% (2017: 5.00%) per annum. The fair value measurement is categorised within level 3 of the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

14 Loans receivable from associates

Loans receivable from associates are unsecured, interest-free and expected to be repaid upon completion of the development project held by the associates except for amounts of $6,345,000 (2017: $18,627,000) which bear interest rate at 5.00% (2017: ranging 4.00% to 5.00%) per annum. Management has assessed the credit worthiness of the associates and believes that no allowance is required for the loans receivable from associates.

The fair values of the Group's and the Company's loans receivable from associates approximate their carrying amounts at the end of the reporting period.

15 Development properties

	Group	
	2018 **$'000**	2017 $'000
Cost incurred plus attributable profit	**303,109**	196,029
Less: Progress billings	**(71,982)**	(48,175)
	231,127	147,854

Development properties have operating cycles longer than one year and are intended for sale in the Group's normal operating cycle. Accordingly, the development properties are classified as current assets.

Development properties were pledged to banks to secure the long-term borrowings granted to the Group as disclosed in Note 27.

Finance costs capitalised as cost of development properties during the financial year amounted to $3,040,000 (2017: $3,255,000) at interest rates ranging from 2.46% to 7.60% (2017: 2.08% to 7.50%) per annum.

As at 31 May 2018, the aggregate amount of costs incurred and attributable profits to-date relating to revenue from sale of development properties recognised using percentage of completion method amounted to $35,542,000 (2017: $57,815,000) and $7,487,000 (2017: $19,898,000) respectively.

15 Development properties (cont'd)

Details of the Group's development properties as at 31 May 2018 are as follows:

Name of property/ Location	Description	Tenure	Estimated percentage of completion	Year to be completed/ Expected completion	Land area (sq m)	Gross floor area (sq m)	Group's interest in property (%)
240ne Residences 241 Pasir Panjang Singapore	24 units of residential apartments	Freehold	40%	March 2019	1,202	1,682	100
183 Longhaus 183 Upper Thomson Road, Singapore	40 residential units and 10 commercial units	Freehold	55%	December 2018	1,576	4,727	100
Third Avenue Jalan Teknokrat 3, Cyberjaya, Selangor, Malaysia	One office block	Freehold	100%#	November 2018	24,085	12,766	100
Rezi 35 Geylang Lorong 35, Singapore	44 units of residential apartments	Freehold	13%	December 2019	1,115	3,121	51
Lattice One 1 Seraya Crescent, Singapore	48 units of residential apartments	Freehold	*	September 2020	2,236	3,131	100
35 Gilstead 35 Gilstead Road, Singapore	70 units of residential apartments	Freehold	*	December 2021	3,528	4,954	60

* No revenue has been recognised in respect of these development properties.

Pending Completion Certificate.

16 Completed properties and land held for sale

	Group	
	2018 $'000	2017 $'000
Balance at beginning of the year	**52,176**	48,016
Additions	**–**	78
Transferred from development properties	**16,367**	11,617
Recognised as an expense in the cost of sales	**(13,956)**	(7,535)
	54,587	52,176
Less: Written down	**(6,276)**	(4,592)
Balance at end of the year	**48,311**	47,584

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

16 Completed properties and land held for sale (cont'd)

The Group write-down its properties to estimated net realisable value taking into account estimated net realisable values of the properties by reference to comparable properties, location and property market conditions. The write-down was made on certain properties due to the weakening market conditions of these properties.

Details of the Group's completed properties and land held for sale as at 31 May 2018 are as follow:

Name of Property/location	Description	Tenure	Land area (sq m)	Gross floor area (sq m)	Group's interest in property (%)
31 Harvey Avenue, Singapore	1 unit of 3-storey house	Freehold	515	723	100
The Peak @ Cairnhill I 51 Cairnhill Circle, Singapore	15 units of residential apartments	Freehold	978	1,189	100
Third Avenue Jalan Teknokrat 3, Cyberjaya, Selangor, Malaysia	57 units of residential apartments and 5 commercial units	Freehold	24,085	4,761	100
Peach Garden Phu Huu Residential District 9, Ho Chi Minh City, Vietnam	30 plots of lands	Freehold	6,029	–	65

The completed properties and land held for sale of $35,605,000 (2017: $43,850,000) is pledged to banks to secure the long-term borrowings granted to the Group as disclosed in Note 27.

17 Non-current asset held for sale

	Group	
	2018 $'000	2017 $'000
Balance at beginning of the year	**47,481**	–
Reclassified from Property, plant and equipment	**–**	74,953
Additions	**1,067**	–
Written off	**(82)**	–
Disposal	**–**	(27,472)
Exchange difference	**(849)**	–
Balance at end of the year	**47,617**	47,481

17 Non-current asset held for sale (cont'd)

Following the approval of the Group's management and directors on 26 July 2016 to sell the two hotels in Australia, the freehold land and building on freehold land were classified as "non-current assets held for sale" in the consolidated statement of financial position.

The Group had sold one of the hotels in 2017 for a consideration, net of transaction cost of Australia dollar 31,365,000 (equivalent to $32,820,000). The gain on disposal of Australia dollar 5,111,000 (equivalent to $5,348,000) was recorded for the financial year ended 31 May 2017 (Note 5).

The Group is actively marketing for sale of Larmont Hotel Sydney since the date of reclassification to non-current asset held for sale in financial year 2017. The sale has not been completed as at the end of the reporting period. The Group's management and directors have reassessed and are satisfied that the freehold land and building on freehold land continues to meet the criteria to be classified as held for sale in accordance with FRS 105 Non-current assets held for sale and discontinued operations.

At 31 May 2018, details of the Group's non-current asset held for sale are as follows:

Address of properties	Tenure of property	Existing use	Gross floor area (sq m)	Group's effective interest (%)
Larmont Hotel Sydney 2-14 Kings Cross Road, Potts Point, New South Wales 111, Australia	Freehold	Hotel operations	4,653	55

The non-current asset held for sale is pledged to banks to secure the long-term borrowings granted to the Group (Note 27).

18 Investment in associates

	Group	
	2018 $'000	2017 $'000
Quoted equity shares, at cost	**–**	9,875
Unquoted equity shares, at cost	**1,724**	2,174
Deemed cost of investment	**4,756**	5,766
Impairment on investment in associates	**(271)**	–
Gain on dilution of equity interest in associate	**–**	1,254
Dividend paid by associated company	**(19,115)**	(12,859)
Exchange difference	**–**	464
Share of post-acquisition results		
At beginning of year	**33,595**	35,685
Profit/(loss) for the year	**2,838**	(2,090)
Disposal of associate	**(11,595)**	–
At end of year	**24,838**	33,595
	11,932	40,269

Deemed cost of investment is the fair value of financial guarantee on initial recognition provided by the Group to secure banking facilities of the associates.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

18 Investment in associates (cont'd)

Details of the Group's associates at 31 May 2018 are as follow:

Name of associate/ Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2018	2017
		%	%
Unique Development Pte. Ltd. [3] Singapore	Development of real estate	**20.0**	20.0
Unique Realty Pte. Ltd. [3] Singapore	Development of real estate	**20.0**	20.0
Residenza Pte. Ltd. [3] Singapore	Development of real estate	**32.0**	32.0
Unique Consortium Pte. Ltd. [3] Singapore	Development of real estate	**20.0**	20.0
Development 26 Pte. Ltd. [3] Singapore	Development of real estate	**45.0**	45.0
Unique Capital Pte. Ltd. [3] Singapore	Development of real estate	**20.0**	20.0
Chewathai Public Company Limited [2] *(formerly known as Chewathai Limited)* Thailand	Development of real estate	–	31.9
Development 32 Pte. Ltd. [3] Singapore	Development of real estate	**45.0**	45.0
Unique Commercial Pte. Ltd. [1] Singapore	Development of real estate	**35.0**	35.0
Wealth Development Pte. Ltd. [3] Singapore	Development of real estate	**30.0**	30.0
Unique Wellness Pte. Ltd. [4] Singapore	Dormant	**20.0**	20.0
Held by Chewathai Public Company Limited			
Chewathai Hup Soon Limited [2] Thailand	Development of real estate	–	15.9
Chewathai Interchange Co., Ltd [2]	Development of real estate	–	31.9

(1) Audited by Baker Tilly TFW LLP, Singapore

(2) Audited by Ernst & Young Office Limited, Thailand

(3) Audited by Ernst & Young LLP, Singapore

(4) This associate is exempted from audit as it is dormant and not considered material to the consolidated financial statements.

18 Investment in associates (cont'd)

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's associates, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

During the year, by an extraordinary general meeting held on 24 January 2018, the Group disposed of its entire shareholding interest of 239,119,300 ordinary shares in the capital of Chewathai, an associate of the Group to the Purchaser (Note 13). The selling price per share was Baht 1.33, being negotiated at arms-length and arrived at on a "willing-buyer, willing-seller" basis, taking into account, *inter alia*, the market capitalisation and net asset value of Chewathai as at 30 September 2017.

The disposal was in two tranches as follows:

1. 88,000,000 ordinary shares in Chewathai was sold to the Purchaser on 26 January 2018; and

2. the remaining 151,119,300 ordinary shares in Chewathai was sold to the Purchaser upon the exercise of a call option by the Purchaser on 28 May 2018 (Note 13).

The disposal of Chewathai was completed on 28 May 2018. An impairment loss on investment in Chewathai amounting to $7,297,000 was recorded in the consolidated statement of profit or loss and other comprehensive income.

In 2017, the fair value of quoted equity shares of Chewathai was Thai Baht 318,030,000 (equivalent to $12,944,000) based on quoted bid prices in an active market on 31 May 2017. The fair value measurement was classified with Level 1 of the fair value hierarchy.

Summarised financial information in respect of the Group's associates is set out below:

	Group	
	2018 $'000	2017 $'000
Total assets	**179,633**	445,079
Total liabilities	**(151,207)**	(319,784)
Net assets	**28,426**	125,295
Group's share of associates' net assets	**7,447**	34,503
Revenue	**121,106**	135,351
Profit/(loss) for the year	**8,126**	(10,383)
Group's share of associates' results for the year	**2,838**	(2,090)
Dividend received	**9,930**	6,535

The Group has not recognised its share of losses amounting to $Nil (2017: $34,000) in profit or loss during the financial year. The accumulated losses not recognised at the date of reporting period were $Nil (2017: $169,000).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

18 Investment in associates (cont'd)

The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with FRSs and includes adjustments by the Group to align with the Group's accounting policy for equity accounting purposes. Summarised and reconciliation of the financial information in respect of each of the Group's material associates is set out below:

	Unique Development Pte. Ltd.	Unique Realty Pte. Ltd.	Residenza Pte. Ltd.	Unique Consortium Pte. Ltd.	Unique Capital Pte. Ltd.	Development 26 Pte. Ltd.	Chewathai Public Limited and its subsidiaries	Development 32 Pte. Ltd.	Wealth Development Pte. Ltd.	Unique Commercial Pte. Ltd.
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2018										
Summarised statement of financial position										
Proportion of the Group's effective ownership interest	20.0%	20.0%	32.0%	20.0%	20.0%	45.0%	–	45.0%	30.0%	35%
Current assets	5,074	3,066	9,950	29,304	21	350	–	9,160	37,165	57,856
Non-current assets	946	–	–	13,546	13,112	–	–	–	–	83
Current liabilities	(1,541)	(642)	(2,524)	(21)	(8)	(286)	–	(1,801)	(10,317)	(7,233)
Non-current liabilities	–	(72)	–	(39,696)	(5,276)	–	–	(3,578)	(27,000)	(51,210)
Net assets/(liabilities)	4,479	2,352	7,426	3,133	7,849	64	–	3,781	(152)	(504)
Group's share of net assets	896	470	2,376	627	1,570	29	–	1,701	(46)	(176)
Deemed cost of investment	1,054	610	201	694	707	300	–	304	440	446
Impairment loss	–	–	–	–	–	(271)	–	–	–	–
Carrying amount of the Group's interest in associates	1,950	1,080	2,577	1,321	2,277	58	–	2,005	394	270
Summarised statement of profit or loss and total comprehensive income										
Revenue	1,797	8,560	–	–	–	–	76,828	945	8,258	24,718
(Loss)/profit for the year	(17)	1,863	(70)	(2,914)	(404)	1,084	8,058	895	(349)	(21)
Total comprehensive (loss)/income for the year	(17)	1,863	(70)	(2,914)	(404)	1,084	8,058	895	(349)	(21)

18 Investment in associates (cont'd)

	Unique Development Pte. Ltd. $'000	Unique Realty Pte. Ltd. $'000	Residenza Pte. Ltd. $'000	Unique Consortium Pte. Ltd. $'000	Unique Capital Pte. Ltd. $'000	Development 26 Pte. Ltd. $'000	Chewathai Public Limited and its subsidiaries $'000	Development 32 Pte. Ltd. $'000	Wealth Development Pte. Ltd. $'000	Unique Commercial Pte. Ltd. $'000
2017										
Summarised statement of financial position										
Proportion of the Group's effective ownership interest	20.0%	20.0%	32.0%	20.0%	20.0%	45.0%	31.9%	45.0%	30.0%	35%
Current assets	9,118	17,884	10,395	42	52	4,149	158,749	32,162	52,670	53,488
Non-current assets	944	–	–	69,474	13,172	–	22,678	–	–	103
Current liabilities	(2,666)	(7,818)	(2,638)	(24)	(9)	(3,169)	(97,455)	(3,970)	(52,472)	(5,665)
Non-current liabilities	–	(77)	(260)	(28,445)	(4,962)	–	(36,436)	(25,307)	–	(48,410)
Net assets	7,396	9,989	7,497	41,047	8,253	980	47,536	2,885	198	(484)
Group's share of net assets	1,479	1,998	2,399	8,209	1,651	441	16,968	1,298	59	(169)
Deemed cost of investment	1,054	610	201	691	707	300	1,185	304	335	379
Carrying amount of the Group's interest in associates	2,533	2,608	2,600	8,900	2,358	741	18,153	1,602	394	210
Summarised statement of profit or loss and total comprehensive income										
Revenue	9,638	–	–	–	–	–	29,955	33,223	62,535	–
(Loss)/profit for the year	(2,407)	(592)	(336)	(7,983)	(1,029)	(48)	410	619	1,080	(97)
Total comprehensive (loss)/income for the year	(2,407)	(592)	(336)	(7,983)	(1,029)	(48)	410	619	1,080	(97)

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For the financial year ended 31 May 2018

19 Investment in subsidiaries

	Company	
	2018 **$'000**	2017 $'000
Unquoted equity shares, at cost	**30,178**	28,979
Allowance for impairment loss	**(1,253)**	(532)
Deemed cost of investment	**3,936**	4,549
	32,861	32,996

Deemed cost of investment is the fair value of financial guarantees on initial recognition provided by the Company to secure banking facilities of certain subsidiaries (Note 28). The full amount of the financial guarantee fee is deemed to be additional investment in subsidiaries.

Movement in the allowance for impairment loss is as follows:

	Company	
	2018 **$'000**	2017 $'000
Balances at beginning of the year	**532**	–
Allowance made	**721**	532
Balance at end of the year	**1,253**	532

During the financial year, management performed an impairment assessment on the Company's investment in subsidiaries. An impairment loss of $721,000 (2017: $532,000) was recognised to write-down the investments in certain subsidiaries to their recoverable amounts of $1,499,000 (2017: $455,000). The recoverable amount was determined based on its fair value less cost to sell, which represented its adjusted net assets value taking into account the fair value of underlying assets and liabilities of these subsidiaries. This fair value measurement is categorised within Level 3 of the fair value hierarchy.

Details of the Company's subsidiaries at 31 May 2018 are as follows:

Name of subsidiary/ Place of incorporation and operation	**Principal activity**	**Proportion of ownership interest and voting power held**	
		2018 **%**	2017 %
TEE Realty Pte. Ltd. (1) Singapore	Development of real estate	**100**	100
Development 83 Pte. Ltd. (1) Singapore	Development of real estate	**100**	100
TEE Property Pte. Ltd. (1) Singapore	Development of real estate and investment holding	**100**	100
TEE Homes Pte. Ltd. (1) Singapore	Development of real estate	**100**	100
TEE Development Pte. Ltd. (1) Singapore	Development of real estate	**100**	100
Development 72 Pte. Ltd. (1) Singapore	Development of real estate	**100**	100

19 Investment in subsidiaries (cont'd)

Name of subsidiary/ Place of incorporation and operation	**Principal activity**	**Proportion of ownership interest and voting power held**	
		2018 %	2017 %
TEE Industrial Pte. Ltd. (1) Singapore	Real estate activities with owned property	**100**	100
Development 16 Pte. Ltd. (1) Singapore	Development of real estate and investment holding	**100**	100
TEE Ventures Pte. Ltd. (1) Singapore	Development of real estate	**100**	100
TEE Hospitality Pte. Ltd. (1) Singapore	Development of real estate and investment holding	**100**	100
Development 35 Pte. Ltd. (1) *(formerly known as TEE Vista Pte. Ltd.)* Singapore	Development of real estate	**51**	51
TEE Vista Pte. Ltd. (1) *(formerly known as Ley Choon Development Pte Ltd)* Singapore	Development of real estate	**100**	100
TEE Forward Pte. Ltd. (1) Singapore	Development of real estate	**60**	–
Held by TEE Property Pte. Ltd.			
Viet-TEE Company Limited (2) Vietnam	Development of real estate	**65**	65
TEE Resources Sdn. Bhd. (3) Malaysia	Development of real estate	**100**	100
Klang City Development Pte. Ltd. (1) Singapore	Development of real estate and investment holding	**60**	60
Held by Klang City Development Pte. Ltd.			
Menara Jutamas Sdn. Bhd. (6) Malaysia	Development of real estate	**60**	60
Held by TEE Hospitality Pte. Ltd.			
TEE Oceania Pte Limited (4) New Zealand	Investment holding	**100**	100
JPJ Properties Pty Ltd (5) Australia	Hotel operations	**55**	55
Potts Point Hospitality Pty Ltd (5) Australia	Hotel operations	**55**	55

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19 Investment in subsidiaries (cont'd)

Name of subsidiary/ Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held	
		2018 %	2017 %
Held by TEE Oceania Pte Limited			
Teematic Private Limited [(4)] New Zealand	Investment holding	**75.1**	75.1
Held by Teematic Private Limited			
Workotel Limited [(4)] New Zealand	Rental accommodation operations	**75.1**	75.1

(1) Audited by Baker Tilly TFW LLP, Singapore

(2) Audited by Baker Tilly A&C, Vietnam

(3) Audited by Baker Tilly Monteiro Heng, Malaysia

(4) Audited by Staples Rodway Christchurch Limited, New Zealand

(5) Audited by Pitcher Partners, Australia

(6) Audited by Tee & Partners Chartered Accountants, Malaysia

In accordance with the requirements of Rules 715 and 716 the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's subsidiaries, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

Incorporation of TEE Forward Pte. Ltd.

On 6 November 2017, the Company incorporated a new subsidiary, TEE Forward Pte. Ltd. ("TEE Forward") with a paid-up share capital of one share at $1.00. On 4 December 2017, TEE Forward increased its paid-up share capital to 100 shares of $1.00 each, allotting 59 shares to the Company, 30 shares to TG (2013) Pte Ltd ("TG (2013)"), 5 shares to Kenmooreland Pte Ltd ("Kenmooreland") and 5 shares to Triple Fortune International Limited ("Triple Fortune") (collectively "Shareholders"). TG (2013), Kenmooreland and Triple Fortune are independent and unrelated third parties. On 1 February 2018, TEE Forward further increased its paid-up share capital to 2,000,000 shares of $1.00 each, allotting the new shares to the Shareholders in their shareholding proportion. Upon completion of the above subscriptions, the Company holds 60% of the issued share capital of TEE Forward.

Acquisition of TEE Vista Pte. Ltd.

On 30 November 2016, the Company acquired 100% of the issued capital of TEE Vista Pte. Ltd. (formerly known as Ley Choon Development Pte. Ltd.) for $11,500,000. The consideration represents the fair value of a development property and other identifiable asset acquired on the acquisition date.

Transaction costs related to the acquisition of $228,000 have been included in "administrative expenses" in the Group's profit or loss for that financial year.

The acquired subsidiary incurred a net loss of $161,000 for the period from 30 November 2016 to 31 May 2017. If the acquisition had occurred on 1 June 2016, the Group total profit would have been $1,495,000. In 2017, there is no revenue recognised for acquired subsidiary in that financial year.

19 Investment in subsidiaries (cont'd)

The table below shows the details of subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Effective equity interest and voting power held by non-controlling interest		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018 %	2017 %	**2018 %**	2017 %	**2018 %**	2017 %
TEE Oceania Pte Limited and its subsidiaries	New Zealand	**24.9**	24.9	**(238)**	(125)	**43**	288
JPJ Properties Pty Ltd	Australia	**45.0**	45.0	**14**	1,703	**446**	4,731
Potts Point Hospitality Pty Ltd	Australia	**45.0**	45.0	**117**	(241)	**9,868**	9,601
Development 35 Pte. Ltd. *(formerly known as TEE Vista Pte. Ltd.)*	Singapore	**49.0**	49.0	**249**	(54)	**682**	433
TEE Forward Pte Ltd	Singapore	**40.0**	–	**(28)**	–	**773**	–
Others *				**2**	54	**44**	91
Total				**116**	1,337	**11,856**	15,144

* Individually Immaterial subsidiaries with non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amount before intragroup eliminations.

	TEE Oceania Pte Limited and its subsidiaries	JPJ Properties Pty Ltd	Potts Point Hospitality Pty Ltd	Development 35 Pte. Ltd.	TEE Forward Pte. Ltd.
	$'000	$'000	$'000	$'000	$'000
Summarised balance sheet					
2018					
Current assets	4,371	1,189	48,779	28,437	77,113
Non-current assets	8,686	–	335	–	14
Current liabilities	(12,786)	(101)	(27,183)	(1,284)	(1,341)
Non-current liabilities	(489)	–	–	(25,761)	(73,855)
Net (liabilities)/assets	(218)	1,088	21,931	1,392	1,931
Non-controlling interests	43	446	9,868	682	773
2017					
Current assets	4,150	16,763	48,416	25,926	–
Non-current assets	10,092	–	492	–	–
Current liabilities	(8,149)	(6,248)	(27,573)	(252)	–
Non-current liabilities	(5,323)	–	–	(24,790)	–
Net assets	770	10,515	21,335	884	–
Non-controlling interests	288	4,731	9,601	433	–

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19 Investment in subsidiaries (cont'd)

	TEE Oceania Pte Limited and its subsidiaries $'000	JPJ Properties Pty Ltd $'000	Potts Point Hospitality Pty Ltd $'000	Development 35 Pte. Ltd. $'000	TEE Forward Pte. Ltd. $'000
Summarised income statement					
2018					
Revenue for the year	2,054	–	7,177	4,726	–
Expenses	(3,040)	40	(6,917)	(4,218)	(68)
(Loss)/profit for the year	(986)	40	260	508	(68)
(Loss)/profit attributable to:					
Equity holder of the company	(748)	26	143	259	(40)
Non-controlling interests	(238)	14	117	249	(28)
(Loss)/profit for the year	(986)	40	260	508	(68)
Other comprehensive income/(loss) attributable to:					
Equity holder of the company	3	134	(228)	–	–
Non-controlling interests	(5)	46	(187)	–	–
Other comprehensive (loss)/income for the year	(2)	180	(415)	–	–
Total comprehensive (loss)/income attributable to:					
Equity holder of the company	(745)	160	(85)	259	(40)
Non-controlling interests	(243)	60	(70)	249	(28)
Total comprehensive income for the year	(988)	220	(155)	508	(68)
Summarised statement of cash flows					
2018					
Net cash generated from/(used in) operating activities	145	(707)	503	4,188	(75,161)
Net cash generated from/(used in) investing activities	(10)	304	(1,067)	–	–
Net cash generated from/(used in) financing activities	(144)	(14,455)	417	421	75,637
Net cash (decrease)/increase in cash and cash equivalents	(9)	(14,858)	(147)	4,609	476

19 Investment in subsidiaries (cont'd)

	TEE Oceania Pte Limited and its subsidiaries $'000	JPJ Properties Pty Ltd $'000	Potts Point Hospitality Pty Ltd $'000	Development 35 Pte. Ltd. $'000
Summarised income statement				
2017				
Revenue for the year	2,179	6,499	5,561	–
Expenses	(2,809)	(2,714)	(6,096)	(110)
Profit/(loss) for the year	(630)	3,785	(535)	(110)
Profit/(loss) attributable to:				
Equity holder of the company	(505)	2,082	(294)	(56)
Non-controlling interests	(125)	1,703	(241)	(54)
Profit for the year	(630)	3,785	(535)	(110)
Other comprehensive income/(loss) attributable to:				
Equity holder of the company	56	166	45	–
Non-controlling interests	23	136	68	–
Other comprehensive income/(loss) for the year	79	302	113	–
Total comprehensive income attributable to:				
Equity holder of the company	(449)	2,248	(249)	(56)
Non-controlling interests	(102)	1,839	(173)	(54)
Total comprehensive income for the year	(551)	4,087	(422)	(110)
Summarised statement of cash flows				
2017				
Net cash generated from/(used in) operating activities	50	317	(118)	(23,094)
Net cash generated from/(used in) investing activities	(5)	31,965	(7,491)	–
Net cash generated from/(used in) financing activities	(161)	(17,658)	7,777	23,180
Net cash (decrease)/increase in cash and cash equivalents	(116)	14,624	168	86

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20 Property, plant and equipment

	Freehold land $'000	Buildings on freehold land $'000	Leasehold building $'000	Computer $'000	Renovation $'000	Motor vehicle $'000	Machinery and tools $'000	Office equipment $'000	Total $'000
Group									
Cost									
At 1 June 2016	10,454	49,835	23,962	114	1,291	107	17	9,280	95,060
Exchange differences	446	1,884	–	(2)	(44)	(3)	–	257	2,538
Additions	–	561	315	16	–	–	–	7,181	8,073
Reclassification	(10,900)	(52,138)	(24,277)	–	–	–	–	(15,710)	(103,025)
Written off	–	(142)	–	(5)	–	–	–	(507)	(654)
At 31 May 2017	–	–	–	123	1,247	104	17	501	1,992
Exchange differences	–	–	–	2	49	3	(1)	(3)	50
Additions	–	–	–	5	–	–	6	13	24
Written off	–	–	–	–	(18)	–	–	–	(18)
At 31 May 2018	**–**	**–**	**–**	**130**	**1,278**	**107**	**22**	**511**	**2,048**
Accumulated depreciation									
At 1 June 2016	–	1,721	642	65	618	45	7	1,833	4,931
Exchange differences	–	71	–	(1)	(24)	(1)	–	74	119
Depreciation	–	180	535	32	251	21	3	269	1,291
Reclassification	–	(1,947)	(1,177)	–	–	–	–	(1,848)	(4,972)
Written off	–	(25)	–	(5)	–	–	–	(82)	(112)
At 31 May 2017	–	–	–	91	845	65	10	246	1,257
Exchange differences	–	–	–	3	41	2	(1)	(3)	42
Depreciation	–	–	–	22	251	21	3	90	387
Written off	–	–	–	–	(8)	–	–	–	(8)
At 31 May 2018	**–**	**–**	**–**	**116**	**1,129**	**88**	**12**	**333**	**1,678**
Net carrying amount									
At 31 May 2018	**–**	**–**	**–**	**14**	**149**	**19**	**10**	**178**	**370**
At 31 May 2017	–	–	–	32	402	39	7	255	735

20 Property, plant and equipment (cont'd)

In 2017, the Group has reclassified both properties comprised freehold land and buildings on freehold land in Australia from property, plant and equipment to non-current assets held for sale (Note 17), as the management has decided to dispose both properties in order to realise their values.

In 2017, the Group has also reclassified the property at 25 Bukit Batok Street 22, Singapore from property, plant and equipment to investment property (Note 21) as the Group intended to lease out the building, not just to the holding company and its group of companies, who are current tenants, but also to third parties. A reversal of impairment loss of $168,000 was recognised in profit or loss to bring its fair value to $23,100,000 in that financial year (Note 21).

The carrying amount of the Group's motor vehicle includes an amount of $16,000 (2017: $33,000) which was held under finance lease (Note 26).

21 Investment properties

	Group	
	2018	2017
	$'000	$'000
At fair value:		
At beginning of year	**35,812**	11,717
Exchange differences	**(412)**	564
Reclassify from property, plant and equipment (Note 20)	**–**	23,100
(Loss)/gain on fair value of investment properties (Notes 5, 6)	**(1,495)**	431
At end of year	**33,905**	35,812

The fair value of the Group's investment properties at 31 May 2018 and 2017 have been determined based on valuations carried out by independent valuers with appropriate recognised professional qualifications and experience.

In determining the market value of the investment properties, the valuers have considered valuation techniques (including income capitalisation method, discounted cash flow method and direct comparison method) in arriving at the open market value as at the end of the reporting period. Income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 May 2018, the fair value measurements of the Group's investment properties are classified within Level 3 of the fair value hierarchy.

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For the financial year ended 31 May 2018

21 Investment properties (cont'd)

The investment properties held by the Group as at 31 May 2018 are as follow:

Name of property/Location	Tenure	Description
Workotel 19 Main South Road, Upper Riccarton, Christchurch, New Zealand	Freehold	107 units and 4 houses for providing rental accommodation
Thistle Guesthouse 21 Main North Road, Upper Riccarton, Christchurch, New Zealand	Freehold	10 rooms with 1 ground floor apartment and an attached sleep-out for providing rental accommodation
Chewathai Ratchaprarop Condominium, No. 11 Ratchaprarop Road, Makkasan Sub-district, Ratchathewi District, Bangkok, Thailand	Freehold	3 condominium apartment units for providing rental accommodation
TEE Building 25 Bukit Batok Street 22, Singapore	From 1 May 1992 to 30 April 2052	Industrial and office space for providing rental

The following table shows the significant unobservable inputs used in the valuation model:

Location	Fair value		Valuation methodology	Significant unobservable inputs (Level 3)	Range	
	2018 $'000	2017 $'000			**2018**	2017
New Zealand	**8,197**	9,676	Discounted cash flow method	Discount rate [2]	**8.00%**	10.00%
				Terminal yield rate [2]	**–**	–
			Direct comparison method	Price per square meter of gross floor area [1]	**$311 - $480**	$300 - $480
Singapore	**23,500**	24,000	Direct comparison method	Price per square meter of gross floor area [1]	**$1,500 - $3,000**	$1,800 - $3,100
Thailand	**2,208**	2,136	Direct comparison method	Price per square meter of gross floor area [1]	**$3,900 - $7,100**	$4,000 - $6,600
			Income capitalisation method	Occupancy turnover [1]	**97.00%**	97.00%
				Turnover [1]	**$2,700/week**	$3,000/week
				Operating income [1]	**$2,600/week**	$2,600/week
				Net operating income margin [1]	**91.00%**	87.00%
				Capitalisation rate [2]	**6.00%**	6.00%

(1) Any significant isolated increase/(decrease) in these inputs would result in a significantly higher/(lower) fair value measurement.

(2) Any significant isolated decrease/(increase) in this input would result in a significantly (higher)/lower fair value measurement.

21 Investment properties (cont'd)

The Group has pledged the investment properties except for freehold condominium apartment units in Bangkok, Thailand to banks to secure long-term borrowings granted to the Group (Note 27).

The property rental income from the Group's investment properties amounted to $1,707,000 (2017: $1,377,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $765,000 (2017: $601,000). Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income amounted to $126,000 (2017: $Nil).

22 Deferred tax liabilities/(assets)

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods:

	Recognition profits from properties under development	Tax losses	Total
	$'000	$'000	$'000
Group			
At 1 June 2016	210	(2,192)	(1,982)
Charge/(credit) to profit or loss for the year (Note 9)	153	(715)	(562)
Exchange differences	11	(40)	(29)
At 31 May 2017	374	(2,947)	(2,573)
Charge/(credit) to profit or loss for the year (Note 9)	666	(192)	474
Exchange differences	(15)	23	8
At 31 May 2018	**1,025**	**(3,116)**	**(2,091)**

The following is the analysis of deferred tax balances for statements of financial position purposes:

	Group	
	2018	2017
	$'000	$'000
Deferred tax liabilities	**1,025**	374
Deferred tax assets	**(3,116)**	(2,947)
	(2,091)	(2,573)

Revenue from sale of development properties will only be taxable upon completion of the project.

Subject to the agreement by the tax authorities, the Group has unutilised tax losses of approximately $18,189,000 (2017: $19,162,000) which is available for offset against future taxable income of the Group. Deferred tax asset of $3,116,000 (2017: $2,947,000) has been recognised in respect of such tax losses. No deferred tax assets has been recognised in respect of the remaining unutilised tax losses of approximately $1,696,000(2017: $3,848,000) due to unpredictability of future profit streams.

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries which would be subject to withholding tax if transferred out of the country. The Group is in a position to control the timing of the transfer of these accumulated profits and do not expect the accumulated profits to be remitted such as to attract withholding tax in the foreseeable future. Temporary differences arising in connection with interests in associates is insignificant.

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23 Bank loans

The bank loans of a subsidiary of $1,499,000 bear interest rates ranging from 5.10% to 5.30% (2017: 5.00% to 5.10%) per annum and secured by the corporate guarantee of the Company.

The Group's and the Company's bank loan of $5,000,000 bear interest rate ranging from 4.77% to 5.05% (2017: Nil) per annum, unsecured and repayable on demand.

As at the end of reporting period, the Group and the Company had available $500,000 (2017: $Nil) of undrawn borrowing facilities in respect of which all conditions precedent had been met.

24 Trade payables

	Group	
	2018 $'000	2017 $'000
Third parties	**25,385**	7,994
Related company	**290**	15,158
Retention payables	**6,056**	1,035
	31,731	24,187

The credit period granted by contractors is 30 to 60 days (2017: 30 to 60 days). No interest is charged on the outstanding balance.

Retention payables are classified as current as they are expected to be repaid within the Group's normal operating cycle.

The amounts payables to related company are unsecured, interest free and repayable on demand.

25 Other payables

	Group		Company	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Holding company	**1,084**	759	**902**	602
Related companies	**165**	148	**–**	–
Subsidiaries	**–**	–	**7,041**	7,066
Non-controlling interests	**2,218**	2,254	**–**	–
Associates	**5,335**	8,406	**–**	21
Accrued expenses	**3,270**	1,896	**528**	673
Dividend payable	**1,117**	1,841	**1,117**	–
Advances received from customers	**7,894**	8,028	**–**	–
Other payables	**1,265**	2,414	**23**	96
	22,348	25,746	**9,611**	8,458

The amounts payable to holding company, related companies, subsidiaries, non-controlling interests and associates are non-trade in nature, unsecured, interest-free and repayable on demand.

26 Finance lease

	Group			
	Minimum lease payments		**Present value of minimum lease payments**	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Amounts payable under finance lease:				
Within one year	**14**	14	**13**	12
In the second to fifth years inclusive	**28**	40	**27**	38
	42	54	**40**	50
Less: Future finance charges	**(2)**	(4)	**–**	–
Present value of lease obligations	**40**	50	**40**	50
Presented by:				
Current			**13**	12
Non-current			**27**	38
			40	50

The lease term is 7 years (2017: 7 years). The borrowing rate is 2.32% (2017: 2.32%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to interest rate risk. The lease is on a fixed repayment basis and no arrangements have been entered into contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount. The fair value of the finance lease at the end of the reporting period approximates its carrying amount as there are no significant changes in the interest rate available to the Group at the end of the reporting period. This fair value measurement is categorised within Level 3 of the fair value hierarchy.

The Group's obligations under finance lease are secured by the lessor's title to the Group's motor vehicle (Note 20).

27 Long-term borrowings

	Group	
	2018 $'000	2017 $'000
Total borrowings	**226,657**	157,778
Amounts due for settlement within 12 months	**(97,658)**	(45,530)
Amounts due for settlement after 12 months	**128,999**	112,248

Included in total borrowings is an amount of $10,000,000, being the amount borrowed from a substantial shareholder, which bears interest rate of 11.50% per annum, unsecured and repayable by 28 February 2019.

The Group's other long-term borrowings bear interest rates ranging from 2.08% to 5.03% (2017: 2.08% to 7.50%) per annum.

The Group's other long-term borrowings are secured against the development properties (Note 15), completed properties and land held for sale (Note 16), non-current asset held for sale (Note 17), investment properties (Note 21) and corporate guarantees by the Company and other corporate shareholders of the certain subsidiaries (Note 38).

The fair value of the non-current long-term borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period.

As at the end of reporting period, the Group had available $65,782,000 (2017: $23,791,000) of undrawn borrowing facilities, in respect of which all conditions precedent had been met.

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28 Financial guarantee liabilities

	Group		Company	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
As at 1 June	**2,292**	2,292	**7,261**	5,842
Addition	**175**	–	**639**	1,419
As at 31 May	**2,467**	2,292	**7,900**	7,261
Less: amortisation				
As at 1 June	**1,791**	1,279	**4,372**	2,746
Amortisation (Note 5)	**255**	512	**1,594**	1,626
As at 31 May	**2,046**	1,791	**5,966**	4,372
	421	501	**1,934**	2,889
Presented by:				
Current	**186**	200	**907**	2,056
Non-current	**235**	301	**1,027**	833
	421	501	**1,934**	2,889

Financial guarantee liabilities are the fair value of corporate guarantee on initial recognition provided by the Group and Company to secure banking facilities of associate and subsidiaries respectively. The Group and the Company recorded a deemed financial guarantee income in accordance with FRS 39 *Financial Instruments: Recognition and measurement*. The Deemed financial guarantee income is amortised over the financial guarantees period.

29 Term notes

The Company has in place a $250,000,000 Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore dollar or other currency deemed appropriate at the time.

On 27 October 2014, the Company had completed the issuance of $30,000,000 of Senior Unsecured Fixed Rate Notes (the "Notes") with tenure of 3 years under the MTN Programme. The Notes were unsecured, bore a fixed interest rate of 6.50% (2017: 6.50%) per annum and payable semi-annually in arrears. The Notes had been fully repaid in October 2017.

In 2017, the fair value of the Group's term notes approximates their carrying amount.

30 Loans from non-controlling interests

The non-current shareholders' loans from non-controlling interests are for development properties "Rezi 35" and "35 Gilstead" (Note 15), bear interest at 5% (2017: 5%) per annum and repayable after 12 months from the end of the reporting period.

The fair value of the non-current loans from non-controlling interests at the end of the reporting period approximates their carrying amount as there are no significant changes in the interest rate available to the Group at the end of the reporting period. This fair value measurement is categorised within Level 3 of the fair value hierarchy.

31 Share capital

	Number of ordinary shares			
	2018	2017	**2018 $'000**	2017 $'000
Group and Company				
Issued and paid up				
At beginning and end of year	**446,876,000**	446,876,000	**142,238**	142,238

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

32 Currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations into Singapore dollar are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

33 Merger reserve

Merger reserve represents the difference between the amount of the share capital of the subsidiaries at the date on which they are acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition using the principles of merger accounting applicable to business combination under common control.

34 Capital reserve

The capital reserve represents the effects of changes in ownership in subsidiaries when there is no change in control.

35 Non-controlling interests

Included in non-controlling interests is an amount of $11,454,000 (2017: $15,462,000) of loan due to non-controlling interests which has been classified as equity as the loan is repayable at the discretion of a subsidiary of the Group.

36 Dividends

	Group and Company	
	2018 $'000	2017 $'000
Final tax exempt (one-tier) dividend of 0.41 cent per ordinary share in respect of the financial year ended 31 May 2016	–	1,832
Interim tax exempt (one-tier) dividend of 0.25 cent (2017: 0.15 cent) per ordinary share in respect of the financial year ended 31 May 2018 (2017: 31 May 2017)	**1,117**	671
	1,117	2,503

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37 Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

(a) Holding company and its subsidiaries

	Group	
	2018 **$'000**	2017 $'000
Management fees paid to holding company	**295**	77
Rental income received from holding company	**(626)**	(626)
Rental income received from related companies	**(578)**	(578)
Renovation cost for office building charged by a subsidiary of the holding company	**–**	300

(b) Associates

	Group	
	2018 **$'000**	2017 $'000
Dividend income from Chewathai	**(544)**	(288)
Dividend income from other associates	**(9,930)**	(6,247)
Interest income	**(636)**	(999)
Financial guarantee income	**(255)**	(512)
Management fee income	**(132)**	(132)

(c) Professional fees paid to an independent non-executive director of the holding company

An independent non-executive director of the holding company is a partner of a firm which provided professional services to the Group amounting to $2,000 (2017: $5,000).

(d) Professional fees paid to an independent non-executive director of the Company

An independent non-executive director of the Company is a partner of a firm which provided professional services to the Group amounting to $119,000 (2017: $12,000).

(e) Loan from a substantial shareholder of the Company

A loan of S$10,000,000 was extended by a substantial shareholder, and bears interest rate of 11.50% per annum, repayable by 28 February 2019.

(f) Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	Group	
	2018 **$'000**	2017 $'000
Short-term benefits	**1,500**	1,878
Post-employment benefits	**83**	74
	1,583	1,952

38 Operating lease commitments and contingent liabilities

(a) Operating lease commitments - the Group as lessor

The Group leases out industrial/commercial premise space to holding company, related parties and third parties under non-cancellable operating leases. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2018 **$'000**	2017 $'000
Within one year	**703**	1,496
In the second to fifth year inclusive	**38**	83
Total	**741**	1,579

(b) Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

(i) The Company has provided corporate guarantees of $177,408,000 (2017: $186,238,000) to banks for bank borrowings of $107,133,000 (2017: $110,888,000) taken by its wholly-owned subsidiaries at the end of the reporting period.

(ii) The Company has provided corporate guarantees of $92,088,000 (2017: $33,266,000), to banks for bank borrowings of $111,023,000 (2017: $48,389,000) taken by the certain subsidiaries at the end of the reporting period.

(iii) The Company has provided corporate guarantees of $31,940,000 (2017: $41,835,000) to banks for bank borrowings of $25,482,000 (2017: $28,122,000) taken by its associates at the end of the reporting period.

The earliest period that the guarantee could be called is within 1 year (2017: 1 year) from the end of the reporting period. Based on the expectations at the end of the reporting period, the Group and Company consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffered credit losses.

39 Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments - property development, hotel operations and investment properties. The accounting policies of these reportable segments are the same as the Group's accounting policies described in Note 2.

The property development segment involves in the development and sale of development properties. The hotel operations segment involves hotel operations in Sydney, Australia. The investment properties segment involves providing rental accommodation.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. Eliminations represent intercompany transactions and dividends which was eliminated in the consolidated financial statements. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Segment assets and liabilities are presented net of inter-segment balances.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

39 Segment information (cont'd)

Information regarding each of the Group's reportable segments is presented below.

	Corporate and others		Property development		Hotel operations		Investment properties		Eliminations		Group	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
Segment revenue												
External sales	–	–	**102,261**	80,048	**7,178**	12,061	**2,482**	2,581	–	–	**111,921**	94,690
Intercompany sales	–	–	–	–		–	**1,256**	1,282	**(1,256)**	(1,282)	–	–
Total revenue	–	–	**102,261**	80,048	**7,178**	12,061	**3,738**	3,863	**(1,256)**	(1,282)	**111,921**	94,690
Segment results												
Segment results	**5,097**	2,720	**15,158**	15,811	**1,545**	7,400	**(262)**	1,083	**(24,576)**	(15,340)	**(3,038)**	11,674
Share of results of associates	–	–	**2,838**	(2,090)	–	–	–	–	–	–	**2,838**	(2,090)
Finance costs	**(1,873)**	(1,977)	**(817)**	(936)	**(1,160)**	(2,544)	**(629)**	(871)	–	49	**(4,479)**	(6,279)
(Loss)/profit before tax	**3,224**	743	**17,179**	12,785	**385**	4,856	**(891)**	212	**(24,576)**	(15,291)	**(4,679)**	3,305
Tax expense	**(85)**	(63)	**132**	(2,126)	**(128)**	(1,607)	**(106)**	(16)	–	796	**(187)**	(3,016)
(Loss)/profit for the year	**3,139**	680	**17,311**	10,659	**257**	3,249	**(997)**	196	**(24,576)**	(14,495)	**(4,866)**	289
(Loss)/profit attributable to:												
Equity holder of the Company	**3,139**	680	**17,088**	10,659	**126**	1,787	**(759)**	321	**(24,576)**	(14,495)	**(4,982)**	(1,048)
Non-controlling interests	–	–	**223**	–	**131**	1,462	**(238)**	(125)	–	–	**116**	1,337
(Loss)/profit for the year	**3,139**	680	**17,311**	10,659	**257**	3,249	**(997)**	196	**(24,576)**	(14,495)	**(4,866)**	289

39 Segment information (cont'd)

	Corporate and others		Property development		Hotel operations		Investment properties		Group	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
Segment assets										
Segment assets	**1,107**	5,013	**358,407**	268,786	**49,147**	64,034	**37,010**	38,444	**445,671**	376,277
Investment in associates	**–**	–	**11,932**	40,269	**–**	–	**–**	–	**11,932**	40,269
Deferred tax assets	**–**	–	**2,356**	2,124	**335**	492	**425**	331	**3,116**	2,947
Total assets	**1,107**	5,013	**372,695**	311,179	**49,482**	64,526	**37,435**	38,775	**460,719**	419,493
Segment liabilities										
Segment liabilities	**(2,992)**	(1,893)	**(57,258)**	(47,631)	**(874)**	(3,169)	**(1,472)**	(1,471)	**(62,596)**	(54,164)
Loans and borrowings	**(15,000)**	(29,939)	**(170,916)**	(110,368)	**(25,521)**	(25,952)	**(21,719)**	(22,957)	**(233,156)**	(189,216)
Current and deferred tax liabilities	**(93)**	(73)	**(902)**	(2,141)	**–**	(1,305)	**(571)**	(377)	**(1,566)**	(3,896)
Total liabilities	**(18,085)**	(31,905)	**(229,076)**	(160,140)	**(26,395)**	(30,426)	**(23,762)**	(24,805)	**(297,318)**	(247,276)
Net (liabilities)/assets	**(16,978)**	(26,892)	**143,619**	151,039	**23,087**	34,100	**13,673**	13,970	**163,401**	172,217
Other segment items										
Depreciation of property, plant and equipment	**–**	–	**315**	326	**–**	358	**72**	607	**387**	1,291
Fair value (gain)/loss on investment properties	**–**	–	**–**	–	**–**	–	**1,495**	(431)	**1,495**	(431)
Gain on disposal of non-current asset held for sale	**–**	–	**–**	–	**–**	–	**–**	(5,348)	**–**	(5,348)
Impairment on investment in associates	**–**	–	**7,568**	–	**–**	–	**–**	–	**7,568**	–
Impairment loss on trade receivables	**–**	–	**–**	–	**6**	–	**–**	–	**6**	–
Impairment loss on other receivables	**–**	–	**181**	–	**–**	–	**–**	–	**181**	–
Reversal of impairment loss of property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	(168)	**–**	(168)
Property, plant and equipment written off	**–**	–	**10**	–	**–**	–	**–**	542	**10**	542
Non-current asset held for sale written off	**–**	–	**–**	–	**82**	–	**–**	–	**82**	–
Purchase of property, plant and equipment	**–**	–	**15**	32	**–**	–	**9**	–	**24**	32
Addition to non-current asset held for sales	**–**	–	**–**	–	**1,067**	7,739	**–**	2	**1,091**	7,741
Completed properties and land held for sale written down	**–**	–	**1,684**	2,894	**–**	–	**–**	–	**1,684**	2,894

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For the financial year ended 31 May 2018

39 Segment information (cont'd)

Geographical information:

Segment revenue: Segment revenue is analysed based on the location of customers.

Segment non-current assets: Segment non-current assets (excluding deferred tax assets and financial assets) are analysed based on the location of those assets.

	Revenue		Non-current assets	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Singapore	**59,947**	36,141	**35,560**	64,458
New Zealand	**1,278**	1,378	**8,259**	9,760
Australia	**7,177**	12,061	**–**	–
Vietnam	**532**	254	**–**	–
Malaysia	**42,987**	44,856	**180**	461
Thailand	**–**	–	**2,208**	2,137
	111,921	94,690	**46,207**	76,816

Information about major customers:

The Group does not have any single major customer that contributes 10% or more to the Group's revenues.

40 Financial instruments

a) Categories of financial instruments

	Group		Company	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Loans and receivables (including cash and bank balances)	**80,382**	92,631	**138,260**	150,973
Financial liabilities at amortised cost	**287,843**	235,352	**26,545**	41,286

Financial assets consist of cash and bank balances, trade receivables, other receivables (excluding prepayments, deferred sales commission expenses, deferred show flat costs and options money for purchase of properties) and loans receivable from associates.

Financial liabilities consist of bank loans, trade payables, other payables, finance lease, long-term borrowings, long-term loans, financial guarantee liabilities, term notes and loan from non-controlling interest.

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies

The Group and the Company is exposed to a variety of financial risks, such as market risk, including foreign exchange risk, interest rate risk, credit risk, liquidity and cash flow risks. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's performance.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

Foreign exchange risk

The Group transacts business in various foreign currencies, including Thai Baht ("THB") and Australia Dollar ("AUD") and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the financial assets and financial liabilities denominated in foreign currencies based on the information provided to key management are as follows:

Denominated in	**2018 THB $'000**	**2018 AUD $'000**	2017 THB $'000	2017 AUD $'000
Group				
Cash and bank balances	**100**	**25**	8	52
Trade and other receivables	**9,276**	–	337	–
Loan receivable from associate	–	–	2,882	–
Trade and other payables	**(84)**	–	(140)	–
Net financial assets denominated in foreign currencies	**9,292**	**25**	3,087	52

The Company is not exposed to any significant foreign currency risk as the Company's transactions are mainly denominated in Singapore dollar.

The Group has a number of investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign exchange risk sensitivity

A 5% (2017: 5%) strengthening/(weakening) of the Thai Baht against the Singapore dollar at the end of the reporting period would increase/(decrease) the Group's (loss)/profit after income tax approximately by $386,000 (2017: $128,000). This analysis assumes that all other variables remain constant.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Interest rate risk

The Group has exposure to interest rate risk through the impact of floating interest rate on borrowings. The Group obtained financing through bank loans and the details of the Group's interest rate exposure are disclosed in Notes 23 and 27.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the Group's (loss)/profit for the year would increase/decrease by $1,116,000 (2017: $789,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate of borrowings.

The Company's profit or loss was not affected by changes in interest rates as the Company did not have any borrowings or intercompany loans that are at variable rates.

Credit risk

The Group's principal financial assets are cash and bank balances, trade and other receivables and loans receivable from associates.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its trade and other receivables and loans receivable from associates. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments. The amounts presented in the statements of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group's and the Company's other receivables comprise 1 debtor (2017: 1 debtor) and 5 debtors (2017: 4 debtors) respectively that individually represented more than 10% of the other receivables.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions which are regulated and have good credit standing.

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Financial assets that are either past due and/or impaired

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees (Note 38(b)), represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

At the end of the reporting period, there are no other class of financial assets that are either past due and/or impaired except for trade receivables and other receivables as disclosed in Notes 12 and 13.

Analysis of trade receivables as at the end of the reporting period:

	Group	
	2018 $'000	2017 $'000
Not past due and not impaired	**18,161**	14,688
Past due and not impaired	**3,533**	3,883
	21,694	18,571

Trade receivables that are past due and not impaired:

	Group	
	2018 $'000	2017 $'000
Past due 0 to 30 days	**556**	1,171
Past due 31 to 60 days	**152**	686
Past due 61 to 90 days	**107**	292
Past due over 91 days	**2,718**	1,734
	3,533	3,883

Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limits by customer.

The Group closely monitors the credit quality of its trade receivables and considers trade receivables that are neither past due nor impaired to be of a good credit quality. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity and cash flow risks

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available. Undrawn facilities are disclosed in Notes 23 and 27.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
2018						
Non-interest bearing	–	46,170	–	–	–	46,170
Finance lease (fixed rate)	2.32	13	29	–	(2)	40
Fixed interest rate instruments	8.60	11,338	9,331	–	(2,613)	18,056
Variable interest rate instruments	3.19	100,345	125,362	17,636	(20,187)	223,156
Financial guarantee liabilities	–	32,126	235	–	(31,940)	421
		189,992	**134,957**	**17,636**	**(54,742)**	**287,843**
2017						
Non-interest bearing	–	41,905	–	–	–	41,905
Finance lease (fixed rate)	2.32	13	42	–	(5)	50
Fixed interest rate instruments	6.28	36,134	–	–	(1,015)	35,119
Variable interest rate instruments	3.13	50,297	104,421	19,242	(16,183)	157,777
Financial guarantee liabilities	–	56,817	301	–	(56,617)	501
		185,166	104,764	19,242	(73,820)	235,352

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity and cash flow risks (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Company					
2018					
Non-interest bearing	–	9,611	–	–	9,611
Fixed interest rate instruments	11.50	10,863	–	(863)	10,000
Variable interest rate instruments	5.05	5,240	–	(240)	5,000
Financial guarantee liabilities	–	302,343	1,027	(301,436)	1,934
		328,057	**1,027**	**(302,539)**	**26,545**
2017					
Non-interest bearing	–	8,458	–	–	8,458
Fixed interest rate instruments	6.50	30,750	–	(811)	29,939
Financial guarantee liabilities	–	221,560	833	(219,504)	2,889
		260,768	833	(220,315)	41,286

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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

40 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity and cash flow risks (cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000
Group					
2018					
Non-interest bearing	–	63,576	–	–	63,576
Fixed interest rate instruments	4.31	16,857	–	(51)	16,806
		80,433	**–**	**(51)**	**80,382**
2017					
Non-interest bearing	–	61,818	–	–	61,818
Fixed interest rate instruments	4.12	25,086	–	(273)	24,813
Variable interest rate instruments	4.15	249	6,158	(407)	6,000
		87,153	6,158	(680)	92,631
Company					
2018					
Non-interest bearing	–	123,678	–	–	123,678
Fixed interest rate instruments	0.50 –11.50	4,789	11,780	(1,987)	14,582
		128,467	**11,780**	**(1,987)**	**138,260**
2017					
Non-interest bearing	–	148,088	–	–	148,088
Fixed interest rate instruments	0.50 –4.00	2,885	–	*	2,885
		150,973	–	–	150,973

* Denotes amount less than $1,000

41 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statement of financial position at the end of the reporting period:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
2018				
Non-financial assets				
Investment properties	–	–	**33,905**	**33,905**
2017				
Non-financial assets				
Investment properties	–	–	35,812	35,812

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period and where the effect of discounting is immaterial.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 May 2018

42 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances, and to ensure that all externally imposed capital requirements are complied with.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 23, 26, 27, 29 and 30 and equity attributable to equity holder of the Company, comprising of share capital, reserves and accumulated profits. The Group is required to maintain the required gearing in order to comply with covenants in loan agreements with banks and financial institutions.

Management also ensures that the Group maintains certain security ratios of outstanding term loans over the value of the properties in order to comply with the loan covenants imposed by banks and financial institutions.

As at reporting date, the Group has complied with all bank covenants and all externally imposed capital requirements.

The Group monitors capital using debt ratio as follows:

	Group	
	2018	2017
	$'000	$'000
Total assets	**460,719**	419,493
Total debt	**241,252**	192,946
Total equity	**163,401**	172,217
Total debt-to-total assets ratio (times)	**0.52**	0.46
Total debt-to-total equity ratio (times)	**1.48**	1.12

The Group's overall strategy including its objective, policies and processes with regards to capital risk management remains unchanged from prior year.

43 Events after the Balance Sheet date

Subsequent to the end of the reporting period, the directors of the Company recommended a final tax exempt dividend of $0.0015 per ordinary share amounting to $670,000 for the financial year ended 31 May 2018. These financial statements do not reflect this dividend payable and it will be accounted for in the shareholders' equity as an appropriation of accumulated profits in the financial year ending 31 May 2019.

44 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2018 were authorised for issue in accordance with a resolution of the directors dated 30 August 2018.

STATISTICS OF SHAREHOLDINGS

As at 17 August 2018

Issued and Fully Paid-Up Capital	:	S$ 142,238,075
No. of Shares Issued	:	446,876,000
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size Of Shareholdings	No. of Shareholders	%	No. Of Shares	%
1 - 99	253	9.22	7,310	0.00
100 - 1,000	596	21.72	286,807	0.06
1,001 - 10,000	1,148	41.83	5,300,439	1.19
10,001 - 1,000,000	726	26.46	47,603,133	10.65
1,000,001 & above	21	0.77	393,678,311	88.10
Total	2,744	100.00	446,876,000	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

As at 17 August 2018

No.	Name of Shareholders	No. of Shares	%
1	TEE International Limited	232,777,678	52.09
2	Hong Leong Finance Nominees Pte Ltd	65,510,147	14.66
3	Sing Invest & Finance Nominees Pte Ltd	19,502,000	4.36
4	Maybank Kim Eng Securities Pte Ltd	14,157,752	3.17
5	Tommie Goh Thiam Poh	9,630,000	2.15
6	CGS-CIMB Securities (Singapore) Pte. Ltd.	9,149,790	2.05
7	Citibank Nominees Singapore Pte Ltd	7,091,057	1.59
8	DB Nominees (S) Pte Ltd	5,200,533	1.16
9	DBS Nominees Pte Ltd	4,459,184	1.00
10	Phua Cher Chew (Pan Ziqiu)	4,379,537	0.98
11	Phillip Securities Pte Ltd	4,102,525	0.92
12	Ang Jui Khoon	2,478,227	0.55
13	Raffles Nominees (Pte) Ltd	2,414,732	0.54
14	KGI Securities (Singapore) Pte Ltd	2,388,700	0.53
15	Jeremy Lee Sheng Poh	1,843,500	0.41
16	Lincoln Capital Pte. Ltd.	1,831,154	0.41
17	Lee Bee Wah	1,774,233	0.40
18	DBS Vickers Securities (S) Pte Ltd	1,432,283	0.32
19	Tan Su Kiok or Sia Li Wei Jolie (She Liwei Jolie)	1,297,866	0.29
20	OCBC Securities Private Ltd	1,237,413	0.28
	Total	392,658,311	87.86

STATISTICS OF SHAREHOLDINGS

As at 17 August 2018

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
TEE International Limited [1]	232,777,678	52.09	50,000,000	11.19
Phua Chian Kin [2]	23,491,793	5.25	283,939,210	63.54
Hong Leong Finance Nominees Pte Ltd	65,510,147	14.66	–	–

Notes:

(1) 50,000,000 shares owned by TEE International Limited are held under a nominee account with Hong Leong Finance Nominees Pte Ltd.

(2) Phua Chian Kin is deemed to have an interest in the 282,777,678 ordinary shares of the Company held by TEE International Limited by virtue of Section 4 of the Securities and Futures Act, Cap. 289. He is also deemed to have an interest in 1,161,532 ordinary shares held by his spouse, Mdm. Tay Kuek Lee, and 4 P Investments Pte. Ltd where he is a shareholder.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 17 August 2018, approximately 29.58% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **TEE LAND LIMITED** (the "**Company**") will be held at Orchid Country Club, Emerald Suite, Golf Clubhouse, Level 2, 1 Orchid Club Road, Singapore 769162* on Tuesday, 25 September 2018 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 May 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax exempt (one-tier) dividend of 0.15 Singapore cents per ordinary share for the financial year ended 31 May 2018 (2017: Nil). **(Resolution 2)**

3. To re-elect Mr Neo Weng Meng, Edwin retiring as Director pursuant to Regulation 88 of the Company's Constitution. **(Resolution 3)**

4. To re-elect the following Directors retiring by rotation pursuant to Regulation 89 of the Company's Constitution:

   Mr Lim Teck Chai, Danny **(Resolution 4)**

   Dr Tan Khee Giap **(Resolution 5)**

   Mr Lim Teck Chai, Danny will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent.

   Dr Tan Khee Giap will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and will be considered independent.

5. To approve the payment of Directors' fees of up to S$342,000/- for the financial year ending 31 May 2019, to be paid in arrears (FY2018: S$342,000/-). **(Resolution 6)**

6. To re-appoint Messrs Baker Tilly TFW LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

7. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **AUTHORITY TO ISSUE SHARES**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall be limited as follows:

(A) without prejudice to sub-paragraph (1)(B) below, the aggregate number of shares to be issued shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20 per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) ("**General Limit**");

(B) in addition to the General Limit, the aggregate number of shares to be issued by way of renounceable rights issues on a pro rata basis ("**Renounceable Rights Issues**") shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below ("**Additional Limit**");

(C) where an issue of shares is to be issued by way of Renounceable Rights Issues, that issue shall first use the Additional Limit, and in the event that the Additional Limit has been fully used and is insufficient to satisfy that issue, that issue may use the General Limit, but only to the extent of the then remaining General Limit;

(D) where an issue of shares is to be issued otherwise than by way of Renounceable Rights Issue, that issue may only use the General Limit, but only to the extent of the then remaining General Limit;

(E) an issue of shares that is not for a financing purpose may only use the General Limit, but the number of such shares that may be issued shall be limited to the numerical number of the then remaining Additional Limit;

(2) the General Limit and the Additional Limit shall not, in aggregate, exceed 100 per centum (100%) of the total number of issue shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);

(3) no shares shall be issued pursuant to this Resolution after 31 December 2018, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);

(4) subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1)(A) and (1)(B) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(5) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(6) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 8)**

9. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE TEE LAND PERFORMANCE SHARE PLAN AND TEE LAND EMPLOYEE SHARE OPTION SCHEME**

That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the Company as may be required to be issued pursuant to the vesting of awards under the TEE Land Performance Share Plan (the "**Plan**") and/or the exercise of options under the TEE Land Employee Share Option Scheme (the "**Scheme**") respectively, provided that the aggregate number of Shares to be issued pursuant to the Plan and Scheme does not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
[See Explanatory Note (ii)] **(Resolution 9)**

10. **RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("Chapter 9"), for the Company, its subsidiaries and associated companies that are considered to be entities at risk under Chapter 9 of the Listing Manual of the SGX-ST, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out in Appendix A to the Company's annual report dated 10 September 2018 (the "**Appendix A**") with any party who is of the class of Interested Persons described in the Appendix A, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Appendix A (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT General Mandate.
[See Explanatory Note (iii)] **(Resolution 10)**

11. **RENEWAL OF THE SHARE BUY-BACK MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

NOTICE OF ANNUAL GENERAL MEETING

(i) on-market purchases through the SGX-ST's ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**On-Market Share Buy-Back**") and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual (the "**Off-Market Share Buy-Back**"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held or;

(ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or

(iii) the date on the authority contained by the Share Buy-Back Mandate is revoked or varied by the shareholders in a general meeting.

(c) in this resolution:

"**Maximum Limit**" means the number of Shares representing not more than ten per cent (10%) of the total issued ordinary shares of the Company ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as defined hereinafter), in which event the total number of Shares shall be taken to be the amount of the total number of Shares as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier, or until it is varied or revoked by the Company in general meeting, after the date of the passing of this resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Share Buy-Back, 120% of the Average Closing Price of the Shares,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, preceding the day of the On-Market Share Buy-Back or, as the case may be, the day of the making of the offer pursuant to an Off-Market Share Buy-Back, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.
[See Explanatory Note (iv)] **(Resolution 11)**

By Order of the Board

Ng Tah Wee, David
Yeo Ai Mei
Lai Foon Kuen

Company Secretaries
Singapore, 10 September 2018

* *Free shuttle bus service will be provided from Yishun MRT Station to Orchid Country Club. Please take a left turn when exiting Yishun MRT Station's gantry and proceed to wait in front of the NTUC Fairprice outlet (between the bus stop and the taxi stand) for the shuttle bus.*

Explanatory Notes on Resolutions to be passed:

(i) Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding the aggregated of (i) 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders of the Company (the General Limit) and (ii) additional 50% for Renounceable Rights Issues, of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the Additional Limit), provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 8 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the Additional Limit is proposed pursuant to SGX-ST Practice Note 8.3 which became effective on 13 March 2017 until 31 December 2018 by which date no further shares shall be issued pursuant to this Resolution, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company ("**the Enhanced Rights Issue Limit**"). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expediently for expansion activities or working capital. It is subject to the condition that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders' approval and disclosure requirements under the Listing Manual on the use of the proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the annual report; and limitations in any existing mandate from shareholders.

The Board is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders as it enables the Company to raise funds expediently for expansion activities or working capital.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

NOTICE OF ANNUAL GENERAL MEETING

(ii) Ordinary Resolution 9, if passed, will empower the Directors to allot and issue shares in the Company pursuant to the vesting of awards under the Plan and/or the exercise of options under the Scheme, provided that the aggregate number of Shares to be issued pursuant to the Plan and Scheme does not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Plan and Scheme were approved by Shareholders on 11 May 2013.

(iii) Ordinary Resolution 10, if passed, will renew the general mandate approved by Shareholders of the Company on 29 September 2017 to enable the Company, its subsidiaries and associated companies, or any of them, to enter into certain types of recurrent transactions of a revenue of trading nature or those necessary for its day-to-day operations with the specified classes of persons are considered to be interested persons for the purposes of Chapter 9, and which is proposed to be renewed in the manner and on the terms set out in the Appendix A and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

(iv) Ordinary Resolution 11, if passed, will empower the Directors, from the date of the above Meeting until the next Annual General Meeting is held or is required by law to be held, or until it is varied or revoked by the Company in general meeting, whichever is earlier, to purchase or otherwise acquire issued ordinary Shares of the Company by way of On-Market Share Buy-Back or Off-Market Share Buy-Back of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix B to this Notice of Annual General Meeting, the Act and the Listing Manual of the SGX-ST. Please refer to the Appendix B to this Notice of Annual General Meeting for more details.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead at the Annual General Meeting (the "Meeting"). A proxy need not be a member of the Company.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 25 Bukit Batok Street 22, Singapore 659591, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TEE LAND LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201230851R)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

CPF Investors

1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

Personal Data Privacy

4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Annual General Meeting.

*I/We, ____________________

of ____________________

being a member/members of TEE LAND LIMITED (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as *my/our *proxy/proxies to attend, speak or vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Orchid Country Club, Emerald Suite, Golf Clubhouse, Level 2, 1 Orchid Club Road, Singapore 769162 on Tuesday, 25 September 2018 at 9.30 am. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(If you wish to exercise all your votes "For" or "Against", please tick [✔] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	No. of votes For	No. of votes Against
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 May 2018		
2	Payment of proposed final dividend		
3	Re-election of Mr Neo Weng Meng, Edwin as a Director		
4	Re-election of Mr Lim Teck Chai, Danny as a Director		
5	Re-election of Dr Tan Khee Giap as a Director		
6	Approval of Directors' fees of S$342,000/- for the financial year ending 31 May 2019		
7	Re-appointment of Baker Tilly TFW LLP as Auditors		
8	Authority to issue shares		
9	Authority to allot and issue shares under the TEE Land Performance Share Plan and TEE Land Employee Share Option Scheme		
10	Renewal of the General Mandate for Interested Person Transactions		
11	Renewal of Share Buyback Mandate		

* *Delete where inapplicable*

Dated this __________ day of ______________ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81 of the Securities and Futures Act, (Cap 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the Member shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

4. For any member who acts as an intermediary pursuant to Section 181(6) of the Companies Act, Cap. 50, who is either:

   a. a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   b. a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and

   c. Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

   You are entitled to appoint one (1) or more proxies to attend and vote at the meeting. The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming Annual General Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Bukit Batok Street 22, Singapore 659591 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TEE LAND

TEE LAND LIMITED
Incorporated in the Republic of Singapore
Company Registration Number 201230851R

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