



TEE LAND

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

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 28 February 2019

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018		28/02/2019	28/02/2018	
Revenue	31,936	31,281	2.1	87,477	78,067	12.1
Cost of sales	(28,749)	(24,194)	18.8	(75,720)	(61,605)	22.9
Gross profit	3,187	7,087	(55.0)	11,757	16,462	(28.6)
Other operating income	202	1,148	(82.4)	996	2,485	(59.9)
Selling and distribution costs	(1,636)	(3,676)	(55.5)	(4,843)	(8,023)	(39.6)
Administrative expenses	(1,790)	(2,476)	(27.7)	(5,964)	(6,784)	(12.1)
Other operating expenses	243	(1,236)	N.M.	(1,179)	(9,188)	(87.2)
Share of results of associates	(105)	1,649	N.M.	(809)	3,529	N.M.
Finance costs	(549)	(1,074)	(48.9)	(2,253)	(3,427)	(34.3)
(Loss)/profit before tax	(448)	1,422	N.M.	(2,295)	(4,946)	(53.6)
Income tax expense	(215)	(134)	60.4	(336)	(453)	(25.8)
(Loss)/profit for the period	(663)	1,288	N.M.	(2,631)	(5,399)	(51.3)
(Loss)/profit attributable to:						
Owners of the Company	(1,027)	1,173	N.M.	(3,330)	(5,546)	(40.0)
Non-controlling interests	364	115	N.M.	699	147	N.M.
	(663)	1,288	N.M.	(2,631)	(5,399)	(51.3)

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018		28/02/2019	28/02/2018	
(Loss)/profit for the period	(663)	1,288	N.M.	(2,631)	(5,399)	(51.3)
Other comprehensive income for the period:						
Currency translation differences	(817)	1,120	N.M.	(1,386)	1,045	N.M.
Total comprehensive (loss)/income for the period	(1,480)	2,408	N.M.	(4,017)	(4,354)	(7.7)

N.M.-not meaningful

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

	The Group S\$'000		Increase/ (Decrease)	The Group S\$'000		Increase/ (Decrease)
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018	%	28/02/2019	28/02/2018	%
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(1,802)	2,151	N.M.	(4,169)	(4,441)	(6.1)
Non-controlling interests	322	257	25.3	152	87	74.7
	(1,480)	2,408	N.M.	(4,017)	(4,354)	(7.7)

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

	The Group S\$'000		Increase/ (Decrease)	The Group S\$'000		Increase/ (Decrease)
	Third Quarter Ended			Nine Months Ended		
	28/02/2019	28/02/2018	%	28/02/2019	28/02/2018	%
A Other operating income:						
Interest income	87	217	(59.9)	270	664	(59.3)
Foreign currency exchange adjustment gain	46	797	(94.2)	-	1,410	N.M.
Financial guarantee income	-	49	N.M.	139	208	(33.2)
Deposit forfeited for an aborted sale of completed property	-	-	N.M.	316	-	N.M.
Gain on disposal of asset held for sale	-	-	N.M.	31	-	N.M.
Others	69	85	(18.8)	240	203	18.2
	202	1,148	(82.4)	996	2,485	(59.9)
B Finance costs:						
Loan interests	549	1,070	(48.7)	2,253	2,632	(14.4)
Bank overdraft interest	-	4	N.M.	-	4	N.M.
Term notes interest	-	-	N.M.	-	791	N.M.
	549	1,074	(48.9)	2,253	3,427	(34.3)
C Amortisation of issuance costs on term notes	-	-	N.M.	-	60	N.M.
D Amortisation of deferred sales commission expenses	1,077	2,240	(51.9)	2,926	3,875	(24.5)
E Amortisation of show flat expenses	-	31	N.M.	149	457	(67.4)
F Impairment loss on investment in associated company	-	1,144	N.M.	-	7,297	N.M.
G Impairment loss on completed properties and land held for sale	-	-	N.M.	-	1,799	N.M.
H Depreciation of property, plant and equipment	52	96	(45.8)	245	291	(15.8)
I Property, plant and equipment written off	-	10	N.M.	-	10	N.M.
J Non-current assets held for sale written off	-	83	N.M.	-	83	N.M.
K Foreign currency exchange adjustment (gain)/loss	(243)	-	N.M.	759	-	N.M.
L Adjustment for over provision of income tax in respect of prior years	(12)	(161)	(92.5)	(70)	(156)	(55.1)
M Option fee forfeited for absorbed purchase of land	-	-	N.M.	420	-	N.M.

N.M.-not meaningful

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

	The Group S\$'000			The Company S\$'000	
	28/2/2019	31/05/2018 Restated*	01/06/2017 Restated*	28/2/2019	31/05/2018
ASSETS					
Current assets					
Cash and bank balances	27,515	28,997	34,068	661	858
Trade receivables	26,993	21,688	18,571	-	-
Other receivables	10,402	19,222	12,285	111,956	126,859
Loans receivable from associates	11,417	14,376	25,860	-	-
Inventories	52	58	27	-	-
Development properties	213,245	231,127	147,854	-	-
Completed properties and land held for sale	45,857	48,311	47,584	-	-
Non-current asset held for sale	45,076	47,617	47,481	-	-
Total current assets	380,557	411,396	333,730	112,617	127,717
Non-current assets					
Investment in associates	8,992	11,932	40,269	-	-
Investment in subsidiaries	-	-	-	33,141	32,861
Property, plant and equipment	165	370	735	-	-
Investment properties	33,776	33,905	35,812	-	-
Deferred tax assets	3,046	3,116	2,947	-	-
Other receivables	-	-	6,000	12,929	10,709
Total non-current assets	45,979	49,323	85,763	46,070	43,570
Total assets	426,536	460,719	419,493	158,687	171,287
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	1,994	6,499	1,499	495	5,000
Trade payables	20,164	31,731	24,187	-	-
Other payables	16,755	22,348	25,746	13,255	9,611
Finance lease	13	13	12	-	-
Long-term borrowings	78,404	97,658	45,530	-	10,000
Financial guarantee liabilities	145	186	200	694	907
Term notes	-	-	29,939	-	-
Income tax payable	823	541	3,522	83	93
Total current liabilities	118,298	158,976	130,635	14,527	25,611
Non-current liabilities					
Finance lease	17	27	38	-	-
Deferred tax liabilities	659	1,025	374	-	-
Long-term borrowings	139,175	128,999	112,248	-	-
Financial guarantee liabilities	137	235	301	550	1,027
Loans from non-controlling interests	9,536	8,056	3,680	-	-
Total non-current liabilities	149,524	138,342	116,641	550	1,027
Capital, reserves and non-controlling interests					
Share capital	142,238	142,238	142,238	142,238	142,238
Currency translation reserve	(268)	571	-	-	-
Merger reserve	(5,969)	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	(6)	-	-
Accumulated profits	10,711	14,711	20,810	1,372	2,411
Equity attributable to owners of the Company	146,706	151,545	157,073	143,610	144,649
Non-controlling interests	12,008	11,856	15,144	-	-
Total equity	158,714	163,401	172,217	143,610	144,649
Total liabilities and equity	426,536	460,719	419,493	158,687	171,287

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

- Restated due to first-time adoption of Singapore Financial Reporting Standards (International), in which the Group elected the optional exemption to reset its cumulative translation differences for all foreign operations to nil on 1 June 2017 (refer to Paragraph 5).

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

The Group S\$'000 <u>As at 28/02/2019</u>		The Group S\$'000 <u>As at 31/05/2018</u>	
Secured	Unsecured	Secured	Unsecured
79,916	495	89,170	15,000

Amount repayable after one year

The Group S\$'000 <u>As at 28/02/2019</u>		The Group S\$'000 <u>As at 31/05/2018</u>	
Secured	Unsecured	Secured	Unsecured
139,192	-	129,026	-

Details of any collateral

The total secured borrowings included the following:

- Obligations under finance lease secured on the motor vehicle of the Group and
- Bank loans and long-term borrowings are secured by legal mortgages over the Group's development properties, completed properties held for sale, non-current asset held for sale, investment properties and corporate guarantee by the Company.

Note: These borrowings exclude non-current loans from non-controlling interests.

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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Operating activities				
(Loss)/profit before tax	(448)	1,422	(2,295)	(4,946)
Adjustments for:				
Share of results of associates	105	(1,649)	809	(3,529)
Depreciation of property, plant and equipment	52	96	245	291
Property, plant and equipment written off	-	10	-	10
Non-current assets held for sale written off	-	83	-	83
Amortisation of financial guarantee liabilities	(46)	(49)	(139)	(208)
Amortisation of issuance costs on term notes	-	-	-	60
Amortisation of deferred sales commission expenses	1,077	2,240	2,926	3,875
Amortisation of show flat expenses	-	31	149	457
Gain on disposal of non-current asset held for sale	-	-	(31)	-
Impairment on investment in associate	-	1,144	-	7,297
Impairment on completed properties and land held for sale	-	-	-	1,799
Interest income	(87)	(217)	(270)	(664)
Interest expense	549	1,074	2,253	3,427
Operating cash flows before movements in working capital	1,202	4,185	3,647	7,952

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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Trade receivables	28,139	(6,176)	(5,369)	(7,432)
Other receivables	(2,331)	1,891	5,423	1,185
Inventories	(1)	-	4	(33)
Development properties	(22,063)	(90,901)	(5,476)	(86,932)
Completed properties and land held for sale	6,186	(7,017)	28,569	5,216
Trade payables	(6,651)	1,664	(11,242)	(4,177)
Other payables	(1,071)	3,657	(4,442)	10,799
Unrealised currency translation (gain)/loss	(220)	(508)	339	(306)
Cash from/(used in) operations	3,190	(93,205)	11,453	(73,728)
Interest paid	(588)	(654)	(2,710)	(1,690)
Income tax paid	(63)	(2,491)	(363)	(2,957)
Net cash from/(used in) operating activities	2,539	(96,350)	8,380	(78,375)
Investing activities				
Dividends received from associate	-	450	2,131	450
Sale proceed from non-current asset held for sale	-	-	306	-
Purchase of property, plant and equipment	(3)	(8)	(53)	(12)
Addition to non-current asset held for sale	(18)	(142)	(152)	(992)
Proceeds from disposal of investment in associate	-	4,856	-	4,856
Repayment of loans receivable from associates	678	1,066	3,184	7,070
Loans receivable from associates	(189)	-	(225)	(889)
Loans from non-controlling interests	560	4,582	1,480	3,896
Interest received	78	163	417	2,303
Net cash from investing activities	1,106	10,967	7,088	16,682
Financing activities				
Interest paid	(1,153)	(1,095)	(3,031)	(3,416)
Drawdown of bank loan	-	-	495	10,000
Repayment of bank loans	-	-	(5,000)	-
Drawdown of long-term borrowings	-	82,730	28,235	96,305
Repayment of long-term borrowings	(1,310)	(247)	(35,936)	(19,783)
Repayment of obligation under finance lease	(3)	(3)	(9)	(9)
Repayment of term notes	-	-	-	(30,000)
Repayment of deemed capital to non-controlling interests	-	-	-	(4,345)
Capital injection by non-controlling interests	-	800	-	1,137
Dividends paid	-	-	(1,787)	(1,841)
Net cash (used in)/from financing activities	(2,466)	82,185	(17,033)	48,048
Net increase/(decrease) in cash and cash equivalents	1,179	(3,198)	(1,565)	(13,645)
Cash and cash equivalents at beginning of period	26,342	23,726	28,997	34,068
Effect of foreign exchange rate changes	(6)	(246)	83	(141)
Cash and cash equivalents at end of period (Note A)	27,515	20,282	27,515	20,282

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

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
Cash at banks	8,840	10,641	8,840	10,641
Cash on hand	2	3	2	3
Fixed deposits	2,985	2,529	2,985	2,529
Projects accounts (see Note below):				
Cash at banks	15,688	7,109	15,688	7,109
Total cash and cash equivalents per statement of financial position cash and bank balances	27,515	20,282	27,515	20,282

Note:

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

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

	Share capital	Currency translation reserve	Capital reserve	Merger reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 01/06/2018	142,238	(302)	(6)	(5,969)	15,584	151,545	11,856	163,401
Effects of changes in accounting policies	-	873	-	-	(873)	-	-	-
Balance at 01/06/2018(restated)	142,238	571	(6)	(5,969)	14,711	151,545	11,856	163,401
(Loss)/profit the period	-	-	-	-	(3,330)	(3,330)	699	(2,631)
Other comprehensive income for the period								
- currency translation difference on consolidation	-	(839)	-	-	-	(839)	(547)	(1,386)
Total comprehensive (loss)/income for the period	-	(839)	-	-	(3,330)	(4,169)	152	(4,017)
Dividends paid	-	-	-	-	(670)	(670)	-	(670)
Balance at 28/02/2019	142,238	(268)	(6)	(5,969)	10,711	146,706	12,008	158,714
Previous Corresponding Period								
Balance at 01/06/2017	142,238	(873)	(6)	(5,969)	21,683	157,073	15,144	172,217
Effects of changes in accounting policies	-	873	-	-	(873)	-	-	-
Balance at 01/06/2017(restated)	142,238	-	(6)	(5,969)	20,810	157,073	15,144	172,217
(Loss)/profit for the period	-	-	-	-	(5,546)	(5,546)	147	(5,399)
Other comprehensive income for the period								
- currency translation difference on consolidation	-	1,105	-	-	-	1,105	(60)	1,045
Total comprehensive income/(loss) for the period	-	1,105	-	-	(5,546)	(4,441)	87	(4,354)
Deemed equity injection by non-controlling interests	-	-	-	-	-	-	1,137	1,137
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Balance at 28/02/2018	142,238	1,105	(6)	(5,969)	15,264	152,632	12,023	164,655

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

	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
The Company			
Balance at 01/06/2018	142,238	2,411	144,649
Total comprehensive loss for the period	-	(369)	(369)
Dividends paid	-	(670)	(670)
Balance at 28/02/2019	142,238	1,372	143,610
Previous Corresponding Period			
Balance at 01/06/2017	142,238	390	142,628
Total comprehensive income for the period	-	3,747	3,747
Balance at 28/02/2018	142,238	4,137	146,375

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Balance at 28/02/2019 and 30/11/2018

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

During the quarter ended 28/02/2019, there were no changes in the share capital of the Company.

As at 28/02/2019 and 28/02/2018, there were no shares held as treasury shares and outstanding convertibles.

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

	The Group and the Company	
	28/02/2019	31/05/2018
Total number of issued shares	446,876,000	446,876,000

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

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

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1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures presented have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Paragraph 5, the Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted in the audited annual financial statements for the financial year ended 31 May 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the following new accounting standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning on or after 1 June 2018.

Adoption of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange Securities Trading Limited, the Group has adopted SFRS(I) on 1 June 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 30 November 2018.

In adopting SFRS(I), the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 May 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. On transition to the new financial reporting framework, the Group elected the optional exemption to reset its cumulative translation differences for all foreign operations to nil on 1 June 2017, and accordingly, any gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 June 2017. The Group has reclassified an amount of S\$873,000 in currency translation reserve to the opening accumulated profits as at 1 June 2017.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

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5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (Continued)

Borrowing Costs Relating to Development Property

In November 2018, IFRS Interpretations Committee (“IFRIC”) issued a tentative agenda decision where it presented its views that borrowing costs relating to the construction of a residential multi-unit real estate development that is ready for its intended use or sale should not be capitalised but should instead, be expensed when incurred. In March 2019, IFRIC issued a finalised agenda decision which is consistent with the tentative agenda decision. The Group is currently determining the potential change in accounting policy as a result of an agenda decision. Upon finalising its assessment and quantification of the impact on the financial statements, the Group will apply the change in accounting policy retrospectively.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group		The Group	
	Third Quarter Ended		Nine Months Ended	
	28/02/2019	28/02/2018	28/02/2019	28/02/2018
(Loss)/earnings per ordinary share of the Group based on net (loss)/profit attributable to owners of the Company:				
(i) Based on the number of shares (cents)	(0.23)	0.26	(0.75)	(1.24)
(ii) On a fully diluted basis (cents)	N.A.	N.A.	N.A.	N.A.
(iii) Number of shares (‘000)	446,876	446,876	446,876	446,876

The Company does not have any dilutive instruments as at 28/02/2019.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year

	The Group		The Company	
	Cents		Cents	
	As at 28/02/2019	As at 31/5/2018	As at 28/02/2019	As at 31/5/2018
Net asset value per ordinary share	32.8	33.9	32.1	32.4

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- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Income Statement

Third Quarter and Nine Months ended 28 February 2019 ("3Q FY2019" and "9M FY2019" respectively) against Third Quarter and Nine Months ended 28 February 2018 ("3Q FY2018" and "9M FY2018" respectively)

Revenue for 9M FY2019 increased by S\$9.4 million (12.1%) due mainly to higher revenue from recognition of sale of 13 units of The Peak @ Cairnhill I ("The Peak") and progressive revenue recognised for development projects, namely Longhaus, Rezi 35 and 24One Residences. However, the increase was partly offset by lower revenue from Third Avenue in Malaysia and absence of contributions from Harvey Avenue and Hilbre 28.

For 3Q FY2019, despite a marginally higher revenue, the cost of sales increased by S\$4.5 million (18.8%). This was due mainly to the sale of 3 units of The Peak at steep discounts to clear the unsold units, and variation order/additional costs for Third Avenue. As a result, gross profit margin for 3Q FY2019 was 10.0% compared to 22.7% for 3Q FY2018. This was also the reason cost of sales for 9M FY2019 increased by S\$14.1 million (22.9%), and gross profit margin decreased from 21.1% in 9M FY2018 to 13.4% in 9M FY2019. If not for the reasons mentioned, the gross profit margin for 3Q FY2019 and 9M FY2019 would have been 21.1% and 23.4% respectively.

Other operating income for 3Q FY2019 decreased by S\$0.9 million (82.4%) due mainly to the absence of unrealised foreign exchange gain from the appreciation of Malaysian Ringgit recognised in 3Q FY2018. Other operating income for 9M FY2019 decreased by S\$1.5 million (59.9%) due mainly to the same reason.

Selling and distribution costs for 3Q FY2019 decreased by S\$2.1 million (55.5%) due mainly to the one-off marketing expenses and higher sales commission incurred for Third Avenue in 3Q FY2018. The higher sales commission was incurred to drive the sale of the unsold units in Third Avenue as the project was expected to be completed by the end of FY2018. Selling and distribution costs for 9M FY2019 decreased by S\$3.2 million (39.6%) for the same reason, and also the absence of one-off promotional expenses to sell the balance unsold units of Hilbre 28 and full write-off of showflat expenses for 24One Residences incurred in 9M FY2018.

Administrative expenses for 3Q FY2019 declined by S\$0.7 million (27.7%) due to various factors, including lower qualifying certificate extension charge incurred for The Peak due to fewer unsold units, bank charges, depreciation and rental. Administrative expenses for 9M FY2019 decreased by S\$0.8 million (12.1%) due mainly to the same reasons.

Other operating expenses for 3Q FY2019 was lower by S\$1.4 million (119.7%) due mainly to the absence of write-off of share of profit of the Thai associate, Chewathai Public Company Limited ("Chewathai") on the proposed disposal of all of the Group's shareholding in Chewathai, and decrease in unrealised exchange loss recognised in 3Q FY2019 due mainly to the strengthening of the Malaysian Ringgit against the Singapore Dollar in 3Q FY2019. Other operating expenses for 9M FY2019 decreased by S\$8.0 million (87.2%) due mainly to the absence of impairment loss on the proposed disposal of all of the Group's shareholding in Chewathai, and the absence of write-down of S\$1.8 million on the carrying value of the unsold units at The Peak. This was offset to some extent by the option fee forfeited for the aborted purchase of land at Teck Guan Ville, realised foreign exchange loss due mainly to the weakening of Thai Baht against the Singapore Dollar and unrealised exchange loss due mainly to the weakening of the Malaysian Ringgit against the Singapore Dollar incurred in 9M FY2019.

The Group recorded a loss of S\$0.1 million from share of results of associates for 3Q FY2019 compared to a profit of S\$1.6 million in 3Q FY2018. This was due mainly to the share of results from Chewathai prior to its disposal approved by shareholders on 24 January 2018, recognition of profit from a project completed and reversal of over accrual of project costs for two joint venture projects in 3Q FY2018. And as all the joint venture projects have been completed while those with unsold units experienced slow sales, 3Q FY2019 registered a loss. This was the same reason for the loss of S\$0.8 million in 9M FY2019 compared to a profit of S\$3.5 million in 9M FY2018.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Continued)**

Income Statement (Continued)

Finance costs for 3Q FY2019 decreased by S\$0.6 million (48.9%) due mainly to the repayment of term loans. Finance costs for 9M FY2019 decreased by S\$1.1 million (34.3%) for the same reason and also full repayment of the 6.5% S\$30.0 million term notes in October 2017.

As a result, the Group recorded loss before tax of S\$0.4 million in 3Q FY2019 compared to a profit before tax of S\$1.4 million in 3Q FY2018. For 9M FY2019, the Group reported loss before tax of S\$2.3 million compared to loss before tax of S\$4.9 million in 9M FY2018.

Income tax expense for 3Q FY2019 was higher by S\$0.1 million (60.4%) due mainly to the profit of certain subsidiaries. Income tax expense for 9M FY2019 was lower by S\$0.2 million (25.8%) mainly because of lower profit recorded by various subsidiaries for the first nine months.

Overall, the Group registered a loss after tax of S\$0.7 million in 3Q FY2019 compared to a profit after tax of S\$1.3 million in 3Q FY2018. For 9M FY2019, the Group registered loss after tax of S\$2.6 million compared to loss after tax of S\$5.4 million in 9M FY2018.

Statement of Financial Position

Financial position as at 28/2/2019 against financial position as at 31/05/2018

Trade receivables increased by S\$5.3 million due mainly to billings for sale of completed units for The Peak and Third Avenue.

Other receivables decreased by S\$8.8 million due mainly to receipt of the remaining proceeds from the disposal of Chewathai, the former associate in Thailand.

Loans receivable from associates decreased by S\$3.0 million due mainly to repayments received.

Investment in associates decreased by S\$2.9 million due mainly to dividends received from associates and share of loss of associates up to 3Q FY2019.

The decrease in property, plant and equipment was due mainly to depreciation charge up to 3Q FY2019.

Bank loans decreased by S\$4.5 million due mainly to repayment of a revolving credit facility.

Trade payables decreased by S\$11.5 million due to net payment made to trade creditors.

Other payables decreased by S\$5.5 million due mainly to decrease in advances from customers as the buyers of The Peak completed the sales under deferred payment scheme, payment of accrued dividends and decrease in advances from associates, offset to some extent by higher accruals.

The decrease in financial guarantee liabilities (current and non-current) was due to financial guarantee income being recognised.

The increase in income tax payable was due mainly to income tax provision made, offset to some extent by income tax paid.

The decrease in deferred tax liabilities was mainly due to transfers to income tax payable as the deferred liabilities became payable.

Loans from non-controlling interests increased by S\$1.4 million due to capital calls for the Gilstead joint venture project.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Continued)**

Statement of Cash Flows

Nine months ended 28/2/2019 ("FY2019 9M")

Operating activities

The Group generated cash of S\$8.4 million in operating activities in FY2019 9M due mainly to the net decrease in completed and development properties, which was offset to some extent by the decrease in payables.

Investing activities

Net cash of S\$7.1 million was generated from investing activities in FY2019 9M due mainly to the net repayment of loans receivable from associates, dividends received from associates and loans (capital calls) from non-controlling interests.

Financing activities

Net cash of S\$17.0 million was used in financing activities in FY2019 9M due mainly to the net repayment of long-term borrowings and bank loan, and payment of interests and dividends.

As a result, there was a net decrease in cash and cash equivalents of S\$1.6 million, thereby bringing the total cash and cash equivalents amount to S\$27.5 million as at 28/2/2019.

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

There was no forecast or any prospect statement previously disclosed to shareholders.

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The increased uncertainties in the global macro-environment is likely to affect the overall performance of the Group. In Singapore, the operating environment for the residential market is expected to remain challenging with the latest cooling measures implemented in July 2018. Any delays in achieving 100% sales and/or completion of the Group's existing properties which are subject to regulatory timelines and (if applicable) failure to obtain extensions thereof could also adversely affect the Group's performance. The performance of the Group's overseas market is also expected to be affected by local political developments as well as foreign exchange fluctuations.

Moving forward, the Group will take a cautious approach when seeking opportunities to acquire new land sites and in making any investments. It will focus on launching its remaining residential development project in FY2019, improving its operations and sales, as well as realising value in its investments. The Group will continually assess the market situation and refine its sales strategies where necessary.

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11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No interim dividend has been declared for the current reporting period on grounds of prudence.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Summary of Interested Person Transaction for financial period ended 28 February 2019:

Name of Interested Person	Nature of Transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Mr. Phua Chian Kin (Substantial shareholder of the Company and controlling shareholder of TEE International Limited)	Interest expense and commitment fee	(480,000)	-
TEE International Limited (of which Mr. Phua Chian Kin is the controlling shareholder)	Rental income Management fees	903,000 (207,000)	- -

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

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

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

We, Phua Cher Chew and Neo Weng Meng, Edwin, being two Directors of TEE Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 28 February 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Neo Weng Meng, Edwin
Non-Executive Director

Dated 10 April 2019