



TEE LAND

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

Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 November 2018

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
Revenue	21,352	20,829	2.5	55,541	46,786	18.7
Cost of sales	(15,794)	(15,692)	0.7	(46,971)	(37,411)	25.6
Gross profit	5,558	5,137	8.2	8,570	9,375	(8.6)
Other operating income	257	957	(73.1)	794	1,337	(40.6)
Selling and distribution costs	(1,938)	(2,353)	(17.6)	(3,207)	(4,347)	(26.2)
Administrative expenses	(2,022)	(2,480)	(18.5)	(4,174)	(4,308)	(3.1)
Other operating expenses	(446)	(7,774)	(94.3)	(1,422)	(7,952)	(82.1)
Share of results of associates	(257)	1,246	N.M.	(704)	1,880	N.M.
Finance costs	(801)	(1,232)	(35.0)	(1,704)	(2,353)	(27.6)
Profit/(loss) before tax	351	(6,499)	N.M.	(1,847)	(6,368)	(71.0)
Income tax expense	(132)	(205)	(35.6)	(121)	(319)	(62.1)
Profit/(loss) for the period	219	(6,704)	N.M.	(1,968)	(6,687)	(70.6)
Profit/(loss) attributable to:						
Owners of the Company	65	(6,741)	N.M.	(2,303)	(6,719)	(65.7)
Non-controlling interests	154	37	N.M.	335	32	N.M.
	219	(6,704)	N.M.	(1,968)	(6,687)	(70.6)

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
Profit/(loss) for the period	219	(6,704)	N.M.	(1,968)	(6,687)	(70.6)
Other comprehensive income/(loss) for the period:						
Currency translation differences	145	(576)	N.M.	(569)	(75)	N.M.
Total comprehensive income/(loss) for the period	364	(7,280)	N.M.	(2,537)	(6,762)	(62.5)

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)

Total comprehensive income/(loss) attributable to:

Owners of the Company
Non-controlling interests

The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
Second Quarter Ended			Half Year Ended		
30/11/2018	30/11/2017		30/11/2018	30/11/2017	
55	(6,730)	N.M.	(2,774)	(6,592)	(57.9)
309	(550)	N.M.	237	(170)	N.M.
364	(7,280)	N.M.	(2,537)	(6,762)	(62.5)

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2018	30/11/2017		30/11/2018	30/11/2017	
A Other operating income:						
Interest income	63	183	(65.6)	183	447	(59.1)
Foreign exchange gain	-	613	N.M.	-	613	N.M.
Financial guarantee income	47	98	(52.0)	93	159	(41.5)
Deposit forfeited for an aborted sale of completed property	-	-	-	316	-	N.M.
Gain on disposal of asset held for sale	31	-	N.M.	31	-	N.M.
Others	116	63	84.1	171	118	44.9
	257	957	(73.1)	794	1,337	(40.6)
B Finance costs:						
Loan interests	801	933	(14.1)	1,704	1,562	9.1
Term notes interest	-	299	N.M.	-	791	N.M.
	801	1,232	(35.0)	1,704	2,353	(27.6)
C Amortisation of issuance costs on term notes	-	15	N.M.	-	60	N.M.
D Amortisation of deferred sales commission expenses	1,155	1,031	12.0	1,849	1,635	13.1
E Amortisation of show flat expenses	16	309	(94.8)	149	426	(65.0)
F Impairment loss on investment in an associated company	-	6,153	N.M.	-	6,153	N.M.
G Write-down of completed properties and land held for sale	-	1,799	N.M.	-	1,799	N.M.
H Depreciation of property, plant and equipment	95	97	(2.1)	193	195	(1.0)
I Foreign exchange loss/(gain)	446	(178)	N.M.	1,002	-	N.M.
J Adjustment for (over)/under provision of income tax in respect of prior years	(58)	5	N.M.	(58)	5	N.M.
K Option fee forfeited for aborted purchase of land	-	-	-	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	
	30/11/2018	31/05/2018 Restated*	01/06/2017 Restated*	30/11/2018	31/05/2018
ASSETS					
Current assets					
Cash and bank balances	26,342	28,997	34,068	1,301	858
Trade receivables	55,127	21,688	18,571	-	-
Other receivables	9,313	19,222	12,285	113,010	126,859
Loans receivable from associates	11,906	14,376	25,860	-	-
Inventories	53	58	27	-	-
Development properties	189,151	231,127	147,854	-	-
Completed properties and land held for sale	52,027	48,311	47,584	-	-
Non-current asset held for sale	46,954	47,617	47,481	-	-
Total current assets	390,873	411,396	333,730	114,311	127,717
Non-current assets					
Investment in associates	9,098	11,932	40,269	-	-
Investment in subsidiaries	-	-	-	33,141	32,861
Property, plant and equipment	216	370	735	-	-
Investment properties	33,950	33,905	35,812	-	-
Deferred tax assets	3,314	3,116	2,947	-	-
Other receivables	-	-	6,000	12,089	10,709
Total non-current assets	46,578	49,323	85,763	45,230	43,570
Total assets	437,451	460,719	419,493	159,541	171,287
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	1,994	6,499	1,499	495	5,000
Trade payables	26,557	31,731	24,187	-	-
Other payables	17,771	22,348	25,746	12,997	9,611
Finance lease	13	13	12	-	-
Long-term borrowings	80,639	97,658	45,530	1,000	10,000
Financial guarantee liabilities	160	186	200	822	907
Term notes	-	-	29,939	-	-
Income tax payable	740	541	3,522	109	93
Total current liabilities	127,874	158,976	130,635	15,423	25,611
Non-current liabilities					
Finance lease	20	27	38	-	-
Deferred tax liabilities	846	1,025	374	-	-
Long-term borrowings	139,373	128,999	112,248	-	-
Financial guarantee liabilities	168	235	301	703	1,027
Loans from non-controlling interests	8,976	8,056	3,680	-	-
Total non-current liabilities	149,383	138,342	116,641	703	1,027
Capital, reserves and non-controlling interests					
Share capital	142,238	142,238	142,238	142,238	142,238
Currency translation reserve	100	571	-	-	-
Merger reserve	(5,969)	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	(6)	-	-
Accumulated profits	11,738	14,711	20,810	1,177	2,411
Equity attributable to owners of the Company	148,101	151,545	157,073	143,415	144,649
Non-controlling interests	12,093	11,856	15,144	-	-
Total equity	160,194	163,401	172,217	143,415	144,649
Total liabilities and equity	437,451	460,719	419,493	159,541	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 31/11/2018</u>		The Group S\$'000 <u>As at 31/05/2018</u>	
Secured		Secured	
81,151	Unsecured	89,170	Unsecured
	1,495		15,000

Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2018</u>		The Group S\$'000 <u>As at 31/05/2018</u>	
Secured		Secured	
139,393	Unsecured	129,026	Unsecured
	-		-

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

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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

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Operating activities				
Profit/(loss) before tax	351	(6,499)	(1,847)	(6,368)
Adjustments for:				
Share of results of associates	257	(1,246)	704	(1,880)
Depreciation of property, plant and equipment	95	97	193	195
Amortisation of financial guarantee liabilities	(47)	(98)	(93)	(159)
Amortisation of issuance costs on term notes	-	15	-	60
Amortisation of deferred sales commission expenses	1,155	1,031	1,849	1,635
Amortisation of show flat expenses	16	309	149	426
Gain on disposal of non-current asset held for sale	(31)	-	(31)	-
Impairment on investment in an associated company	-	6,153	-	6,153
Write-down of completed properties and land held for sale	-	1,799	-	1,799
Interest income	(63)	(183)	(183)	(447)
Interest expense	801	1,232	1,704	2,353
Operating cash flows before movements in working capital	2,534	2,610	2,445	3,767
Trade receivables	(22,698)	(4,641)	(33,508)	(1,256)
Other receivables	(1,095)	326	7,754	(706)
Inventories	4	(32)	5	(33)
Development properties	18,801	4,086	16,587	3,969
Completed properties and land held by sale	3,599	550	22,383	12,233
Trade payables	1,880	1,747	(4,591)	(5,841)
Other payables	(892)	5,026	(3,371)	7,142
Unrealised currency translation loss/(gain)	1,151	(799)	559	202
Cash from operations	3,284	8,873	8,263	19,477
Interest paid	(961)	(444)	(2,122)	(1,036)
Income tax paid	(77)	(300)	(300)	(466)
Net cash generated from operating activities	2,246	8,129	5,841	17,975
Investing activities				
Dividends received from associates	241	-	2,131	-
Sale proceed from non-current asset held for sale	306	-	306	-
Purchase of property, plant and equipment	(39)	-	(50)	(4)
Addition to non-current asset held for sale	(96)	(611)	(134)	(850)
Repayment of loans receivables from associates	390	4,834	2,506	6,004
Loans receivable from associates	(36)	(403)	(36)	(889)
Loans from/(repayment to) non-controlling interests	640	-	920	(686)
Interest received	49	1,026	339	2,140
Net cash generated from investing activities	1,455	4,846	5,982	5,715
Financing activities				
Interest paid	(861)	(1,727)	(1,878)	(2,321)
Drawdown of bank loan	-	10,000	495	10,000
Repayment of bank loan	(5,000)	-	(5,000)	-
Drawdown of long-term borrowings	28,235	10,982	28,235	13,575
Repayment of long-term borrowings	(22,760)	(4,446)	(34,626)	(19,536)
Repayment of obligation under finance lease	(3)	(3)	(6)	(6)
Repayment of term notes	-	(30,000)	-	(30,000)
Repayment of deemed capital to non-controlling interests	-	-	-	(4,345)
Capital injection by non-controlling interests	-	337	-	337
Dividends paid	(670)	-	(1,787)	(1,841)
Net cash used in financing activities	(1,059)	(14,857)	(14,567)	(34,137)
Net increase/(decrease) in cash and cash equivalents	2,642	(1,882)	(2,744)	(10,447)
Cash and cash equivalents at beginning of period	23,662	24,869	28,997	34,068
Effect of foreign exchange rate changes	38	739	89	105
Cash and cash equivalents at end of period (Note A)	26,342	23,726	26,342	23,726

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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	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Cash at banks	8,495	5,406	8,495	5,406
Cash on hand	4	1	4	1
Fixed deposits	2,942	2,708	2,942	2,708
Projects accounts (see Note below):				
Cash at banks	14,901	15,611	14,901	15,611
Total cash and cash equivalents per statement of cash flow	26,342	23,726	26,342	23,726

Note:

Projects 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	-	-	-	-	(2,303)	(2,303)	335	(1,968)
Other comprehensive income for the period								
- currency translation difference on consolidation	-	(471)	-	-	-	(471)	(98)	(569)
Total comprehensive (loss)/income for the period	-	(471)	-	-	(2,303)	(2,774)	237	(2,537)
Dividends paid	-	-	-	-	(670)	(670)	-	(670)
Balance at 30/11/2018	142,238	100	(6)	(5,969)	11,738	148,101	12,093	160,194
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	-	-	-	-	(6,719)	(6,719)	32	(6,687)
Other comprehensive income for the period								
- currency translation difference on consolidation	-	127	-	-	-	127	(202)	(75)
Total comprehensive income/(loss) for the period	-	127	-	-	(6,719)	(6,592)	(170)	(6,762)
Deemed equity injection by non-controlling interests	-	-	-	-	-	-	337	337
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Balance at 30/11/2018	142,238	127	(6)	(5,969)	14,091	150,481	10,966	161,447

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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	-	(564)	(564)
Dividends paid	-	(670)	(670)
Balance at 30/11/2018	142,238	1,177	143,415
Previous Corresponding Period			
Balance at 01/06/2017	142,238	390	142,628
Total comprehensive income for the period	-	3,300	3,300
Balance at 30/11/2017	142,238	3,690	145,928

- 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.

	The Company	
	No of shares	Capital (S\$'000)
Balance at 31/08/2018 and 30/11/2018	446,876,000	142,238

During the quarter ended 30/11/2018, there were no changes in the share capital of the Company.

As at 30/11/2018 and 30/11/2017, 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	
	30/11/2018	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.

Other than the effect of the matter as described above, the adoption of SFRS(I) did not result in other substantial change to the Group's accounting policies as the accounting policies adopted by the Group under the previous accounting framework are consistent with SFRS(I). The Group also did not elect any other relevant optional exemptions. Accordingly, no other adjustments or restatement are made to the financial statements.

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- 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: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings)

	The Group		The Group	
	Second Quarter Ended		Half Year Ended	
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
Earnings/(loss) per ordinary share of the Group based on net profit/(loss) attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	0.01	(1.51)	(0.52)	(1.50)
(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 30/11/2018.

- 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 31/8/2018	As at 31/5/2018	As at 31/8/2018	As at 31/5/2018
Net asset value per ordinary share	33.1	33.9	32.1	32.4

- 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

Second Quarter and Half Year ended 30 November 2018 ("2Q FY2019" and "1H FY2019", respectively) against Second Quarter and Half Year ended 30 November 2017 ("2Q FY2018" and "1H FY2018", respectively)

Revenue for 2Q FY2019 edged up by S\$0.5 million (2.5%) due mainly to higher revenue from development projects, namely 24One Residences, Rezi 35 and The Peak @ Cairnhill I ("The Peak") where sale of one unit on deferred payment scheme ("DPS") was completed during this period, although the increase was partly offset by lower revenue from Third Avenue in Malaysia and absence of contribution from Harvey Avenue. For 1H FY2019, revenue increased by S\$8.8 million (18.7%) due mainly to higher revenue from development projects, namely The Peak where sales of 10 units on DPS were completed during this period, 24One Residences and Rezi 35. 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 2Q FY2019, cost of sales was relatively flat year-on-year and gross profit margin improved slightly from 24.7% to 26.0% due to higher gross profit recorded from development projects and Larmont Hotel in Sydney. For 1H FY2019, cost of sales was higher by \$9.6 million (25.6%), more than the increase in revenue of 18.7%, and gross profit margin dropped from 20.0% to 15.4%, which was attributed mainly to the sales of 10 units in The Peak at written down value where no gross profit was recognised. If revenue related to The Peak were excluded, gross profit margin in 1H FY2019 would have been higher at 23.6% due to better gross profit margin recorded from development projects and Larmont Hotel in Sydney.

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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)

Other operating income for 2Q FY2019 decreased by S\$0.7 million (73.1%) due mainly to the absence of unrealised foreign exchange gain of S\$0.6 million from the appreciation of Malaysian Ringgit registered in 2Q FY2018. For 1H FY2019, other operating income was lower by S\$0.5 million (40.6%) due to the absence of unrealised foreign exchange gain of S\$0.6 million from the appreciation of Malaysian Ringgit recorded in 2Q FY2018 and lower interest income (mainly from associates) of S\$0.3 million due to repayment of loans during financial year 2018. The drop was partly offset by the deposit of S\$0.3 million forfeited for an aborted sale in The Peak under DPS in first quarter of financial year 2019.

Selling and distribution costs for 2Q FY2019 decreased by S\$0.4 million (17.6%) despite an increase in revenue due to the absence of one-off promotional expenses in 2Q FY2018 to drive the sales of Hilbre 28, lower selling related costs incurred for Third Avenue in Malaysia and absence of showflat expenses for 24One Residences which was fully written off in 2Q FY2018 when this project was 100% sold. However, the decrease was partly offset by higher sales commission amortised from development projects. For 1H FY2019, selling and distribution costs was lower by S\$1.1 million (26.2%) due mainly to the same reasons.

Administrative expenses for 2Q FY2019 declined by S\$0.5 million (18.5%) due to various factors, including lower qualifying certificate extension charge incurred for The Peak due to fewer unsold units and lower bank charges. Administrative expenses for 1H FY2018 was relatively stable, declining marginally by S\$0.1 million (3.1%).

Other operating expenses for 2Q FY2019 was lower by S\$7.3 million (94.3%) due to the absence of impairment loss of S\$6.2 million on the proposed disposal of all of the Group's shareholding in its Thai associate, Chewathai Public Company Limited ("Chewathai"), as announced on 20 December 2017 and subsequently approved by shareholders on 24 January 2018, and the absence of write-down of S\$1.8 million on the carrying value of 4 unsold units at The Peak. For 1H FY2019, other operating expenses decreased by S\$6.5 million (82.1%) due mainly to the same reasons.

The Group recorded loss of S\$0.3 million and S\$0.7 million from share of results of associates for 2Q FY2019 and 1H FY2019, respectively, as all the joint venture projects have been completed while those with unsold units experienced slow sales. This was a reversal from 2Q FY2018 and 1H FY2018 where the Group recorded profit of S\$1.2 million and S\$1.9 million, respectively, from share of results of associates which was mainly attributed to share of results from Chewathai prior to its disposal approved by shareholders on 24 January 2018 and reversal of over accrual of project costs for two joint venture projects.

Finance costs for 2Q FY2019 and 1H FY2019 decreased by S\$0.4 million (35.0%) and S\$0.6 million (27.6%), respectively, due mainly to the full repayment of the 6.5% S\$30.0 million term notes in October 2017.

As a result, the Group recorded profit before tax of S\$0.4 million in 2Q FY2019 compared to a loss before tax of S\$6.5 million in 2Q FY2018. Similarly, the Group reported loss before tax of S\$1.8 million in 1H FY2019 compared to loss before tax of S\$6.4 million in 1H FY2018.

Income tax expense for 2Q FY2019 declined by S\$0.1 million (35.6%) due mainly to overprovision of prior year's tax for a Singapore subsidiary. Income tax expense for 1H FY2019 was lower by S\$0.2 million (62.1%) attributed mainly to lower income tax expense recorded by various subsidiaries.

Overall, the Group posted profit after tax of S\$0.2 million in 2Q FY2019 compared to loss after tax of S\$6.7 million in 2Q FY2018. For 1H FY2019, the Group registered loss after tax of S\$2.0 million compared to loss after tax of S\$6.7 million in 1H 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)**

Statement of Financial Position

Financial position as at 30/11/2018 against financial position as at 31/05/2018

Trade receivables increased by S\$33.4 million due mainly to progress billings for development property projects, in particular, Third Avenue in Malaysia as the project obtained the Certificate of Completion and Compliance ("CCC") in 2Q FY2019. These trade receivables have been substantially received after 30 November 2018 and most of our sales are bank-financed by the customers.

Other receivables decreased by S\$9.9 million due mainly to receipt of the remaining proceeds from the disposal of the associate in Thailand, Chewathai.

Loans receivable from associates decreased by S\$2.5 million due mainly to repayments received.

Development properties decreased by S\$42.0 million due mainly to the development costs of the office block of Third Avenue in Malaysia being transferred to completed properties as the project has obtained CCC, and development costs expensed off as we progressively recognised revenue based on percentage of completion of the development projects.

Investment in associates was S\$2.8 million lower due mainly to dividends received from associates and share of loss of associates in 1H FY2019.

The decrease in property, plant and equipment was due mainly to depreciation for 1H FY2019.

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

Trade payables decreased by S\$5.2 million due to net payment made to trade creditors.

Other payables decreased by S\$4.6 million due mainly to decrease in advances from customers as the buyers of The Peak completed the sales under DPS in 1H FY2019.

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 in 2Q FY2019.

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\$0.9 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

First half year ended 30/11/2018 ("1H FY2019")

Operating activities

The Group generated cash of S\$5.8 million in operating activities in 1H FY2019 due mainly to the decrease in development properties and completed properties and land held for sale, offset to some extent by the net increase in receivables and decrease in payables.

Investing activities

Net cash of S\$6.0 million was generated from investing activities in 1H FY2019 due mainly to the repayment of loans by and dividends received from associates, and loans from non-controlling interests for our Gilstead project.

Financing activities

Net cash of S\$14.6 million was used in financing activities in 1H FY2019 due mainly to net repayment of long-term borrowings and a bank loan, and payments of interest and dividends.

As a result, there was a net decrease in cash and cash equivalents of S\$2.7 million, thereby bringing the total cash and cash equivalents amount to S\$26.3 million as at 30 November 2018.

- 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 and rising interest rate environment are 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 preparing its two new residential development projects to be launched 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? No

(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 30 November 2018:

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	(456,000)	-
TEE International Limited (Controlling shareholder of the Company)	Rental income	602,000	-
	Management fees	(138,000)	-

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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.

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 second quarter and half year ended 30 November 2018 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 11 January 2019