



# 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 2017

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2017	30/11/2016		30/11/2017	30/11/2016	
<b>Revenue</b>	20,829	24,029	(13.3)	46,786	37,807	23.7
<b>Cost of sales</b>	(15,692)	(17,418)	(9.9)	(37,411)	(27,278)	37.1
<b>Gross profit</b>	5,137	6,611	(22.3)	9,375	10,529	(11.0)
Other operating income	957	407	135.1	1,337	1,040	28.6
Selling and distribution costs	(2,353)	(874)	169.2	(4,347)	(1,488)	192.1
Administrative expenses	(2,480)	(2,138)	16.0	(4,308)	(4,956)	(13.1)
Other operating expenses	(7,774)	(171)	N.M.	(7,952)	(171)	N.M.
Share of results of associates	1,246	(682)	N.M.	1,880	113	N.M.
Finance costs	(1,232)	(1,468)	(16.1)	(2,353)	(2,926)	(19.6)
<b>(Loss)/profit before tax</b>	(6,499)	1,685	N.M.	(6,368)	2,141	N.M.
Income tax expense	(205)	(598)	(65.7)	(319)	(630)	(49.4)
<b>(Loss)/profit for the period</b>	<b>(6,704)</b>	<b>1,087</b>	<b>N.M.</b>	<b>(6,687)</b>	<b>1,511</b>	<b>N.M.</b>
(Loss)/profit attributable to:						
Owners of the Company	(6,741)	690	N.M.	(6,719)	1,287	N.M.
Non-controlling interests	37	397	(90.7)	32	224	(85.7)
	<b>(6,704)</b>	<b>1,087</b>	<b>N.M.</b>	<b>(6,687)</b>	<b>1,511</b>	<b>N.M.</b>

### 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		
	30/11/2017	30/11/2016		30/11/2017	30/11/2016	
(Loss)/profit for the period	(6,704)	1,087	N.M.	(6,687)	1,511	N.M.
Other comprehensive (loss)/income for the period:						
Currency translation differences	(576)	1,324	N.M.	(75)	2,359	N.M.
Total comprehensive (loss)/income for the period	(7,280)	2,411	N.M.	(6,762)	3,870	N.M.

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2017	30/11/2016		30/11/2017	30/11/2016	
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(6,730)	1,381	N.M.	(6,592)	2,640	N.M.
Non-controlling interests	(550)	1,030	N.M.	(170)	1,230	N.M.
	<b>(7,280)</b>	<b>2,411</b>	<b>N.M.</b>	<b>(6,762)</b>	<b>3,870</b>	<b>N.M.</b>

### 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		
	30/11/2017	30/11/2016		30/11/2017	30/11/2016	
A Other operating income:						
Interest income	183	262	(30.2)	447	578	(22.7)
Foreign currency exchange adjustment gain/(loss)	613	(166)	N.M.	613	-	N.M.
Financial guarantee income	98	265	(63.0)	159	361	(56.0)
Others	63	46	37.0	118	101	16.8
	957	407	135.1	1,337	1,040	28.6
B Finance costs:						
Loan interests	933	982	(5.0)	1,562	1,948	(19.8)
Term note interest	299	486	(38.5)	791	978	(19.1)
	1,232	1,468	(16.1)	2,353	2,926	(19.6)
C Amortisation of issuance costs on term notes	15	46	(67.4)	60	91	(34.1)
D Amortisation of deferred sales commission expenses	1,031	581	77.5	1,635	902	81.3
E Amortisation of show flat expenses	309	96	221.9	426	252	69.0
F Impairment loss on investment in associated company	6,153	-	N.M.	6,153	-	N.M.
G Impairment loss on completed properties and land held for sale	1,799	-	N.M.	1,799	-	N.M.
H Depreciation of property, plant and equipment	97	102	(4.9)	195	864	(77.4)
I Foreign currency exchange adjustment (gain)/loss	(178)	171	N.M.	-	171	N.M.
J Adjustment for under/(over) provision of income tax in respect of prior years	5	(5)	N.M.	5	(5)	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	
	30/11/2017	31/05/2017	30/11/2017	31/05/2017
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	23,726	34,068	662	1,829
Trade receivables	19,896	18,571	-	-
Other receivables	14,914	12,285	132,031	142,449
Loans receivable from associates	20,794	25,860	2,932	2,883
Inventories	60	27	-	-
Development properties	145,910	147,854	-	-
Completed properties and land held for sale	33,552	47,584	-	-
Non-current asset held for sale	47,839	47,481	-	-
<b>Total current assets</b>	<b>306,691</b>	<b>333,730</b>	<b>135,625</b>	<b>147,161</b>
<b>Non-current assets</b>				
Investment in associates	35,919	40,269	-	-
Investment in subsidiaries	-	-	39,012	32,996
Property, plant and equipment	545	735	-	-
Investment properties	35,226	35,812	-	-
Deferred tax assets	3,288	2,947	-	-
Other receivables	-	6,000	3,116	3,830
<b>Total non-current assets</b>	<b>74,978</b>	<b>85,763</b>	<b>42,128</b>	<b>36,826</b>
<b>Total assets</b>	<b>381,669</b>	<b>419,493</b>	<b>177,753</b>	<b>183,987</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	11,499	1,499	10,000	-
Trade payables	18,702	24,187	-	-
Other payables	31,062	25,746	7,803	8,458
Finance lease	12	12	-	-
Long-term borrowings	51,806	45,530	-	-
Financial guarantee liabilities	191	200	2,726	2,056
Term notes	-	29,939	-	29,939
Income tax payable	3,784	3,522	47	73
<b>Total current liabilities</b>	<b>117,056</b>	<b>130,635</b>	<b>20,576</b>	<b>40,526</b>
<b>Non-current liabilities</b>				
Finance lease	33	38	-	-
Deferred tax liabilities	352	374	-	-
Long-term borrowings	99,539	112,248	10,000	-
Financial guarantee liabilities	248	301	1,249	833
Loan from non-controlling interest	2,994	3,680	-	-
<b>Total non-current liabilities</b>	<b>103,166</b>	<b>116,641</b>	<b>11,249</b>	<b>833</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(746)	(873)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	14,964	21,683	3,690	390
Equity attributable to owners of the Company	150,481	157,073	145,928	142,628
Non-controlling interests	10,966	15,144	-	-
<b>Total equity</b>	<b>161,447</b>	<b>172,217</b>	<b>145,928</b>	<b>142,628</b>
<b>Total liabilities and equity</b>	<b>381,669</b>	<b>419,493</b>	<b>177,753</b>	<b>183,987</b>

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### 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 31/11/2017</u>		The Group S\$'000 <u>As at 31/05/2017</u>	
Secured	Unsecured	Secured	Unsecured
53,317	10,000	47,041	29,939

#### Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2017</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	Unsecured	Secured	Unsecured
89,572	10,000	112,286	-

#### 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 loan from non-controlling interest.

### 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	
	30/11/2017	30/11/2016	30/11/2017	30/11/2016
<b>Operating activities</b>				
(Loss)/profit before tax	(6,499)	1,685	(6,368)	2,141
Adjustments for:				
Share of results of associates	(1,246)	682	(1,880)	(113)
Depreciation of property, plant and equipment	97	102	195	864
Amortisation of financial guarantee liabilities	(98)	(265)	(159)	(361)
Amortisation of issuance costs on term notes	15	46	60	91
Amortisation of deferred sales commission expenses	1,031	581	1,635	902
Amortisation of show flat expenses	309	96	426	252
Impairment on investment in associated company	6,153	-	6,153	-
Impairment on completed properties and land held for sale	1,799	-	1,799	-
Interest income	(183)	(262)	(447)	(578)
Interest expense	1,232	1,468	2,353	2,926
Operating cash flows before movements in working capital	2,610	4,133	3,767	6,124
Trade receivables	(4,641)	68	(1,256)	(861)
Other receivables	326	(1,253)	(706)	9,340
Inventories	(32)	(4)	(33)	(6)
Development properties	4,086	(22,104)	3,969	(42,423)
Completed properties held by sale	550	1,724	12,233	1,724
Trade payables	1,747	2,855	(5,841)	3,604
Other payables	5,026	12,615	6,456	5,677
Unrealised currency translation (gain)/loss	(799)	(117)	202	(217)
Cash from/(used in) operations	8,873	(2,083)	18,791	(17,038)
Interest paid	(444)	(1,120)	(1,036)	(1,943)
Income tax paid	(300)	(1,052)	(466)	(1,688)
Net cash generated from/(used in) operating activities	8,129	(4,255)	17,289	(20,669)

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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	
	Second Quarter Ended		Half Year Ended	
	30/11/2017	30/11/2016	30/11/2017	30/11/2016
<b>Investing activities</b>				
Dividend received from associates	-	3,550	-	4,007
Purchase of property, plant and equipment	-	(3,382)	(4)	(5,374)
Additional assets held for sale	(611)	-	(850)	-
Repayment of loans receivables from associates	4,834	2,110	6,004	2,861
Loans receivable from associates	(403)	(192)	(889)	(1,213)
Interest received	1,026	792	2,140	860
Net cash generated from investing activities	4,846	2,878	6,401	1,141
<b>Financing activities</b>				
Interest paid	(1,727)	(1,552)	(2,321)	(2,382)
Drawdown of bank loan	10,000	-	10,000	-
Drawdown of long-term borrowings	10,982	13,281	13,575	57,613
Repayment of long-term borrowings	(4,446)	(5,859)	(19,536)	(29,484)
Repayment of obligation under finance lease	(3)	(2)	(6)	(5)
Repayment of long-term loan	-	-	-	(4,050)
Repayment of term notes	(30,000)	-	(30,000)	-
Repayment of deemed capital to non-controlling interest	-	-	(4,345)	-
Capital injection by non-controlling interest	337	1,118	337	1,732
Dividends paid	-	(1,832)	(1,841)	(1,832)
Net cash (used in)/generated from financing activities	(14,857)	5,154	(34,137)	21,592
Net (decrease)/increase in cash and cash equivalents	(1,882)	3,777	(10,447)	2,064
Cash and cash equivalents at beginning of period	24,869	22,570	34,068	24,331
Effect of foreign exchange rate changes	739	25	105	(23)
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>23,726</b>	<b>26,372</b>	<b>23,726</b>	<b>26,372</b>

#### Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2017	30/11/2016	30/11/2017	30/11/2016
Cash at banks	5,406	10,286	5,406	10,286
Cash on hand	1	5	1	5
Fixed deposits	2,708	5,539	2,708	5,539
Projects accounts (see Note below):				
Cash at banks	15,611	10,574	15,611	10,574
Fixed deposit	-	2,005	-	2,005
<b>Total cash and cash equivalents per statement of cash flow</b>	<b>23,726</b>	<b>28,409</b>	<b>23,726</b>	<b>28,409</b>
Less: Encumbered bank deposit	-	(2,037)	-	(2,037)
<b>Total cash and cash equivalents per statement of financial position</b>	<b>23,726</b>	<b>26,372</b>	<b>23,726</b>	<b>26,372</b>

As at 30/11/2017, the Group has cash and cash equivalents of S\$ Nil (30/11/2016: S\$2,037,000) placed with a bank in Vietnam as security for banking facilities.

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
<b>The Group</b>								
<b>Balance at 01/06/2017</b>	142,238	(873)	(6)	(5,969)	21,683	157,073	15,144	172,217
<i>Total comprehensive income for the period</i>								
(Loss)/profit for the period	-	-	-	-	(6,719)	(6,719)	32	(6,687)
Other comprehensive income/(loss) for the period	-	127	-	-	-	127	(202)	(75)
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	337	337
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
<b>Balance at 30/11/2017</b>	<b>142,238</b>	<b>(746)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>14,964</b>	<b>150,481</b>	<b>10,966</b>	<b>161,447</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 01/06/2016 as previously stated</b>	142,238	(2,305)	(6)	(5,969)	24,051	158,009	13,459	171,468
Prior year adjustment	-	(22)	-	-	1,183	1,161	-	1,161
<b>Balance as at 01/06/2016 as restated</b>	142,238	(2,327)	(6)	(5,969)	25,234	159,170	13,459	172,629
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	1,287	1,287	224	1,511
Other comprehensive income for the period	-	1,353	-	-	-	1,353	1,006	2,359
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	1,732	1,732
Dividend paid	-	-	-	-	(1,832)	(1,832)	-	(1,832)
<b>Balance at 30/11/2016</b>	<b>142,238</b>	<b>(974)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>24,689</b>	<b>159,978</b>	<b>16,421</b>	<b>176,399</b>

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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/(losses) S\$'000	Total S\$'000
<b>The Company</b>			
<b>Balance at 01/06/2017</b>	142,238	390	142,628
Total comprehensive income for the period	-	3,300	3,300
<b>Balance at 30/11/2017</b>	<b>142,238</b>	<b>3,690</b>	<b>145,928</b>
<b>Previous Corresponding Period</b>			
<b>Balance at 01/06/2016</b>	142,238	2,213	144,451
Total comprehensive loss for the period	-	(877)	(877)
Dividends paid	-	(1,832)	(1,832)
<b>Balance at 30/11/2016</b>	<b>142,238</b>	<b>(496)</b>	<b>141,742</b>

- 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 31/08/2017 and 30/11/2017	446,876,000	142,238

During the quarter ended 30/11/2017, there were no changes in the share capital of the Company.

As at 30/11/2017 and 30/11/2016, there were no shares held as treasury shares and outstanding convertibles.

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

	The Group and the Company	
	30/11/2017	31/05/2017
Total number of issued shares	446,876,000	446,876,000

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

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

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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**

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31/05/2017.

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

Not applicable.

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

	The Group		The Group	
	Second Quarter Ended		Half Year Ended	
	30/11/2017	30/11/2016	30/11/2017	30/11/2016
(Loss)/earnings per ordinary share of the Group based on net (loss)/profit attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	(1.51)	0.15	(1.50)	0.29
(ii) On a fully diluted basis (cents)	N.A.	N.A.	N.A.	N.A.
- Weighted average number of shares ('000)	446,876	446,876	446,876	446,876

The Company does not have any dilutive instruments as at 30/11/2017.

**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**

	Cents	
	As at 30/11/2017	As at 31/05/2017
The Group	33.7	35.1
The Company	32.7	31.9

## TEE Land Limited

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

### Income Statement

#### Income statement for FY2018 second quarter ("FY2018 2Q") and half year ("FY2018 1H") against FY2017 second quarter ("FY2017 2Q") and half year ("FY2017 1H")

Revenue for FY2018 2Q decreased by S\$3.2 million or 13.3% due mainly to lower progressive revenue recognised for development projects, as Hilbre 28 has been fully recognised in FY2018 1Q, and lower revenue contribution from hotel operations, as one of the hotels, Quality Hotel, has been sold. Revenue for FY2018 1H increased by S\$9.0 million or 23.7% due mainly to higher progressive revenue recognised for development projects, with new projects (183 Longhaus and Harvey Avenue) and sale of remaining units in Hilbre 28 being recognised. This was reduced to some extent by the decrease in revenue from hotel operations, as Quality Hotel was sold in FY2017 4Q.

Cost of sales for FY2018 2Q correspondingly decreased by S\$1.7 million or 9.9%. However, gross margin decreased from 27.5% in FY2017 2Q to 24.7% in FY2018 2Q. This was due mainly to the higher revenue contribution from development projects which have lower gross margin. On the other hand, FY2017 2Q had proportionately higher revenue contribution from hotel operations and rental income. Cost of sales for FY2018 1H correspondingly increased by S\$10.1 million or 37.1% with the higher revenue. However, gross margin decreased from 27.8% in FY2017 1H to 20.0% in FY2018 1H for the same reason as FY2018 2Q.

In FY2018 2Q, other operating income increased by S\$0.6 million (135.1%). This was due mainly to unrealized exchange gain from the strengthening of the Malaysian Ringgit. Other operating income for FY2018 1H increased by S\$0.3 million (28.6%) for the same reason.

Selling and distribution costs for FY2017 2Q increased by S\$1.5 million (169.2%) despite a decrease in revenue due mainly to marketing costs incurred for Third Avenue and Hilbre 28, and complete write-off of showflat expenses for 24One Residences as the project was fully sold in FY2018 2Q. Selling and distribution costs for FY2018 1H increased by S\$2.8 million (192.1%) for the same reason, and higher sales commission amortised with higher progressive revenue recognised for development projects.

Administrative expenses for FY2018 2Q increased by S\$0.4 million (16.0%) due mainly to Peak I unsold units' QC extension fee amortised, and commitment fees incurred for additional loan facilities taken. This was offset to some extent by the decrease in depreciation expense as TEE Building was reclassified as investment property in FY2017 4Q. Administrative expenses for FY2018 1H decreased by S\$0.7 million (13.3%) due mainly to the sale of one hotel in Australia in FY2017 4Q and decrease in depreciation expense as TEE Building was reclassified as investment property. This decrease was offset to some extent by the amortised QC extension fee for Peak I unsold units and the commitment fees for additional loan facilities. The depreciation expense for FY2018 1H decreased compared to the corresponding period due mainly to the reclassification of the Australian hotels as non-current assets held for sale and TEE Building as investment properties in FY2017 2Q and FY2017 4Q respectively.

Other operating expenses for FY2018 2Q increased by S\$7.6 million due mainly to impairment loss of S\$6.2 million on the proposed disposal of all the Group's shareholding in the Thai associate, Chewathai, as announced on 20 December 2017. There was also a further impairment of S\$1.8 million for the 4 remaining units in Peak I as the recent sale of one of the units provided indication that the selling prices of the units have declined. These impairments were offset to some extent by the reversal of exchange loss recognised in the last quarter, as the Malaysian Ringgit strengthened. Other operating expenses for FY2018 1H increased by S\$7.8 million due mainly to the two impairments mentioned.

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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)**

Share of results of associates for FY2018 2Q increased by S\$1.9 million mainly because of contribution by Chewathai and reversal of over accrual of costs for two joint venture projects. Share of results of associates increased by S\$1.8 million in FY2018 1H for the same reason.

Finance costs for FY2018 2Q decreased by S\$0.3 million (16.1%) attributed mainly to the Australian hotel which was sold in FY2017 4Q as the bank loan was fully repaid upon sale. This was also the main reason finance costs for FY2018 1H decreased by S\$0.5 million (19.6%).

As a result of the above, the Group recorded a loss before tax of S\$6.5 million in FY2018 2Q compared to a profit before tax of S\$1.7 million in FY2017 2Q. Similarly, the Group registered a loss before tax of S\$6.4 million in FY2018 1H compared to a profit before tax of S\$2.1 million in FY2017 1H.

Tax expense for FY2018 2Q decreased by S\$0.4 million due mainly to lower revenue and deferred tax assets recognised for the impairment of Peak I's remaining units and losses in some subsidiaries. Tax expense for FY2018 1H decreased by S\$0.3 million due mainly to deferred tax asset recognised for the impairment of Peak I's remaining units.

Overall, for FY2018 2Q, the Group recorded a loss after tax of S\$6.7 million compared to a profit after tax of S\$1.1 million in FY2017 2Q. For FY2018 1H, the Group registered a loss after tax of S\$6.7 million compared to a profit after tax of S\$1.5 million in FY2017 1H.

### **Statement of Financial Position**

#### **Financial position as at 30/11/2017 against financial position as at 31/05/2017**

Cash and bank balances decreased by S\$10.4 million due mainly to the repayment of term notes and long-term borrowings, offset to some extent by the sale of completed properties held for sale. A more detailed commentary on the decrease in cash and bank balances is in the commentary on Statement of Cash Flows

Other receivables (current portion) increased by S\$2.6 million due mainly to deposit for the acquisition of land at 35, Gilstead Road, but was offset partially by repayment of loan interest receivables by associates.

Loans receivable from associates decreased by S\$5.1 million due mainly to repayment of loans by associates.

Completed properties and land held for sale decreased by S\$14.0 million due mainly to the sale of all remaining unsold units in Hibre 28 and impairment of the remaining unsold units in Peak I.

Investment in associates decreased by S\$4.4 million due mainly to the impairment loss of S\$6.2 million on the proposed disposal of all shareholdings in Chewathai, offset to some extent by the share of results of associates recognised.

The decrease in property, plant and equipment of S\$0.2 million was due mainly to depreciation expenses.

Deferred tax assets increased by S\$0.4 million due mainly to the recognition of deferred tax for the impairment of Peak I's remaining unsold units and losses in some of the subsidiaries.

Other receivables (non-current portion) was fully repaid in FY2018 2Q.

Bank loans increased by S\$10.0 million because of drawdown of a revolving credit facility.

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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 (Continued)**

Trade payables decreased by S\$5.5 million due mainly to payment of construction costs.

Other payables increased by S\$5.4 million mainly due to accrual of construction costs as construction of our development properties progressed.

Long-term borrowings (current and non-current) decreased by S\$6.5 million due mainly to the full repayment of loan for Hilbre 28 as the project has been completed and fully sold. This was offset to some extent by additional loan taken for working capital purpose.

Financial guarantee liabilities (current and non-current) decreased by S\$0.1 million due mainly to the recognition of financial guarantee income.

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

Loan from non-controlling interest decreased by S\$0.7 million due to repayment of the joint venture partner's portion of a temporary loan pending the bank's disbursement of the project loan. The bank has since disbursed the project loan.

### **Statement of Cash Flows**

#### **First half year ended 30/11/2017 ("FY2018 1H")**

##### **Operating activities**

The Group generated cash of S\$17.3 million in operating activities in FY2018 1H due mainly to the decrease in completed properties held for sale with the sale of all remaining units in Hilbre 28, and increase in other payables.

##### **Investing activities**

Net cash of S\$6.4 million was generated from investing activities in FY2018 1H due mainly to the repayment of loans by associates.

##### **Financing activities**

Net cash of S\$34.1 million was used in financing activities in FY2018 1H due mainly to the repayment of term notes upon maturity and net repayment of long-term borrowings.

As a result, there was a net decrease in cash and cash equivalents of S\$10.4 million, thereby bringing the total cash and cash equivalents amount to S\$23.7 million as at 30/11/2017.

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

The actual results for FY2018 Q2 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2018 Q1 made on 11/10/2017.

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**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 Singapore residential property market has taken a generally positive upturn with an increase in demand and property prices amidst an improved macro economic environment, and the Group has seen encouraging sales in its property developments. The Group remains cautiously optimistic of the prospects in the local residential property market, and will continue to leverage on its strength, experience, nimbleness and competitive edge in the boutique development space to seize profitable opportunities.

In Malaysia, the property sector continues to face weak buying sentiments. For Thailand, we expect the property market to remain steady. In Australia, demand for hotel rooms is resilient and is expected to remain so over the next 12 months, whilst the Group actively engages potential interested parties in realising value in its remaining hotel in Sydney. Demand for workers' accommodation in Christchurch, New Zealand is stable as the rebuilding work is still ongoing, though as expected, there is increasing competition in the rental market as more housing units become available for rental with progression in the rebuilding efforts.

**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)	0.15 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**

Not applicable.

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- 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 2017

Name of Interested Person	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)	296,000	-
TEE International Limited (Holding company)	138,000	-

- 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.

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

We, Phua Cher Chew and Saw Chin Choo, being two Directors of TEE Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half year ended 30/11/2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew  
Chief Executive Officer  
and Executive Director

Saw Chin Choo  
Non-Executive Director

Dated 12 January 2018