



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 2016

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		
	30/11/2016	30/11/2015		30/11/2016	30/11/2015	
Revenue	24,029	9,842	144.1	37,807	13,194	186.5
Cost of sales	(17,418)	(6,173)	182.2	(27,278)	(7,713)	253.7
Gross profit	6,611	3,669	80.2	10,529	5,481	92.1
Other operating income	407	780	(47.8)	1,040	1,494	(30.4)
Selling and distribution costs	(874)	(592)	47.6	(1,488)	(921)	61.6
Administrative expenses	(2,138)	(2,841)	(24.7)	(4,956)	(5,565)	(10.9)
Other operating expenses	(171)	(345)	(50.4)	(171)	(1,122)	(84.8)
Share of results of associates	(682)	2,405	N.M.	113	5,399	(97.9)
Finance costs	(1,468)	(1,223)	20.0	(2,926)	(2,319)	26.2
Profit before tax	1,685	1,853	(9.1)	2,141	2,447	(12.5)
Income tax expense	(598)	(306)	95.4	(630)	(40)	N.M.
Profit for the period	1,087	1,547	(29.7)	1,511	2,407	(37.2)
Profit attributable to:						
Owners of the Company	690	1,504	(54.1)	1,287	2,389	(46.1)
Non-controlling interests	397	43	N.M.	224	18	N.M.
	1,087	1,547	(29.7)	1,511	2,407	(37.2)

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		
	30/11/2016	30/11/2015		30/11/2016	30/11/2015	
Profit for the period	1,087	1,547	(29.7)	1,511	2,407	(37.2)
Other comprehensive income for the period:						
Currency translation differences	1,324	738	79.4	2,359	(819)	N.M.
Total comprehensive income for the period	2,411	2,285	5.5	3,870	1,588	143.7

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2016	30/11/2015		30/11/2016	30/11/2015	
Total comprehensive income attributable to:						
Owners of the Company	1,381	2,109	(34.5)	2,640	1,654	59.6
Non-controlling interests	1,030	176	485.2	1,230	(66)	N.M.
	2,411	2,285	5.5	3,870	1,588	143.7

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		
	30/11/2016	30/11/2015		30/11/2016	30/11/2015	
A Other operating income:						
Interest income	262	350	(25.1)	578	693	(16.6)
Foreign currency exchange adjustment (loss) gain	(166)	96	N.M.	-	378	N.M.
Financial guarantee income	265	87	204.6	361	157	129.9
Liquidated damages received	-	180	N.M.	-	180	N.M.
Others	46	67	(31.3)	101	86	17.4
	407	780	(47.8)	1,040	1,494	(30.4)
B Finance costs:						
Loan interests	982	737	33.2	1,948	1,341	45.3
Term note interest	486	486	N.M.	978	978	N.M.
	1,468	1,223	20.0	2,926	2,319	26.2
C Amortisation of issuance costs on term notes	46	46	N.M.	91	91	N.M.
D Amortisation of deferred sales commission expenses	581	220	164.1	902	223	304.5
E Amortisation of show flat expenses	96	179	(46.4)	252	284	(11.3)
F Allowance for doubtful debt on trade receivable	-	-	N.M.	-	2	N.M.
G Write back of allowance for doubtful debt on trade receivable	-	(2)	N.M.	-	(2)	N.M.
H Depreciation of property, plant and equipment	102	779	(86.9)	864	1,461	(40.9)
I Foreign currency exchange adjustment loss	171	348	(50.9)	171	1,122	(84.8)
J Adjustment for (over) under provision of income tax in respect of prior years	(5)	(4)	25.0	(5)	16	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	
	30/11/2016	31/05/2016	30/11/2016	31/05/2016
ASSETS				
Current assets				
Cash and bank balances	28,409	26,368	9,154	6,770
Trade receivables	8,724	7,933	-	-
Other receivables	14,042	24,846	139,064	150,443
Current portion of loans receivable from associates	20,757	22,895	2,840	2,950
Inventories	23	16	-	-
Development properties	156,077	113,796	-	-
Completed properties and land held for sale	44,507	46,231	-	-
Assets classified as held for sale	75,218	-	-	-
Total current assets	347,757	242,085	151,058	160,163
Non-current assets				
Investment in associates	44,298	47,667	-	-
Investment in subsidiaries	-	-	32,486	20,795
Property, plant and equipment	23,748	89,961	-	-
Investment properties	12,588	11,717	-	-
Deferred tax assets	3,173	2,643	-	-
Other receivables	6,000	6,000	2,071	-
Loans receivable from associates	6,373	5,883	-	-
Total non-current assets	96,180	163,871	34,557	20,795
Total assets	443,937	405,956	185,615	180,958
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	3,114	3,114	1,615	1,615
Trade payables	14,987	11,651	-	-
Current portion of other payables	29,048	25,627	9,737	2,011
Current portion of finance lease	11	12	-	-
Current portion of long-term borrowings	29,858	23,324	-	-
Current portion of financial guarantee liabilities	266	382	1,222	1,218
Current portion of long-term loan	-	4,050	-	-
Term note	29,849	-	29,849	-
Income tax payable	2,847	3,465	10	27
Total current liabilities	109,980	71,625	42,433	4,871
Non-current liabilities				
Finance lease	43	51	-	-
Deferred tax liabilities	228	210	-	-
Long-term bank loans	156,073	132,213	-	-
Term notes	-	29,758	-	29,758
Financial guarantee liabilities	386	631	1,440	1,878
Other payables	1,989	-	-	-
Total non-current liabilities	158,719	162,863	1,440	31,636
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(952)	(2,305)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits/(loss)	23,506	24,051	(496)	2,213
Equity attributable to owners of the Company	158,817	158,009	141,742	144,451
Non-controlling interests	16,421	13,459	-	-
Total equity	175,238	171,468	141,742	144,451
Total liabilities and equity	443,937	405,956	185,615	180,958

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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 30/11/2016</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	Unsecured	Secured	Unsecured
32,983	29,849	26,450	-

Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2016</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	Unsecured	Secured	Unsecured
156,116	-	132,264	29,758

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 bank loans secured by legal mortgages over the Group's development properties, property, investment properties, fixed deposit and corporate guarantee from the holding company.

Note: As at 31/05/2016, these borrowings exclude the long-term loan of S\$4,050,000 due to former joint developer.

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	
	30/11/2016	30/11/2015	30/11/2016	30/11/2015
Operating activities				
Profit before tax	1,685	1,853	2,141	2,447
Adjustments for:				
Share of results of associates	682	(2,405)	(113)	(5,399)
Depreciation of property, plant and equipment	102	779	864	1,461
Amortisation of financial guarantee liabilities	(265)	(87)	(361)	(157)
Amortisation of issuance costs on term notes	46	46	91	91
Amortisation of deferred sales commission expenses	581	220	902	223
Amortisation of show flat expenses	96	179	252	284
Allowance for doubtful receivables	-	-	-	2
Write back of allowance for doubtful trade receivables	-	(2)	-	(2)
Interest income	(262)	(350)	(578)	(693)
Interest expense	1,468	1,223	2,926	2,319
Unrealised currency translation loss	(117)	-	(217)	-
Operating cash flows before movements in working capital	4,016	1,456	5,907	576
Trade receivables	68	17,405	(861)	27,215
Other receivables	(1,253)	(610)	9,340	(2,265)
Inventories	(4)	(3)	(6)	(2)
Development properties	(10,604)	(12,700)	(30,923)	(15,457)
Acquisition of development property	(11,500)	-	(11,500)	-
Completed property held by sale	1,724	-	1,724	-
Trade payables	2,855	8,403	3,604	6,046
Other payables	12,615	2,525	5,677	3,435
Cash (used in) from operations	(2,083)	16,476	(17,038)	19,548
Interest paid	(2,672)	(2,390)	(4,325)	(3,656)
Income tax paid	(1,052)	(44)	(1,688)	(73)
Income tax refund	-	280	-	280
Net cash (used in) from operating activities	(5,807)	14,322	(23,051)	16,099

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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	
	30/11/2016	30/11/2015	30/11/2016	30/11/2015
Investing activities				
Dividend received from associates	3,550	-	4,007	-
Purchase of property, plant and equipment	(3,382)	(13,163)	(5,374)	(13,272)
Investment properties	-	(346)	-	(346)
Investment in associates	-	(2,722)	-	(2,722)
Repayment of loans receivables from associates	2,110	-	2,861	4,649
Loans receivable from associates	(192)	(1,208)	(1,213)	(3,639)
Interest received	792	428	860	2,492
Net cash from (used in) investing activities	2,878	(17,011)	1,141	(12,838)
Financing activities				
Drawdown of bank loans	-	483	-	483
Repayment of bank loans	-	(10,000)	-	(10,000)
Drawdown of long-term bank loans	13,281	10,042	57,613	12,370
Repayment of long-term bank loans	(5,859)	(2,132)	(29,484)	(9,685)
Repayment of obligation under finance lease	(2)	(5)	(5)	(13)
Repayment of long-term loan	-	-	(4,050)	-
Capital injection by non-controlling interest	1,118	1,966	1,732	1,966
Dividends paid	(1,832)	(2,726)	(1,832)	(2,726)
Net cash from (used in) from financing activities	6,706	(2,372)	23,974	(7,605)
Net increase (decrease) in cash and cash equivalents	3,777	(5,061)	2,064	(4,344)
Cash and cash equivalents at beginning of period	22,570	18,100	24,331	18,003
Effect of foreign exchange rate changes	25	(340)	(23)	(960)
Cash and cash equivalents at end of period (Note A)	26,372	12,699	26,372	12,699

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2016	30/11/2015	30/11/2016	30/11/2015
Cash at banks	10,286	5,354	10,286	5,354
Cash on hand	5	1	5	1
Fixed deposits	5,539	617	5,539	617
Projects accounts (see Note below):				
Cash at banks	10,574	7,342	10,574	7,342
Fixed deposit	2,005	-	2,005	-
Total cash and cash equivalents per statement of cash flow	28,409	13,314	28,409	13,314
Less: Encumbered bank deposit	(2,037)	(615)	(2,037)	(615)
Total cash and cash equivalents per statement of financial position	26,372	12,699	26,372	12,699

As at 30/11/2016, the Group has cash and cash equivalents of S\$2,037,000 (30/11/2015: S\$615,000) 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
The Group								
Balance at 01/06/2016	142,238	(2,305)	(6)	(5,969)	24,051	158,009	13,459	171,468
<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)
Balance at 30/11/2016	142,238	(952)	(6)	(5,969)	23,506	158,817	16,421	175,238
Previous Corresponding Period								
Balance at 01/06/2015	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	2,389	2,389	18	2,407
Other comprehensive income for the period	-	(735)	-	-	-	(735)	(84)	(819)
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	1,966	1,966
Dividend paid	-	-	-	-	(2,726)	(2,726)	-	(2,726)
Balance at 30/11/2015	142,238	(1,468)	(6)	(5,969)	20,092	154,887	13,023	167,910

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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
<u>The Company</u>			
Balance at 01/06/2016	142,238	2,213	144,451
Total comprehensive loss for the period	-	(877)	(877)
Dividends paid	-	(1,832)	(1,832)
Balance at 30/11/2016	142,238	(496)	141,742
<u>Previous Corresponding Period</u>			
Balance at 01/06/2015	142,238	2,654	144,892
Total comprehensive loss for the period	-	(1,315)	(1,315)
Dividends paid	-	(2,726)	(2,726)
Balance at 30/11/2015	142,238	(1,387)	140,851

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

	The Company	
	No of shares	Capital (S\$,000)
Balance at 31/08/2016 and 30/11/2016	446,876,000	142,238

During the quarter ended 30/11/2016, there were no changes in the share capital of the Company.

As at 30/11/2016 and 30/11/2015, 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	
	30/11/2016	31/05/2016
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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- 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 31/05/2016.

- 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	
	30/11/2016	30/11/2015	30/11/2016	30/11/2015
Earnings per ordinary share ("EPS") of the Group based on net profit attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	0.15	0.34	0.29	0.53
(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 30/11/2016.

- 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 30/11/2016	As at 31/05/2016
The Group	35.5	35.4
The Company	31.7	32.3

- 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

Revenue for the second quarter ended 30/11/2016 ("FY2017 Q2") increased by S\$14.2 million or 144.1% compared to the second quarter ended 30/11/2016 (FY2016 Q2") due mainly to higher progressive revenue recognised for development projects, particularly Third Avenue in Malaysia and the new project, Hilbre 28. Revenue for the first half year ended 30/11/2016 ("FY2017 1H") increased by S\$24.6 million or 186.5% compared to the first half year ended 30/11/2016 ("FY2016 1H") due mainly to the same reason.

Cost of sales for FY2017 Q2 correspondingly increased by S\$11.2 million or 182.2% compared to FY2016 Q2. However, gross margin decreased from 37.3% in FY2016 Q2 to 27.5% in FY2017 Q2. This was due mainly to the higher revenue contribution from development projects which have lower gross margin. On the other hand, FY2016 Q2 had proportionately higher revenue contribution from hotel operations and rental income. These were also the main reasons why cost of sales for FY2017 1H had also correspondingly increased by S\$19.6 million or 253.7% compared to FY2016 1H, and gross margin decreased from 41.5% in FY2016 1H to 27.8% in FY2017 1H.

In FY2017 Q2, other operating income decreased by S\$0.4 million (47.8%) compared to FY2016 Q2. This was due mainly to liquidated damages received from the former joint development project for late completion by the contractor, exchange gain and higher interest income from loans to associates recognised in FY2016 Q2. Other operating income for FY2017 1H decreased by S\$0.5 million (30.4%) compared to FY2016 1H due mainly to the same reason.

Selling and distribution costs for FY2017 Q2 increased by S\$0.3 million (47.6%) compared to FY2016 Q2 due mainly to higher sales and direct marketing expenses arising from the higher development project revenue recognised, and higher marketing expenses for development project launched in early 2016. Selling and distribution costs for FY2017 1H increased by S\$0.6 million (61.6%) compared to FY2016 1H largely for the same reason.

Administrative expenses for FY2017 Q2 decreased by S\$0.7 million (24.7%) compared to FY2016 Q2 due mainly to the cessation of depreciation for the two Australian hotels, as the two hotels are being classified as assets held for sale. This was also the main reason administrative expenses for FY2017 1H decreased by S\$0.6 million (10.9%) compared to FY2016 1H. The depreciation expense for FY2017 Q2 and 1H decreased compared to the corresponding periods also for the same reason.

Other operating expenses (mainly unrealised exchange loss) for FY2017 Q2 decreased by S\$0.1 million compared to FY2016 Q2 because Malaysian Ringgit depreciated less against the Singapore Dollar in FY2017 Q2 compared to FY2016 Q2. Other operating expenses for FY2017 1H decreased by S\$0.9 million compared FY2016 1H due mainly to the same reason.

Share of results of associates for FY2017 Q2 was a loss of S\$0.7 million compared to a profit of S\$2.4 million in FY2016 Q2. This was due mainly to the completion of a number of development projects and full recognition of revenue in FY2016. The loss in FY2017 Q2 was mainly due to the sale of 3 units in the Boutiq project below cost and loss incurred by Chewathai in Thailand in FY2017 Q2. Thailand's property market was affected by the passing of the former king in October 2016. Share of results of associates decreased by S\$5.3 million in FY2017 1H compared to FY2016 1H due mainly to the completion of a number of development projects and full recognition of revenue in FY2016.

Finance costs for FY2017 Q2 increased by S\$0.2 million (20.0%) compared to FY2016 Q2, due mainly to additional loan required for the acquisition of the 11th floor and penthouse in Larmont Building, and refinancing cost for the completed development project, Peak I. This was the same reason finance costs for FY2017 1H increased by S\$0.6 million (26.2%) compared to FY2016 1H.

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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)

As a result of the above, profit before tax for FY2017 Q2 decreased by S\$0.2 million (9.1%), from S\$1.9 million in FY2016 Q2 to S\$1.7 million in FY2017 Q2. Profit before tax for FY2017 1H decreased by S\$0.3 million (12.5%), from S\$2.4 million in FY2016 1H to S\$2.1 million in FY2017 1H.

Tax expense for FY2017 Q2 increased by S\$0.3 million compared to FY2016 Q2. This increase, despite lower profit before tax in FY2017 Q2, was due mainly to taxable profit from progressive revenue recognised for Third Avenue project in FY2017 Q2, while the profit for FY2016 Q2 came mainly from share of results of associates which were net of tax. Tax expense for FY2017 1H increased by S\$0.6 million compared to FY2016 1H due mainly to the same reason.

Overall, profit after tax for FY2017 Q2 decreased by S\$0.4 million or 29.7%, from S\$1.5 million in FY2016 Q2 to S\$1.1 million in FY2017 Q2. Profit after tax for FY2017 1H decreased by S\$0.9 million or 37.2%, from S\$2.4 million in FY2016 1H to S\$1.5 million in FY2017 1H.

Statement of Financial Position

Financial position as at 30/11/2016 against financial position as at 31/05/2016

Other receivables (current portion) decreased by S\$10.8 million due mainly to repayment of refundable deposit received from Thailand, payment received from our former joint development partner and transferring of land deposit for Lorong 35 Geylang to Development properties as the purchase of land was completed.

Development properties increased by S\$42.3 million due mainly to the land cost for Lorong 35 Geylang, acquisition of land at 241 Pasir Panjang Road and progressive capitalization of construction and development costs as construction of our development properties progressed.

Assets classified as held for sale of S\$75.2 million comprised the two hotels in Australia. The intention was to dispose the hotels in order to realise their value.

Property, plant and equipment decreased by S\$66.3 million due mainly to the reclassification of the two Australian hotels as assets held for sale.

Deferred tax assets increased by S\$0.5 million due mainly to recognition of deferred tax for the losses in some of the subsidiaries.

Trade payables increased by S\$3.3 million due mainly to construction costs payable as construction of our development properties progressed.

Other payables (current portion) increased by S\$3.4 million mainly due to accrual of construction costs, offset to some extent by the payment of amount due to our former joint development partner.

Long-term borrowings (current and non-current) increased by S\$30.4 million due mainly to the drawdown of loan for the purchase of land at Lorong 35 Geylang and 241 Pasir Panjang Road, and refinancing of completed development project, Peak I.

Financial guarantee liabilities (current and non-current) decreased by S\$0.4 million due to the recognition of financial guarantee income.

Long-term loan (current portion) decreased by S\$4.1 million because of payment of amount due to our former joint development partner.

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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 30/11/2016 against financial position as at 31/05/2016

Term note of S\$29.8 million was reclassified from non-current liability to current liability as the term note is payable within the next 12 months.

Income tax payable decreased by S\$0.6 million mainly due to the payment of income tax for completed projects in Singapore and progressive payment of income tax in Malaysia for our Third Avenue development project.

Other payable (non-current portion) of S\$2.0 million is a shareholder's loan from our joint venture partner for our Lorong 35 Geylang development project.

Statement of Cash Flows

First half year ended 30/11/2016 ("FY2017 1H")

Operating activities

The Group used cash of S\$23.1 million in operating activities in FY2017 1H due mainly to the increase in and acquisition of development properties, offset to some extent by the decrease in receivables and increase in payables.

Investing activities

Net cash of S\$1.1 million was generated from investing activities in FY2017 1H due mainly to dividend received from and net repayment of loans by associates, offset to some extent by the purchase of property, plant and equipment (renovation of the 11th floor and penthouse of Larmont Building to increase hotel rooms).

Financing activities

Net cash of S\$24.0 million was generated from financing activities in FY2017 1H due mainly to the net drawdown of bank loan for the purchase of the land at Lorong 35 Geylang and 241 Pasir Panjang Road, and refinancing of completed development project, Peak I.

As a result, there was a net increase in cash and cash equivalents of S\$2.1 million, thereby bringing the total cash and cash equivalents amount, excluding fixed deposit pledged, to S\$26.4 million as at 30/11/2016. Including fixed deposit pledged, the cash and cash equivalents as at 30/11/2016 amounted to S\$28.4 million.

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 FY2017 Q2 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2017 Q1 made on 14/10/2016.

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 Group expects the property market conditions in Singapore and Malaysia to remain generally unchanged, as cooling measures in both countries are not expected to be eased anytime soon. The Thai property market has contracted in the 4th quarter of 2016 as Thailand went into a year of mourning for the passing of the previous king.

In New Zealand, the rebuilding of Christchurch will carry on for many more years, and this will support sustained demand for workers' accommodation.

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11 Dividend

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? 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)

(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)	0.22 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(c) **Date payable**

To be announced at a later date.

(d) **Books closure date**

To be announced at a later date.

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 2016

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 during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
PBT Engineering Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$12,596,000
TEE Projects Solutions Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$185,000

- 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 30/11/2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Saw Chin Choo
Non-Executive Director

Dated 11 January 2017