



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 2019

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Second Quarter Ended			Half Year Ended		
	30/11/2019	30/11/2018 Restated		30/11/2019	30/11/2018 Restated	
Revenue	16,314	21,705	(24.8)	37,013	55,886	(33.8)
Cost of sales	(12,155)	(17,720)	(31.4)	(28,879)	(48,965)	(41.0)
Gross profit	4,159	3,985	4.4	8,134	6,921	17.5
Other operating income	165	257	(35.8)	863	794	8.7
Selling and distribution costs	(1,216)	(1,938)	(37.3)	(2,977)	(3,207)	(7.2)
Administrative expenses	(2,358)	(2,022)	16.6	(4,633)	(4,174)	11.0
Other operating expenses	(5,360)	(446)	N.M.	(5,440)	(1,422)	N.M.
Share of results of associates	(226)	(257)	(12.1)	(445)	(704)	(36.8)
Finance costs	(1,682)	(1,865)	(9.8)	(3,589)	(3,914)	(8.3)
Loss before tax	(6,518)	(2,286)	N.M.	(8,087)	(5,706)	41.7
Income tax (expense)/credit	(269)	163	N.M.	(113)	405	N.M.
Loss for the period	(6,787)	(2,123)	N.M.	(8,200)	(5,301)	54.7
(Loss)/profit attributable to:						
Owners of the Company	(6,966)	(2,037)	N.M.	(8,656)	(5,112)	69.3
Non-controlling interests	179	(86)	N.M.	456	(189)	N.M.
	(6,787)	(2,123)	N.M.	(8,200)	(5,301)	54.7

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		
	30/11/2019	30/11/2018 Restated		30/11/2019	30/11/2018 Restated	
Loss for the period	(6,787)	(2,123)	N.M.	(8,200)	(5,301)	54.7
Other comprehensive loss/(income) for the period:						
Currency translation differences	(238)	145	N.M.	(537)	(569)	(5.6)
Total comprehensive loss for the period	(7,025)	(1,978)	N.M.	(8,737)	(5,870)	48.8

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		
	30/11/2019	30/11/2018 Restated		30/11/2019	30/11/2018 Restated	
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(7,125)	(2,047)	N.M.	(9,006)	(5,583)	61.3
Non-controlling interests	100	69	44.9	269	(287)	N.M.
	(7,025)	(1,978)	N.M.	(8,737)	(5,870)	48.8

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		
	30/11/2019	30/11/2018 Restated		30/11/2019	30/11/2018 Restated	
A Other operating income:						
Interest income	67	63	6.3	137	183	(25.1)
Financial guarantee income	49	47	4.3	84	93	(9.7)
Deposit forfeited for an aborted sale of properties	-	-	-	522	316	65.2
Gain on disposal of asset held for sale	-	31	N.M.	-	31	N.M.
Others	49	116	(57.8)	120	171	(29.8)
	165	257	(35.8)	863	794	8.7
B Finance costs:						
Loan interests	1,668	1,865	(10.6)	3,560	3,914	(9.0)
Lease liability	14	-	N.M.	29	-	N.M.
	1,682	1,865	(9.8)	3,589	3,914	(8.3)
C Other operating expenses:						
Additional buyer's stamp duty	4,680	-	N.M.	4,680	-	N.M.
Fair value loss on investment property	500	-	N.M.	500	-	N.M.
Foreign currency exchange loss	180	446	(59.6)	260	1,002	(74.1)
Option fee forfeited for aborted purchase of land	-	-	N.M.	-	420	N.M.
	5,360	446	N.M.	5,440	1,422	N.M.
D Amortisation of capitalised contract costs	645	1,155	(44.2)	1,311	1,849	(29.1)
E Amortisation of show flat expenses	272	16	N.M.	891	149	N.M.
F Depreciation of property, plant and equipment	439	95	N.M.	897	193	N.M.
H Adjustment for over provision of income tax in respect of prior years	(79)	(58)	36.2	(79)	(58)	36.2

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	
	31/11/2019	31/05/2019	30/11/2019	31/05/2019
ASSETS				
Current assets				
Cash and bank balances	23,084	25,021	884	459
Trade receivables	10,436	17,725	-	-
Other receivables	8,867	9,397	110,837	110,877
Loans receivable from associates	10,632	10,839	-	-
Inventories	45	46	-	-
Contract assets	31,210	34,682	-	-
Development properties	134,798	175,883	-	-
Completed properties and land held for sale	66,974	42,974	-	-
Total current assets	286,046	316,567	111,721	111,336
Non-current assets				
Investment in associates	5,000	5,409	-	-
Investment in subsidiaries	-	-	32,766	32,446
Property, plant and equipment	38,292	40,320	-	-
Investment properties	30,793	31,442	-	-
Investment property – right-of-use asset	2,049	-	-	-
Deferred tax assets	4,205	3,861	-	-
Other receivables	-	-	11,437	13,229
Total non-current assets	80,339	81,032	44,203	45,675
Total assets	366,385	397,599	155,924	157,011
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	1,300	1,994	-	495
Trade payables	16,618	17,781	-	-
Other payables	16,299	14,456	12,639	13,269
Contract liabilities	9,301	5,387	-	-
Finance lease	13	13	-	-
Long-term borrowings	66,086	87,436	-	-
Financial guarantee liabilities	145	130	573	646
Income tax payable	404	37	-	-
Lease liability	39	-	85	8
Total current liabilities	110,205	127,234	13,297	14,418
Non-current liabilities				
Finance lease	7	13	-	-
Deferred tax liabilities	319	386	-	-
Long-term borrowings	124,706	130,201	-	-
Financial guarantee liabilities	42	105	245	459
Loans from non-controlling interests	7,927	9,736	-	-
Lease liability	1,992	-	-	-
Total non-current liabilities	134,993	140,441	245	459
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(711)	(361)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated (losses)/profits	(23,266)	(14,610)	144	(104)
Equity attributable to owners of the Company	112,286	121,292	142,382	142,134
Non-controlling interests	8,901	8,632	-	-
Total equity	121,187	129,924	142,382	142,134
Total liabilities and equity	366,385	397,599	155,924	157,011

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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 30/11/2019</u>		The Group S\$'000 <u>As at 31/05/2019</u>	
Secured	Unsecured	Secured	Unsecured
67,399	-	88,948	495

Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2019</u>		The Group S\$'000 <u>As at 31/05/2019</u>	
Secured	Unsecured	Secured	Unsecured
124,713	-	130,214	-

Details of any collateral

The total secured borrowings included the following:

- (i) Obligations under finance lease secured on the motor vehicle of the Group; and
- (ii) Bank loans and long-term borrowings are secured by legal mortgages over the Group's development properties, completed properties held for sale, property, plant and equipment, 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	
	30/11/2019	30/11/2018 Restated	30/11/2019	30/11/2018 Restated
Operating activities				
Loss before tax	(6,518)	(2,286)	(8,087)	(5,706)
Adjustments for:				
Share of results of associates	226	257	445	704
Depreciation of property, plant and equipment	439	95	897	193
Amortisation of financial guarantee liabilities	(49)	(47)	(84)	(93)
Amortisation of deferred capitalised contract costs	645	1,155	1,311	1,849
Amortisation of show flat expenses	272	16	891	149
Fair value loss on investment property	500	-	500	-
Gain on disposal of asset held for sales	-	(31)	-	(31)
Interest income	(67)	(63)	(137)	(183)
Interest expenses from borrowings	1,668	1,865	3,560	3,914
Interest expense from lease liability	14	-	29	-
Operating cash flows before movements in working capital	(2,870)	961	(675)	796
Trade receivables	7,806	14,748	7,225	4,306
Other receivables	(268)	(1,095)	(1,708)	7,754
Inventories	-	4	-	5
Development properties	6,031	(10,548)	12,767	(9,626)
Completed properties and land held by sale	625	34,416	4,179	53,257
Trade payables	(1,002)	1,880	(1,107)	(4,591)
Other payables	3,987	(1,022)	2,397	(3,494)
Contract assets	(2,005)	(37,900)	3,453	(40,368)
Contract liabilities	1,472	690	3,914	(335)
Unrealised currency translation loss	579	1,151	208	559
Cash from operations	14,355	3,285	30,653	8,263
Income tax paid	(225)	(77)	(225)	(300)
Income tax refund	-	-	32	-
Net cash generated from operating activities	14,130	3,208	30,460	7,963
Investing activities				
Dividends received from associates	-	240	-	2,131
Sale proceed from non-current asset held for sale	-	306	-	306
Purchase of property, plant and equipment	(3)	(39)	(23)	(50)
Addition to non-current asset held for sale	-	(96)	-	(134)
Repayment of loans receivables from associates	-	390	225	2,506
Loans receivable from associates	(18)	(36)	(18)	(36)
Interest received	8	49	64	339
Net cash (used in)/generated from investing activities	(13)	814	248	5,062
Financing activities				
Interest paid	(2,016)	(1,822)	(4,029)	(4,000)
Drawdown of bank loan	-	-	-	495
Repayment of bank loans	(694)	(5,000)	(694)	(5,000)
Drawdown of long-term borrowings	-	28,235	4,500	28,235
Repayment of long-term borrowings	(19,078)	(22,760)	(30,590)	(34,626)
Repayment of obligation under finance lease	(3)	(3)	(6)	(6)
Repayment of lease obligation	(24)	-	(48)	-
Loans from non-controlling interests	-	640	396	920
Loans repayment to non-controlling interests	-	-	(2,205)	-
Dividends paid	-	(670)	-	(1,787)
Net cash used in financing activities	(21,815)	(1,380)	(32,676)	(15,769)
Net (decrease)/increase in cash and cash equivalents	(7,698)	2,642	(1,968)	(2,744)
Cash and cash equivalents at beginning of period	30,756	23,662	25,021	28,997
Effect of foreign exchange rate changes	26	38	31	89
Cash and cash equivalents at end of period (Note A)	23,084	26,342	23,084	26,342

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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	
	30/11/2019	30/11/2018	30/11/2019	30/11/2018
Cash at banks	5,333	8,495	5,333	8,495
Cash on hand	3	4	3	4
Fixed deposits	3,004	2,942	3,004	2,942
Projects accounts (see Note below):				
- Cash at banks	14,744	14,901	14,744	14,901
Total cash and cash equivalents per statement of cash flows	23,084	26,342	23,084	26,342

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 (losses)/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 01/06/2019	142,238	(361)	(6)	(5,969)	(14,610)	121,292	8,632	129,924
(Loss)/profit the period	-	-	-	-	(8,656)	(8,656)	456	(8,200)
Other comprehensive loss for the period								
- currency translation difference on consolidation	-	(350)	-	-	-	(350)	(187)	(537)
Total comprehensive (loss)/income for the period	-	(350)	-	-	(8,656)	(9,006)	269	(8,737)
Balance at 30/11/2019	142,238	(711)	(6)	(5,969)	(23,266)	112,286	8,901	121,187
Previous Corresponding Period								
Balance at 01/06/2018	142,238	(302)	(6)	(5,969)	15,584	151,545	11,856	163,401
Cumulative effects of adopting SFRS(I)	-	873	-	-	(5,684)	(4,811)	(660)	(5,471)
Balance at 01/06/2018(restated)	142,238	571	(6)	(5,969)	9,900	146,734	11,196	157,930
Loss for the period	-	-	-	-	(5,112)	(5,112)	(189)	(5,301)
Other comprehensive loss for the period								
- currency translation difference on consolidation	-	(471)	-	-	-	(471)	(98)	(569)
Total comprehensive loss for the period	-	(471)	-	-	(5,112)	(5,583)	(287)	(5,870)
Dividend paid	-	-	-	-	(670)	(670)	-	(670)
Balance at 30/11/2018	142,238	100	(6)	(5,969)	4,118	140,481	10,909	151,390

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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	Accumulated (losses)/profits	Total
	S\$'000	S\$'000	S\$'000
<u>The Company</u>			
Balance at 01/06/2019	142,238	(104)	142,134
Total comprehensive income for the period	-	248	248
Balance at 30/11/2019	142,238	144	142,382
<u>Previous Corresponding Period</u>			
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

- 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 31/8/2019 and 30/11/2019	446,876,000	142,238

During the quarter ended 30/11/2019, there were no changes in the share capital of the Company.

As at 30/11/2019 and 30/11/2018, there were no shares held as treasury shares and outstanding convertibles.

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

	The Group and the Company	
	30/11/2019	31/05/2019
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 2019.

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 SFRS(I) 16, the accounting standard for leases which is effective for annual reporting period beginning on or after 1 June 2019.

SFRS(I) 16 introduces a single lessee accounting model. A lessee is required to recognise all leases on its statement of financial position to reflect its rights to use the leased assets ("ROU" assets) and the associated obligations for lease payments (lease liabilities), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, SFRS(I) 16 replaces the straight-line operating lease expenses with depreciation charge of ROU assets and interest expenses on lease liabilities.

The Group has adopted SFRS(I) 16 using the modified retrospective approach as of 1 June 2019, with no restatement of comparative information. Upon adoption of SFRS(I) 16 on 1 June 2019, the Group recognised right-of-use assets of S\$2,049,000 and lease liabilities (current and non-current) of S\$2,049,000.

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	
	30/11/2019	30/11/2018 Restated	30/11/2019	30/11/2018 Restated
Loss per ordinary share of the Group based on net loss attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	(1.56)	(0.46)	(1.94)	(1.14)
(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 30/11/2019.

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- 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 30/11/2019	As at 31/5/2019	As at 30/11/2019	As at 31/5/2019
Net asset value per ordinary share	25.1	27.1	31.9	31.8

- 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 2019 ("2Q FY2020" and "1H FY2020", respectively) against Second Quarter and Half Year ended 30 November 2018 ("2Q FY2019" and "1H FY2019", respectively)

Revenue for 2Q FY2020 decreased by S\$5.4 million (24.8%) due mainly to lower revenue from development projects, namely 24One Residences and 183 Longhaus which obtained TOP in April and July 2019 respectively, lower sale of unsold units in Third Avenue, offset to some extent by progressive recognition of revenue from Rezi 35 and 35 Gilstead. Revenue for 1H FY2020 decreased by S\$18.9 million (33.8%) due mainly to the same reasons, and also recognition of sale of only one unit of The Peak @ Cairnhill I ("Peak I") compared to 10 units recognised in 1H FY2019.

Similarly, cost of sales for 2Q FY2020 decreased by S\$5.6 million (31.4%). However, gross profit margin improved from 18.4% to 25.5% due to higher gross profit recorded from development projects, higher proportion of revenue from hotel and rental income (which has higher gross profit margin), and no sale of Peak I unit recognised compared to one unit in 2Q FY2019, sold at carrying value. For 1H FY2019, cost of sales correspondingly decreased by \$20.1 million (41.0%). Gross profit margin increased from 12.4% to 22.0%, mainly for the same reasons, except that 10 units of Peak I were sold at carrying value in 1H FY2019 compared to only one in 1H FY2020.

Other operating income for 2Q FY2020 decreased by S\$0.1 million (35.8%) due mainly to lower management fee income from TRIO, lower administrative charge income from Third Avenue and the absence of gain from the disposal of one commercial unit in Larmont Hotel Building in 2Q FY2019.

Selling and distribution costs for 2Q FY2020 decreased by S\$0.7 million (37.3%) due mainly to lower sales commission arising from lower revenue for development projects, lower selling related expenses for Third Avenue, offset to some extent by higher show flat expenses, in particular for 35 Gilstead.

Administrative expenses for 2Q FY2020 increased by S\$0.4 million (16.6%) due mainly to the depreciation charge for Larmont Hotel as the Hotel was reclassified from non-current asset held for sale to property, plant and equipment at year-end of FY2019. This was offset to some extent by lower staff cost for the Malaysian subsidiary, arising from reduction of headcount as the sold units were progressively handed over to the buyers from December 2019. Administrative expenses for 1H FY2020 increased by S\$0.4 million (11.0%) for the same reasons, and also further offset by lower qualifying certificate charge for the lower number of unsold Peak I units in 2Q FY2020.

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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 expenses for 2Q FY2020 increased from S\$0.4 million to S\$5.4 million. This was due mainly to the additional buyer's stamp duty ("ABSD") payable for a development project, as this project did not meet the required timeline for completion as disclosed under contingent liabilities in the annual report for FY2019, and fair value loss of TEE Building, offset by the lower unrealised exchange loss with the strengthening of the Malaysian Ringgit against the Singapore Dollar. For 1H FY2020, other operating expenses increased from S\$1.4 million to S\$5.4 million due mainly to the same reasons, and further offset by the absence of deposit forfeited from the aborted purchase of Teck Guan Ville and realised exchange loss from the Thai Baht in 1H FY2019.

Share of results of associates in 2Q FY2020 showed a lower loss of S\$0.2 million compared to a loss of S\$0.3 million in 2Q FY2019, due mainly to the capping of loss to our investment costs in a few of our associates. This is also the reason for the decrease in loss from share of results of associates for 1H FY2020.

As a result, the Group recorded a loss before tax of S\$6.5 million in 2Q FY2020 compared to S\$2.3 million in 2Q FY2019. Similarly, the Group reported a loss before tax of S\$8.1 million in 1H FY2020 compared to S\$5.7 million in 1H FY2019.

Income tax expense for 2Q FY2020 increased from a tax credit of S\$0.2 million in 2Q FY2019 to a tax expense of S\$0.3 million due mainly to profit generated by certain subsidiaries in 2Q FY2020, offset to some extent by deferred tax asset being recognised. This is also the reason for the income tax expense of S\$0.1 million for 1H FY2020.

Overall, the loss after tax increased to S\$6.8 million in 2Q FY2020 compared with S\$2.1 million in 2Q FY2019. For 1H FY2020, the loss after tax increased from S\$5.3 million in 1H FY2019 to S\$8.2 million in 1H FY2019.

Statement of Financial Position

Trade receivables decreased by S\$7.3 million due mainly to collections received.

Development properties decreased by S\$41.1 million due mainly to the 10 commercial units of 183 Longhaus being transferred to completed properties held for sale, as the development project received its Temporary Occupation Permit on 31 July 2019, and also development costs expensed off as we progressively recognised revenue based on percentage of completion of the development projects. This was offset to some extent by addition to development costs as the construction of the development projects progressed.

Completed properties and land held for sale increased by S\$24.0 million due mainly to the transfer of commercial units of 183 Longhaus from development properties, as explained above.

The investment property - right-of-use asset relates to the economic benefit from the lease of TEE Building for the duration of the lease period as required by the new accounting standard SFRS(I) 16 Leases. The corresponding liability is the lease liability (lease payments) under current and non-current liabilities.

Bank loans decreased by S\$0.7 million due to repayment of bank loans.

Other payables increased by S\$1.8 million due mainly to the ABSD payable as mentioned above, offset to some extent by the decrease in accrued expenses.

Contract liabilities increased by S\$3.9 million due mainly to deposits received from customers for the purchase of our development projects, mainly for Lattice One and 35 Gilstead, offset to some extent by the transfer to income statement as the deposits were being recognised as revenue.

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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)

Long-term borrowings (current and non-current) decreased by S\$26.8 million due mainly to repayment of bank loans from funds received from sale/milestone billings of development properties.

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

The increase in income tax payable was due mainly to income tax provision made in 2Q FY2020, offset to some extent by income tax paid.

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

Loans from non-controlling interests decreased by S\$1.8 million due mainly to repayment of loan to the non-controlling interest of Development 35 Pte Ltd relating to the Rezi 35 project.

Statement of Cash Flows

Half Year ended 30/11/2019 ("1H FY2020")

Operating activities

The Group generated cash of S\$30.5 million from operating activities in 1H FY2020 due mainly to the decrease in development properties and completed properties and land held for sale, decrease in net receivables, increase in net payables, increase in contract liabilities from the development property sale deposits collected and decrease in contract assets from the recognition of development property revenue.

Financing activities

Net cash of S\$32.7 million was used in financing activities in 1H FY2020 due mainly to net repayment of long-term borrowings, payment of interest and repayment of loan to a non-controlling interest.

As a result, there was a net decrease in cash and cash equivalents of S\$2.0 million, thereby bringing the total cash and cash equivalents amount to S\$23.1 million as at 30 November 2019.

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

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

TEE Land Limited

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

Amidst the continued uncertainties in the global macro-environment, the operating environment in Singapore for the property market is expected to remain challenging and could affect the performance of the Group. 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 markets are also expected to be affected by local economic 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 improving its operations and sales, realising value in its investments as well as reducing its gearing. The Group will continually assess the market situation and refine its sales strategies where necessary.

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.

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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 2019:

Name of Interested Person	Nature of Transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
TEE International Limited (Controlling shareholder of the Company)	Rental income	602,000	-
	Management fees	(148,000)	-

- 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 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 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Neo Weng Meng, Edwin
Non-Executive Director

Dated 9 January 2020