



TEE LAND

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

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 28 February 2018

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

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
Revenue	31,281	23,785	31.5	78,067	61,592	26.7
Cost of sales	(24,194)	(18,177)	33.1	(61,605)	(45,455)	35.5
Gross profit	7,087	5,608	26.4	16,462	16,137	2.0
Other operating income	1,148	598	92.0	2,485	1,638	51.7
Selling and distribution costs	(3,676)	(1,219)	201.6	(8,023)	(2,707)	196.4
Administrative expenses	(2,476)	(2,939)	(15.8)	(6,784)	(7,895)	(14.1)
Other operating expenses	(1,236)	(178)	594.4	(9,188)	(349)	N.M.
Share of results of associates	1,649	139	N.M.	3,529	252	N.M.
Finance costs	(1,074)	(1,465)	(26.7)	(3,427)	(4,391)	(22.0)
Profit/(loss) before tax	1,422	544	161.4	(4,946)	2,685	N.M.
Income tax expense	(134)	(390)	(65.6)	(453)	(1,020)	(55.6)
Profit/(loss) for the period	1,288	154	736.4	(5,399)	1,665	N.M.
Profit/(loss) attributable to:						
Owners of the Company	1,173	66	N.M.	(5,546)	1,353	N.M.
Non-controlling interests	115	88	30.7	147	312	(52.9)
	1,288	154	736.4	(5,399)	1,665	N.M.

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
Profit/(loss) for the period	1,288	154	736.4	(5,399)	1,665	N.M.
Other comprehensive income for the period:						
Currency translation differences	1,120	1,253	(10.6)	1,045	3,612	(71.1)
Total comprehensive income/(loss) for the period	2,408	1,407	71.1	(4,354)	5,277	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) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	2,151	976	120.4	(4,441)	3,616	N.M.
Non-controlling interests	257	431	(40.4)	87	1,661	(94.8)
	2,408	1,407	71.1	(4,354)	5,277	N.M.

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
A Other operating income:						
Interest income	217	328	(33.8)	664	906	(26.7)
Foreign currency exchange adjustment gain	797	-	N.M.	1,410	-	N.M.
Financial guarantee income	49	75	(34.7)	208	436	(52.3)
Others	85	195	(56.4)	203	296	(31.4)
	1,148	598	92.0	2,485	1,638	51.7
B Finance costs:						
Loan interests	1,070	985	8.6	2,632	2,933	(10.3)
Bank overdraft interest	4	-	N.M.	4	-	-
Term notes interest	-	480	N.M.	791	1,458	(45.7)
	1,074	1,465	(26.7)	3,427	4,391	(22.0)
C Amortisation of issuance costs on term notes	-	45	N.M.	60	136	(55.9)
D Amortisation of deferred sales commission expenses	2,240	808	177.2	3,875	1,710	126.6
E Amortisation of show flat expenses	31	89	(65.2)	457	341	34.0
F Impairment loss on investment in associated company	1,144	-	N.M.	7,297	-	N.M.
G Impairment loss on completed properties and land held for sale	-	-	N.M.	1,799	-	N.M.
H Depreciation of property, plant and equipment	96	277	(65.3)	291	1,141	(74.5)
I Property, plant and equipment written off	10	-	N.M.	10	-	N.M.
J Non-current assets held for sale written off	83	-	N.M.	83	-	N.M.
K Foreign currency exchange adjustment loss	-	178	N.M.	-	349	N.M.
L Adjustment for over provision of income tax in respect of prior years	(161)	-	N.M.	(156)	(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	
	28/02/2018	31/05/2017	28/02/2018	31/05/2017
ASSETS				
Current assets				
Cash and bank balances	20,282	34,068	1,939	1,829
Trade receivables	26,164	18,571	-	-
Other receivables	11,060	12,285	123,191	142,449
Loans receivable from associates	19,785	25,860	2,989	2,883
Inventories	61	27	-	-
Development properties	238,704	147,854	-	-
Completed properties and land held for sale	40,569	47,584	-	-
Non-current assets held for sale	57,314	47,481	-	-
Total current assets	413,939	333,730	128,119	147,161
Non-current assets				
Investment in associates	22,745	40,269	-	-
Investment in subsidiaries	-	-	40,212	32,996
Property, plant and equipment	455	735	-	-
Investment properties	35,559	35,812	-	-
Deferred tax assets	3,140	2,947	-	-
Other receivables	-	6,000	9,989	3,830
Total non-current assets	61,899	85,763	50,201	36,826
Total assets	475,838	419,493	178,320	183,987
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	11,499	1,499	10,000	-
Trade payables	20,821	24,187	-	-
Other payables	34,903	25,746	9,041	8,458
Finance lease	12	12	-	-
Long-term borrowings	100,410	45,530	10,000	-
Financial guarantee liabilities	188	200	1,916	2,056
Term notes	-	29,939	-	29,939
Income tax payable	1,293	3,522	8	73
Total current liabilities	169,126	130,635	30,965	40,526
Non-current liabilities				
Finance lease	30	38	-	-
Deferred tax liabilities	381	374	-	-
Long-term borrowings	133,868	112,248	-	-
Financial guarantee liabilities	202	301	980	833
Loans from non-controlling interests	7,576	3,680	-	-
Total non-current liabilities	142,057	116,641	980	833
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	232	(873)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	16,137	21,683	4,137	390
Equity attributable to owners of the Company	152,632	157,073	146,375	142,628
Non-controlling interests	12,023	15,144	-	-
Total equity	164,655	172,217	146,375	142,628
Total liabilities and equity	475,838	419,493	178,320	183,987

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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 28/02/2018</u>		The Group S\$'000 <u>As at 31/05/2017</u>	
Secured	91,921	Unsecured	20,000
Secured		Secured	47,041
		Unsecured	29,939

Amount repayable after one year

The Group S\$'000 <u>As at 28/02/2018</u>		The Group S\$'000 <u>As at 31/05/2017</u>	
Secured	133,898	Unsecured	-
		Secured	112,286
		Unsecured	-

Details of any collateral

The total secured borrowings included the following:

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

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

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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
Operating activities				
Profit/(loss) before tax	1,422	544	(4,946)	2,685
Adjustments for:				
Share of results of associates	(1,649)	(139)	(3,529)	(252)
Depreciation of property, plant and equipment	96	277	291	1,141
Property, plant and equipment written off	10	-	10	-
Non-current assets held for sale written off	83	-	83	-
Amortisation of financial guarantee liabilities	(49)	(75)	(208)	(436)
Amortisation of issuance costs on term notes	-	45	60	136
Amortisation of deferred sales commission expenses	2,240	808	3,875	1,710
Amortisation of show flat expenses	31	89	457	341
Impairment on investment in associated company	1,144	-	7,297	-
Impairment on completed properties and land held for sale	-	-	1,799	-
Interest income	(217)	(328)	(664)	(906)
Interest expense	1,074	1,465	3,427	4,391
Operating cash flows before movements in working capital	4,185	2,686	7,952	8,810
Trade receivables	(6,176)	(3,780)	(7,432)	(4,641)
Other receivables	1,891	(572)	1,185	8,768
Inventories	-	-	(33)	(6)
Development properties	(90,901)	(6,356)	(86,932)	(48,779)
Completed properties and land held for sale	(7,017)	3,673	5,216	5,397
Trade payables	1,664	7,115	(4,177)	10,719
Other payables	8,239	(2,670)	14,695	3,007
Unrealised currency translation (gain)/loss	(508)	124	(306)	(93)
Cash (used in)/from operations	(88,623)	220	(69,832)	(16,818)
Interest paid	(654)	(548)	(1,690)	(2,491)
Income tax paid	(2,491)	(718)	(2,957)	(2,406)
Net cash used in operating activities	(91,768)	(1,046)	(74,479)	(21,715)

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

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
Investing activities				
Dividends received from associate	450	-	450	4,007
Purchase of property, plant and equipment	(8)	(2,731)	(12)	(8,105)
Addition to non-current asset held for sale	(142)	-	(992)	-
Proceed from disposal of investment in associate	4,856	-	4,856	-
Repayment of loans receivable from associates	1,066	(35)	7,070	2,826
Loans receivable from associates	-	-	(889)	(1,213)
Interest received	163	143	2,303	1,003
Net cash from/(used in) investing activities	6,385	(2,623)	12,786	(1,482)
Financing activities				
Interest paid	(1,095)	(1,424)	(3,416)	(3,806)
Drawdown of bank loan	-	-	10,000	-
Repayment of bank loans	-	(1,615)	-	(1,615)
Drawdown of long-term borrowings	82,730	6,142	96,305	63,755
Repayment of long-term borrowings	(247)	(9,503)	(19,783)	(38,987)
Decrease in fixed deposit pledged	-	2,037	-	2,037
Repayment of obligation under finance lease	(3)	(3)	(9)	(8)
Repayment of long-term loan	-	-	-	(4,050)
Repayment of term notes	-	-	(30,000)	-
Repayment of deemed capital to non-controlling interests	-	-	(4,345)	-
Capital injection by non-controlling interests	800	-	1,137	1,732
Dividends paid	-	-	(1,841)	(1,832)
Net cash from/(used in) financing activities	82,185	(4,366)	48,048	17,226
Net decrease in cash and cash equivalents	(3,198)	(8,035)	(13,645)	(5,971)
Cash and cash equivalents at beginning of period	23,726	26,372	34,068	24,331
Effect of foreign exchange rate changes	(246)	(23)	(141)	(46)
Cash and cash equivalents at end of period (Note A)	20,282	18,314	20,282	18,314

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
Cash at banks	10,641	6,967	10,641	6,967
Cash on hand	3	8	3	8
Fixed deposits	2,529	2	2,529	2
Projects accounts (see Note below):				
Cash at banks	7,109	7,322	7,109	7,322
Fixed deposit	-	4,015	-	4,015
Total cash and cash equivalents per statement of financial position cash and bank balances	20,282	18,314	20,282	18,314

Note:

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

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

	Share capital	Currency translation reserve	Capital reserve	Merger reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 01/06/2017	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	-	-	-	-	(5,546)	(5,546)	147	(5,399)
Other comprehensive income/(loss) for the period	-	1,105	-	-	-	1,105	(60)	1,045
<i>Transactions with owners, recognised directly in equity:</i>								
Capital injection by non-controlling interests	-	-	-	-	-	-	1,137	1,137
Repayment of deemed capital to non-controlling interests	-	-	-	-	-	-	(4,345)	(4,345)
Balance at 28/02/2018	142,238	232	(6)	(5,969)	16,137	152,632	12,023	164,655
Previous Corresponding Period								
Balance at 01/06/2016 as previously stated	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
Balance as at 01/06/2016 as restated	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	-	-	-	-	1,353	1,353	312	1,665
Other comprehensive income for the period	-	2,263	-	-	-	2,263	1,349	3,612
<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 28/02/2017	142,238	(64)	(6)	(5,969)	24,755	160,954	16,852	177,806

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

	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
<u>The Company</u>			
Balance at 01/06/2017	142,238	390	142,628
Total comprehensive income for the period	-	3,747	3,747
Balance at 28/02/2018	142,238	4,137	146,375
<u>Previous Corresponding Period</u>			
Balance at 01/06/2016	142,238	2,213	144,451
Total comprehensive income for the period	-	348	348
Dividends paid	-	(1,832)	(1,832)
Balance at 28/02/2017	142,238	729	142,967

- 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 28/02/2018 and 30/11/2017	446,876,000
	142,238

During the quarter ended 28/02/2018, there were no changes in the share capital of the Company.

As at 28/02/2018 and 28/02/2017, there were no shares held as treasury shares and outstanding convertibles.

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

The Group and the Company		
	28/02/2018	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	
	Third Quarter Ended		Nine Months Ended	
	28/02/2018	28/02/2017	28/02/2018	28/02/2017
Earnings per ordinary share ("EPS") of the Group based on net profit attributable to owners of the Company:				
(i) Based on the number of shares (cents)	0.26	0.01	(1.24)	0.30
(ii) On a fully diluted basis (cents)	N.A.	N.A.	N.A.	N.A.
(iii) Number of shares ('000)	446,876	446,876	446,876	446,876

The Company does not have any dilutive instruments as at 28/02/2018.

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

	Cents	
	As at 28/02/2018	As at 31/05/2017
The Group	34.2	35.1
The Company	32.8	31.9

- 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 third quarter ("FY2018 3Q") and nine months ("FY2018 9M") against FY2017 third quarter ("FY2017 3Q") and nine months ("FY2017 9M")

Revenue for FY2018 3Q increased by S\$7.5 million or 31.5%, and for FY2018 9M increased by S\$16.5 million or 26.7%, due mainly to higher progressive revenue recognised for development projects, particularly new projects, namely Longhaus, Harvey Avenue, 24One Residences and Rezi 35. This was offset to some extent by lower revenue from hotel operations as Quality Hotel, Sydney was sold in FY2017 4Q.

Cost of sales for FY2018 3Q and FY2018 9M correspondingly increased by S\$6.0 million (33.1%) and S\$16.1 million (35.5%) respectively. However, gross margin decreased from 23.6% in FY2017 3Q to 22.7% in FY2018 3Q, and from 26.2% in FY2017 9M to 21.1% in FY2018 9M. This was due mainly to the higher revenue contribution from development projects in FY2018, which have lower gross margin. On the other hand, FY2017 had proportionately higher revenue contribution from hotel operations and rental income.

In FY2018 3Q, other operating income increased by S\$0.5 million (92.0%). This was due mainly to unrealized exchange gain from the strengthening of the Malaysian Ringgit. Other operating income for FY2018 9M increased by S\$0.9 million (51.7%) for the same reason.

Selling and distribution costs for FY2018 3Q increased by S\$2.5 million (201.6%) due mainly to higher sales expenses arising from the higher development project revenue recognized and one-off marketing costs incurred in particular for Third Avenue. Selling and distribution costs for FY2018 9M increased by S\$5.3 million (196.4%) largely for the same reason. Additionally, there was also one-off marketing costs incurred in selling the balance of the unsold units of Hilbre 28 and complete write-off of showflat expenses for 24One Residences as the project was fully sold in FY2018 2Q.

Administrative expenses for FY2018 3Q decreased by S\$0.4 million (15.8%) due mainly to the absence of administrative expenses relating to the Australian hotel sold in FY2017 4Q and decrease in depreciation expense as TEE Building was reclassified as investment property also in FY2017 4Q. This decrease was offset to some extent by the amortised QC extension fee for Peak I unsold units. Administrative expenses for FY2018 9M decreased by S\$1.1 million (14.1%) for the same reasons. The depreciation expense for FY2018 3Q decreased by S\$0.2 million due mainly to reclassification of TEE Building as investment property in FY2017 4Q. Depreciation expense for FY2018 9M decreased by S\$0.8 million mainly for the same reason and also the reclassification of the Australian hotels as non-current assets held for sale in FY2017 2Q.

Other operating expenses for FY2018 3Q increased by S\$1.0 million due mainly to impairment of share of Thai associate's (Chewathai) results of S\$1.1 million in FY2018 3Q and property, plant and equipment written off (mainly due to hotel building work demolished during renovation), offset to some extent by unrealised exchange loss from the weakening of the Malaysian Ringgit against the Singapore Dollar recognised in FY2017 3Q. Notwithstanding the impairment of loss from the proposed disposal of all the Group's shareholdings in Chewathai in FY2018 2Q, as shareholders' approval for the proposed disposal was obtained only at the extraordinary general meeting held on 24 January 2018, share of Chewathai's profit in FY2018 3Q up to 24 January 2018 has to be recognised and impaired accordingly. Other operating expenses for FY2018 9M increased by S\$8.9 million for the same reason, and also the impairment of loss for the remaining 4 unsold units of Peak I.

Share of results of associates for FY2018 3Q increased by S\$1.5 million due mainly to the share of profit of Chewathai up to 24 January 2018 as mentioned above, and share of profit from a joint venture commercial development, TRIO, that has received its TOP in January 2018. Share of results of associates for FY2018 9M increased by S\$3.2 million due mainly to the same reasons, and reversal of over accrual of costs for two joint venture projects.

Finance costs for FY2018 3Q and FY2018 9M decreased by S\$0.4 million (26.7%) and S\$1.0 million (22.0%) respectively, mainly because of the Australian hotel which was sold in FY2017 4Q as the bank loan was fully repaid upon sale, and other repayment of loans.

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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, the Group recorded a profit before tax of S\$1.4 million for FY2018 3Q compared to a profit before tax of S\$0.5 million for FY2017 3Q. However, the Group registered a loss before tax of S\$4.9 million for FY2018 9M compared to a profit before tax of S\$2.7 million for FY2017 9M.

Tax expense for FY2018 3Q decreased by S\$0.3 million despite an increase in profit before tax. This was mainly because of higher share of results of associates (which are net of tax) and lower profit from the Malaysian subsidiary (which has higher tax rate) in FY2018 3Q. There was tax expense of \$0.5 million in FY2018 9M despite a pre-tax loss of S\$4.9 million, mainly because of taxable profits generated from development property revenue recognised.

Overall, for FY2018 3Q, the Group recorded a profit after tax of S\$1.3 million compared to a profit after tax of S\$0.2 million in FY2017 3Q. For FY2018 9M, the Group registered a loss after tax of S\$5.4 million compared to a profit after tax of S\$1.7 million in FY2017 9M.

Statement of Financial Position

Financial position as at 28/2/2018 against financial position as at 31/5/2017

Cash and bank balances decreased from S\$34.1 million to S\$20.3 million. This was due mainly to increase in development properties. A more detailed commentary on the decrease in cash and bank balances is described in the commentary on Statement of Cash Flows.

Trade receivables increased from S\$18.6 million to S\$26.2 million due mainly to progressive billings for development property projects.

Loans receivable from associates decreased from S\$25.9 million to S\$19.8 million due mainly to repayment of loans by associates.

Development properties increased by S\$90.8 million due mainly to land and other preliminary development costs for our new land acquisition at Seraya Crescent and Gilstead Road, offset to some extent by development costs expensed off as we progressively recognised revenue based on percentage of completion of the development projects, and the development cost for the unsold house in Harvey Avenue being transferred to completed properties as the construction was completed in February 2018.

Completed properties and land held for sale decreased by S\$7.0 million due mainly to the sale of all remaining unsold units of Hilbre 28 and impairment of the remaining unsold units of Peak I, offset to some extent by the cost of the unsold house in Harvey Avenue transferred from development properties.

Non-current assets held for sale increased by S\$9.8 million due mainly to the reclassification of investment cost in Chewathai from investment in associates, as the disposal of all shareholdings in Chewathai has been approved as aforementioned.

Investment in associates decreased by S\$17.6 million due mainly to the disposal of all shareholdings in Chewathai, with part of the cost being reclassified to non-current asset held for sale as mentioned above, part of the cost impaired and the balance of the cost received as proceeds from the first tranche of the disposal.

Property, plant and equipment decreased from S\$0.7 million to S\$0.5 million due mainly to depreciation expense for the nine months in FY2018.

Deferred tax assets increased by S\$0.2 million due mainly to recognition of deferred tax for the losses in some of the subsidiaries.

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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)

Other receivables (non-current portion) of S\$6.0 million was fully repaid in FY2018 2Q.

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

Trade payables decreased by S\$3.4 million due mainly to net payment of construction costs.

Other payables increased by S\$9.2 million mainly due to accrual of construction costs as construction of our development properties progressed, and advances from associates pending finalization of dividend payments.

Long-term borrowings (current and non-current) increased by S\$76.5 million due mainly to loans taken for new development properties, Seraya Crescent and Gilstead Road, offset to some extent by the full repayment of loan for Hilbre 28 as the project has been completed and fully sold.

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

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

Income tax payable decreased by S\$2.2 million due mainly to payment of income tax.

Loans from non-controlling interests increased by S\$3.9 million due mainly to shareholders' loans from non-controlling interests for the Gilstead Road development project.

Statement of Cash Flows

Nine months ended 28/2/2018 ("FY2018 9M")

Operating activities

The Group used cash of S\$74.5 million in operating activities in FY2018 9M due mainly to the increase in and acquisition of development properties (Seraya Crescent and Gilstead Road) and net increase in receivables, offset to some extent by the net increase in payables and decrease in completed properties held for sale (mainly Hilbre 28).

Investing activities

Net cash of S\$12.8 million was generated from investing activities in FY2018 9M due mainly to repayment of loans receivable from associates and proceeds from disposal of investment in associates, being the first tranche of the disposal of all shareholdings in Chewathai.

Financing activities

Net cash of S\$48.0 million was generated from financing activities in FY2018 9M due mainly to the net drawdown of long-term borrowings and bank loan, offset to some extent by the full redemption of term notes upon maturity and repayment of deemed capital to non-controlling interests with the sale of one hotel in Australia.

As a result, there was a net decrease in cash and cash equivalents of S\$13.6 million, thereby bringing the total cash and cash equivalents amount to S\$20.3 million as at 28/2/2018.

- 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 Q3 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2018 Q2 made on 12/01/2018.

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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

Singapore's residential property market is expected to be generally positive. According to the flash estimate released by Urban Redevelopment Authority on 2 April 2018, private home prices rose by 3.1% in the first quarter of 2018, up from the 0.8% increase seen in the previous quarter. In view of continued global geopolitical uncertainties, the Group will be cautious in its approach and prudently assess all opportunities, but at the same time remain nimble and opportunistic.

The property market in Malaysia is expected to remain sluggish. For the remaining hotel in Sydney, the Group is actively engaging potential interested parties to realise its value. In Christchurch, New Zealand, although demand for workers' accommodation will continue, 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? Yes

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

(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

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 28 February 2018

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)	629,000	-
TEE International Limited (Holding company)	207,000	-

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

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

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 third quarter and nine months ended 28/02/2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Saw Chin Choo
Non-Executive Director

Dated 12 April 2018