TEE LAND

UEN: 201230851R

FOR IMMEDIATE RELEASE

Full Year 2019 Results Impacted by Accounting Standard Requirements, One-off Losses, and Non-cash Items

SINGAPORE, 30 July 2019 – Mainboard-listed **TEE Land Limited** (腾地有限公司) ("**TEE Land**" or the "**Company**", and together with its subsidiaries, the "**Group**"), a home-grown real estate developer and investor, reported a loss of S$25.8 million for the financial year ended 31 May 2019 ("**FY2019**").

The results for FY2019 was affected by a number of factors, including changes in revenue, cost and interest expense recognition resulting from adoption of new / clarification of existing accounting standards, one-off costs and non-cash items.

Excluding the impact from adoption of new / clarification of existing accounting standard requirements, one-off costs and non-cash items, the Group would have recorded a profit before tax of S$0.4 million for FY2019.

In summary:

- The Group's revenue decreased by S$8.7 million (7.9%) from S$109.2 million in FY2018 to S$100.5 million in FY2019 due mainly to lower revenue from sales of development properties, which was mainly contributed by lower sales from the Group's project in Malaysia. In addition, revenue for FY2019 was impacted by the change in accounting standard for revenue recognition, as well as Rental Guarantee ("RG") for shop units relating to the Group's project in Malaysia.
- The RG of S$2.0 million for the shop units of the Malaysia project, was mainly attributed to the longer than expected time required to secure tenants due to the soft rental market in Malaysia and potential tenants deferring their commitment to rental leases until after the development was completed in October 2018. Variation orders of S$2.5 million for the

Malaysia project were incurred due to additional requirements for the construction of the development.

- Adoption of new / clarification of existing accounting standards resulted in an impact on the Group's revenue and cost recognition, as well as interest expense, which totalled S$6.0 million.
- Depreciation of S$4.7 million (non-cash) relating to the Group's hotel in Australia was recorded due to the reclassification of this asset from non-current asset held for sale to property, plant and equipment ("PPE") as the disposal of the hotel did not materialise and the Group was required to reinstate the depreciation as if it was recorded as PPE in prior years.
- Impairment loss of S$4.3 million (non-cash) was recorded for investment in associates relating to deemed costs of investment for issuance of financial guarantees as well as loans receivable from associates.
- Fair value loss of S$2.2 million (non-cash) was recognised for the decline in valuation of investment properties.
- Loss of S$1.9 million was registered relating to loss incurred and the write down in value for completed properties held for sale.
- Foreign currency exchange loss of $1.0 million was booked due mainly to the stronger Singapore Dollar compared to Malaysian Ringgit.

CORPORATE DEVELOPMENTS AND OUTLOOK

This year, TEE Land launched 35 Gilstead and Lattice One in late March and June, respectively. Despite the challenging residential market conditions, the take-up rates for both projects have been reasonable. To date, the Group sold 11 out of 70 units for 35 Gilstead at an average selling price of approximately S$2,500 psf. and 20 out of 48 units for Lattice One at an average selling price of approximately S$1,800 psf.

TEE Land will continue to work closely with marketing agents to increase sales of these newly launched developments, and concurrently execute the construction of both developments.

As for the Group's Malaysia project, sales of its SOHO units have reached 99% with 697 out of 701 units sold and 28 out of 31 units of its retail shops sold as at 31 May 2019. More recently, the Group had secured a number of tenants despite the challenging rental market in Malaysia. These tenants who are food & beverage operators and lifestyle services providers are progressively filling up the shop space in Third Avenue.

Mr Jonathan Phua, Executive Director and CEO of TEE Land said: ***"Moving forward, the Group will take a cautious approach when seeking opportunities to acquire new land sites and in making any investments. In addition, we will continue to hold a tight rein on operation costs and assess the market situation so as to ensure that our sales strategies are relevant and in line with market conditions."***

In terms of investment properties, the Group will continue to review its portfolio of investment properties to realise their value, and remains open to good investment opportunities both locally and in overseas.

Note to readers: Please read this press release in conjunction with the related mandatory announcement filed by TEE Land Limited on SGXNET.

#End of Release#

About TEE Land Limited (SGX Stock Code: S9B l Bloomberg: TEEL SP | Reuters: TEEL.SI)

TEE Land Limited ("**TEE Land**" or the "**Group**") is a regional real estate developer and investor, with presence in Singapore, Malaysia, Australia and New Zealand. The Group undertakes residential, commercial and industrial property development projects, as well as, invests in income-generating properties such as a hotel in Australia and short-term accommodation in New Zealand.

TEE Land is an established property developer with a strong track record of delivering quality and well-designed living and working spaces that harmonise societies, businesses and people. Our property development projects are pre-dominantly freehold in tenure and are targeted at middle-to-high income consumers who value exclusivity in good locations.

TEE Land was incorporated in 2012 and listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST") in June 2013. The company is a subsidiary of SGX-ST main board listed TEE International Limited.

For more information, please visit the company website at www.teeland.com.sg

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