



# TEE LAND

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

## Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 August 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) %
	First Quarter Ended 31/08/2016	First Quarter Ended 31/08/2015	
<b>Revenue</b>	13,778	3,352	311.0
<b>Cost of sales</b>	(9,860)	(1,540)	540.3
<b>Gross profit</b>	3,918	1,812	116.2
Other operating income	633	714	(11.3)
Selling and distribution costs	(614)	(329)	86.6
Administrative expenses	(2,818)	(2,724)	3.5
Other operating expenses	-	(777)	N.M.
Share of results of associates	795	2,994	(73.4)
Finance costs	(1,458)	(1,096)	33.0
<b>Profit before tax</b>	456	594	(23.2)
Income tax (expense) credit	(32)	266	N.M.
<b>Profit for the period</b>	<b>424</b>	<b>860</b>	<b>(50.7)</b>
<b>Profit attributable to:</b>			
Owners of the company	597	885	(32.5)
Non-controlling interests	(173)	(25)	592.0
	<b>424</b>	<b>860</b>	<b>(50.7)</b>

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2016	First Quarter Ended 31/08/2015	
Profit for the period	424	860	(50.7)
Other comprehensive income:			
Currency translation differences	1,035	(1,557)	N.M.
<b>Total comprehensive income (loss) for the period</b>	<b>1,459</b>	<b>(697)</b>	<b>N.M.</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the company	1,259	(455)	N.M.
Non-controlling interests	200	(242)	N.M.
	<b>1,459</b>	<b>(697)</b>	<b>N.M.</b>

N.M.-not meaningful

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2016	First Quarter Ended 31/08/2015	
A Other operating income:			
Interest income	316	343	(7.9)
Foreign currency exchange gain	166	282	(41.1)
Financial guarantee income	96	70	37.1
Others	55	19	189.5
	633	714	(11.3)
B Finance costs:			
Loan interests	966	604	59.9
Term note interest	492	492	N.M.
	1,458	1,096	33.0
C Amortisation of issuance costs on term notes	45	45	N.M.
D Amortisation of deferred sales commission expenses	321	3	N.M.
E Amortisation of show flat expenses	156	105	48.6
F Allowance for doubtful debt on trade receivable	-	2	N.M.
G Depreciation of property, plant and equipment	762	682	11.7
H Foreign currency exchange adjustment loss	-	774	N.M.

## 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	
	31/08/2016	31/05/2016	31/08/2016	31/05/2016
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	24,607	26,368	2,907	6,770
Trade receivables	8,908	7,933	-	-
Other receivables	14,024	24,846	152,143	150,443
Current portion of loans receivable from associates	22,676	22,895	2,832	2,950
Inventories	19	16	-	-
Development properties	134,875	113,796	-	-
Completed property and land held for sale	46,231	46,231	-	-
Total current assets	251,340	242,085	157,882	160,163
<b>Non-current assets</b>				
Investment in associates	48,197	47,667	-	-
Investment in subsidiaries	-	-	20,795	20,795
Property, plant and equipment	93,022	89,961	-	-
Investment properties	12,337	11,717	-	-
Deferred tax assets	2,859	2,643	-	-
Other receivables	6,000	6,000	1,943	-
Loans receivable from associates	6,372	5,883	-	-
Total non-current assets	168,787	163,871	22,738	20,795
<b>Total assets</b>	<b>420,127</b>	<b>405,956</b>	<b>180,620</b>	<b>180,958</b>

N.M.-not meaningful

## TEE Land Limited

### 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 (Continued)

	The Group S\$'000		The Company S\$'000	
	31/08/2016	31/05/2016	31/08/2016	31/05/2016
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	3,114	3,114	1,615	1,615
Trade payables	12,406	11,651	-	-
Other payables	17,519	25,627	2,534	2,011
Current portion of finance lease	13	12	-	-
Current portion of long-term borrowings	13,817	23,324	-	-
Current portion of financial guarantee liabilities	382	382	1,210	1,218
Current portion of long-term loan	-	4,050	-	-
Income tax payable	3,045	3,465	26	27
Total current liabilities	50,296	71,625	5,385	4,871
<b>Non-current liabilities</b>				
Finance lease	48	51	-	-
Deferred tax liabilities	223	210	-	-
Long-term borrowings	163,813	132,213	-	-
Term notes	29,804	29,758	29,804	29,758
Financial guarantee liabilities	535	631	1,575	1,878
Other payables	1,867	-	-	-
Total non-current liabilities	196,290	162,863	31,379	31,636
<b>Capital, reserves and non-controlling interests</b>				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(1,643)	(2,305)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	24,648	24,051	1,618	2,213
Equity attributable to owners of the company	159,268	158,009	143,856	144,451
Non-controlling interests	14,273	13,459	-	-
Net equity	173,541	171,468	143,856	144,451
<b>Total liabilities and equity</b>	<b>420,127</b>	<b>405,956</b>	<b>180,620</b>	<b>180,958</b>

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

The Group S\$'000 <u>As at 31/08/2016</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	16,944	Unsecured	26,450
		Unsecured	-

#### Amount repayable after one year

The Group S\$'000 <u>As at 31/08/2016</u>		The Group S\$'000 <u>As at 31/05/2016</u>	
Secured	163,861	Unsecured	132,264
		Unsecured	29,758

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### Details of any collateral

The total secured borrowings are represented:

- (i) Obligations under finance lease secured on the motor vehicle of the Group and
- (ii) 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	
	First Quarter Ended	
	31/08/2016	31/08/2015
<b>Operating activities</b>		
Profit before tax	456	594
Adjustments for:		
Share of results of associates	(795)	(2,994)
Depreciation of property, plant and equipment	762	682
Amortisation of financial guarantee liabilities	(96)	(70)
Amortisation of issuance costs on term notes	45	45
Amortisation of deferred sales commission expenses	321	3
Amortisation of show flat expenses	156	105
Allowance for doubtful trade receivables	-	2
Interest income	(316)	(343)
Interest expenses	1,458	1,096
Unrealised currency translation gain	(100)	-
Operating cash flows before movements in working capital	1,891	(880)
Trade receivables	(929)	9,810
Other receivables	10,593	(655)
Inventories	(2)	1
Development properties	(20,319)	(2,757)
Trade payables	749	(2,357)
Other payables	(6,938)	910
Cash (used in) generated from operations	(14,955)	4,072
Interest paid	(1,653)	(1,266)
Income tax paid	(636)	(29)
Net cash (used in) from operating activities	(17,244)	2,777
<b>Investing activities</b>		
Investment in subsidiary	-	(1,000)
Dividend received from associates	457	-
Purchase of property, plant and equipment	(1,992)	(109)
Repayment of loans receivable from associates	751	4,649
Loans receivable from associates	(1,021)	(2,431)
Interest received	68	2,064
Net cash (used in) from investing activities	(1,737)	3,173
<b>Financing activities</b>		
Drawdown of long-term borrowings	44,332	2,328
Repayment of long-term borrowings	(23,625)	(7,553)
Repayment of finance lease payables	(3)	(8)
Repayment of long-term loan	(4,050)	-
Deemed capital injection by non-controlling interests	614	-
Net cash from (used in) financing activities	17,268	(5,233)

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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	
	First Quarter Ended	
	31/08/2016	31/08/2015
Net (decrease) increase in cash and cash equivalents	(1,713)	717
Cash and cash equivalents at beginning of the period	24,331	18,003
Effect of foreign exchange rate changes	(48)	(620)
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>22,570</b>	<b>18,100</b>

#### Note A: Cash and cash equivalents

	The Group S\$'000	
	First Quarter Ended	
	31/08/2016	31/08/2015
Cash at banks	10,331	13,189
Cash on hand	1	-
Fixed deposits	2,039	617
Project accounts (see Note below):		
Cash at banks	10,232	4,909
Fixed deposits	2,004	-
<b>Total cash and cash equivalents per statement of cash flow</b>	<b>24,607</b>	<b>18,715</b>
Less: Encumbered bank deposit	(2,037)	(615)
<b>Total cash and cash equivalents per statement of financial position</b>	<b>22,570</b>	<b>18,100</b>

As at 31/08/2016, the Group has cash and cash equivalents of S\$2,037,000 (31/08/2015: S\$615,000) placed with a bank in Vietnam as security for banking facilities.

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.

## TEE Land Limited

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

	Share capital	Currency translation reserve	Capital reserve	Merger reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<b>Balance at 01/06/2016</b>	142,238	(2,305)	(6)	(5,969)	24,051	158,009	13,459	171,468
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	597	597	(173)	424
Other comprehensive income for the year	-	662	-	-	-	662	373	1,035
<i>Transactions with owners, recognised directly in equity:</i>								
Deemed capital injection by non-controlling interests	-	-	-	-	-	-	614	614
<b>Balance at 31/08/2016</b>	<b>142,238</b>	<b>(1,643)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>24,648</b>	<b>159,268</b>	<b>14,273</b>	<b>173,541</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 01/06/2015</b>	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	885	885	(25)	860
Other comprehensive income for the year	-	(1,340)	-	-	-	(1,340)	(217)	(1,557)
<b>Balance at 31/08/2015</b>	<b>142,238</b>	<b>(2,073)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>21,314</b>	<b>155,504</b>	<b>10,881</b>	<b>166,385</b>

## TEE Land Limited

- 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
<b><u>The Company</u></b>			
<b>Balance at 31/05/2016</b>	142,238	2,213	144,451
Total comprehensive loss for the period	-	(595)	(595)
<b>Balance at 31/08/2016</b>	<b>142,238</b>	<b>1,618</b>	<b>143,856</b>
<b><u>Previous Corresponding Period</u></b>			
<b>Balance at 31/05/2015</b>	142,238	2,654	144,892
Total comprehensive loss for the period	-	(548)	(548)
<b>Balance at 31/08/2015</b>	<b>142,238</b>	<b>2,106</b>	<b>144,344</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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

Balance at 31/05/2016 and 31/08/2016

<b>The Company</b>	
<b>No of shares</b>	<b>Capital S\$'000</b>
446,876,000	142,238

During the quarter ended 31/08/2016, there were no changes in the share capital of the Company.

As at 31/08/2016 and 31/08/2015, 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

Total number of issued shares

<b>The Group and the Company</b>	
<b>31/08/2016</b>	<b>31/05/2016</b>
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 in the audited annual 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**

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)
- (ii) On a fully diluted basis (cents)
  - Weighted average number of shares ('000)

The Group	
First Quarter Ended	
31/08/2016	31/08/2015
0.13	0.20
N.A.	N.A.
446,876	446,876

The Company does not have any dilutive instruments as at 31/08/2016.

- 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**

The Group  
The Company

Cents	
As at 31/08/2016	As at 31/05/2016
35.6	35.4
32.2	32.3



## TEE Land Limited

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

### Income Statement

#### First Quarter ended 31/08/2016 (1QFY2017) against First Quarter ended 31/08/2015 (1QFY2016)

Revenue increased by S\$10.4 million (311.0%) due mainly to higher progressive revenue from development projects, namely Third Avenue and Hilbre 28 in 1QFY2017.

Cost of sales correspondingly increased by S\$8.4 million (540.3%). However, gross margin reduced from 54.1% in Q1FY2016 to 28.4% in Q1FY2017. The lower gross margin in Q1FY2017 was due mainly to higher revenue from development properties in Q1FY2017 as compared to proportionately higher rental income in Q1FY2016, which has higher gross margin.

Other operating income decreased by S\$0.1 million (11.3%) due mainly to realised exchange gain from the Australian Dollar recognised in Q1FY2016.

Selling and distribution expenses increased by S\$0.3 million (86.6%) due mainly to sales commission for development project revenue recognised and promotional expenses incurred in Q1FY2017. The promotional expenses were for our new projects launched/started in FY2016.

Depreciation expense increased by S\$0.1 million (11.7%) due mainly to a change in depreciation method used by certain subsidiaries to be consistent with the Group.

Other operating expenses decreased by S\$0.8 million due mainly to unrealised foreign exchange loss caused largely by the depreciation of Malaysian Ringgit in Q1FY2016.

Share of results of associates decreased by S\$2.2 million (73.4%) due mainly to the completion of a number of development projects and full recognition of revenue in FY2016.

Finance costs increased by S\$0.4 million (33.0%) due mainly to additional loan for the acquisition of the 11<sup>th</sup> floor and penthouse in Larmont Building, and refinancing cost for the completed development project, Peak I.

As a result, the Group recorded a profit before tax of S\$0.4 million in Q1FY2017 compared to S\$0.6 million in Q1FY2016.

Overall, profit after tax for Q1FY2017 decreased by 61.6%, from S\$0.9 million in Q1FY2016 to S\$0.3 million in Q1FY2017.

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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 Period ended 31/08/2016 (1QFY2017) against Financial Year ended 31/05/2016 (FY2016)**

Trade receivables increased by S\$1.0 million due mainly to progress billing for Third Avenue.

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\$21.1 million due mainly to the land cost for Lorong 35 Geylang.

Other payables decreased by S\$8.1 million mainly due to payment of amount due to our former joint development partner. Current portion of long-term loan decreased by S\$4.1 million for the same reason.

Long-term borrowings (current and non-current portion) increased by S\$22.1 million due mainly to the drawdown of land loan for the purchase of land at Lorong 35 Geylang.

Income tax payable decreased by S\$0.5 million mainly due to the payment of income tax for completed project in Singapore and progressive payment of income tax in Malaysia for our Third Avenue development project.

### **Statement of Cash Flows**

#### **First Quarter ended 31/08/2016 (1QFY2017) against First Quarter ended 31/08/2015 (1QFY2016)**

##### **Operating activities**

The Group used cash of S\$17.2 million in operating activities in Q1FY2017 due mainly to the increase in development properties resulting from the purchase of land at Lorong 35 Geylang.

##### **Investing activities**

Net cash of S\$1.7 million was used in investing activities in Q1FY2017 due mainly to purchase of property, plant and equipment (refurbishment of Larmont Hotel, Australia).

##### **Financing activities**

Net cash of S\$17.3 million was generated from financing activities in Q1FY2017 due mainly to the net drawdown of bank loan for the purchase of the land at Lorong 35 Geylang.

As a result, there was a net decrease in cash and cash equivalents of S\$1.7 million, thereby bringing the total cash and cash equivalents amount, excluding fixed deposit pledged, to S\$22.6 million as at 31/08/2016. Including fixed deposit pledged, the cash and cash equivalents as at 31/08/2016 amounted to S\$24.6 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 Q1FY2017 are in line with the commentary in Paragraph 10 of the full year result announcement for FY2016 made on 27/07/2016.

## 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**

The Group does not expect any major changes to the property market conditions in Singapore and Malaysia. Both markets will continue to be challenging. The Thailand property market remains relatively stable. However, there is growing concern of an over-supply with the number of condominium units coming on stream.

Tourism Research Australia forecasted domestic tourism to improve in the next few years as many Australians choose to holiday at home rather than travel abroad. International tourism in Australia is also forecasted to have strong gain. This will have a positive impact on Australia's hotel industry. In New Zealand, the rebuilding of Christchurch will carry on for many more years, and this will support sustained demand for workers' accommodation.

**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**

No interim dividend has been declared or recommended in the current reporting period.

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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 31/08/2016.

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 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\$5,212,000

- 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 first quarter ended 31/08/2016 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 14 October 2016