



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 2015

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		
	30/11/2015	30/11/2014	30/11/2015	30/11/2014		
Revenue	9,842	15,122	(34.9)	13,194	21,557	(38.8)
Cost of sales	(6,173)	(11,277)	(45.3)	(7,713)	(15,909)	(51.5)
Gross profit	3,669	3,845	(4.6)	5,481	5,648	(3.0)
Other operating income	780	399	95.5	1,494	1,221	22.4
Selling and distribution costs	(592)	(521)	13.6	(921)	(734)	25.5
Administrative expenses	(2,841)	(1,783)	59.3	(5,565)	(3,437)	61.9
Other operating expenses	(345)	(172)	100.6	(1,122)	(234)	379.5
Share of results of associates	2,405	1,770	35.9	5,399	4,299	25.6
Finance costs	(1,223)	(357)	242.6	(2,319)	(568)	308.3
Profit before tax	1,853	3,181	(41.7)	2,447	6,195	(60.5)
Income tax expense	(306)	(679)	(54.9)	(40)	(839)	(95.2)
Profit for the period	1,547	2,502	(38.2)	2,407	5,356	(55.1)
Profit attributable to:						
Owners of the Company	1,504	2,466	(39.0)	2,389	5,335	(55.2)
Non-controlling interests	43	36	19.4	18	21	(14.3)
	1,547	2,502	(38.2)	2,407	5,356	(55.1)

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		
	30/11/2015	30/11/2014	30/11/2015	30/11/2014		
Profit for the period	1,547	2,502	(38.2)	2,407	5,356	(55.1)
Other comprehensive income for the period:						
Currency translation differences	738	143	416.1	(819)	224	N.M.
Total comprehensive income for the period	2,285	2,645	(13.6)	1,588	5,580	(71.5)

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		
	30/11/2015	30/11/2014	30/11/2015	30/11/2014		
Total comprehensive income attributable to:						
Owners of the Company	2,109	2,608	(19.1)	1,654	5,556	(70.2)
Non-controlling interests	176	37	375.7	(66)	24	N.M.
	2,285	2,645	(13.6)	1,588	5,580	(71.5)

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		
	30/11/2015	30/11/2014	30/11/2015	30/11/2014		
A Other operating income:						
Interest income	350	551	(36.5)	693	1,120	(38.1)
Foreign currency exchange adjustment gain (loss)	96	(232)	N.M.	378	-	N.M.
Financial guarantee income	87	41	112.2	157	41	282.9
Liquidated damages received	180	-	N.M.	180	-	N.M.
Others	67	39	71.8	86	60	43.3
	780	399	95.5	1,494	1,221	22.4
B Finance costs:						
Loan interests	737	170	333.5	1,341	381	252.0
Bank borrowings	486	187	159.9	978	187	423.0
	1,223	357	242.6	2,319	568	308.3
C Amortisation of issuance costs on term notes	46	30	53.3	91	30	203.3
D Amortisation of deferred sales commission expenses	220	284	(22.5)	223	353	(36.8)
E Amortisation of show flat expenses	179	15	N.M.	284	31	816.1
F Write back of allowance for doubtful debt on trade receivable	(2)	-	N.M.	-	-	N.M.
G Depreciation of property, plant and equipment	779	100	679.0	1,461	199	634.2
H Foreign currency exchange adjustment loss	348	172	102.3	1,122	234	379.5
I Adjustment for (over) under provision of income tax in respect of prior years	(4)	79	N.M.	16	79	(79.7)

Note:

Restatements have been made to the prior corresponding periods (second quarter and half year ended 30/11/2014) due to the change in accounting policy on sales commissions by the Group and its associates, which was adopted by the Group in the fourth quarter of financial year 2015.

N.M.-not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group S\$'000		The Company S\$'000	
	30/11/2015	31/05/2015	30/11/2015	31/05/2015
ASSETS				
Current assets				
Cash and bank balances	13,314	18,618	610	4,564
Trade receivables	10,609	37,824	-	-
Other receivables	16,923	16,963	153,227	164,300
Loans receivable from associates	17,858	15,759	2,950	4,462
Inventories	20	18	-	-
Development properties	139,339	122,658	-	-
Completed property held by sale	14,973	14,973	-	-
Total current assets	213,036	226,813	156,787	173,326
Non-current assets				
Investment in associates	43,951	36,066	-	-
Investment in subsidiaries	-	-	20,180	18,799
Property, plant and equipment	90,126	79,152	-	-
Investment properties	12,024	12,036	-	-
Deferred tax assets	1,306	1,332	-	-
Other receivables	10,474	10,475	-	-
Loans receivable from associates	16,086	19,216	-	-
Total non-current assets	173,967	158,277	20,180	18,799
Total assets	387,003	385,090	176,967	192,125
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	1,982	11,499	483	-
Trade payables	14,646	8,600	-	-
Other payables	23,296	20,493	2,244	14,086
Finance lease	11	12	-	-
Long-term bank loans	31,513	45,254	-	-
Financial guarantee liabilities	382	280	1,246	1,235
Income tax payable	3,451	1,289	-	-
Total current liabilities	75,281	87,427	3,973	15,321
Non-current liabilities				
Finance lease	57	69	-	-
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	92	2,012	-	-
Long-term bank loans	109,123	94,305	-	-
Term notes	29,668	29,577	29,668	29,577
Financial guarantee liabilities	822	568	2,475	2,335
Total non-current liabilities	143,812	130,581	32,143	31,912
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(1,468)	(733)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits/(loss)	20,092	20,429	(1,387)	2,654
Equity attributable to owners of the Company	154,887	155,959	140,851	144,892
Non-controlling interests	13,023	11,123	-	-
Total equity	167,910	167,082	140,851	144,892
Total liabilities and equity	387,003	385,090	176,967	192,125

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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 30/11/2015</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
33,506	-	56,765	-

Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2015</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
109,180	29,668	94,374	29,577

Details of any collateral

The total secured borrowings are represented:

- Obligations under finance lease secured on the motor vehicle of the Group and
- Bank loans and long-term bank loans secured by legal mortgages over the Group's development properties, property, investment properties and corporate guarantee from the holding company.

Note: These borrowings exclude the long-term loan of \$4,050,000 due to joint developer.

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

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
Operating activities				
Profit before tax	1,853	3,181	2,447	6,195
Adjustments for:				
Share of results of associates	(2,405)	(1,770)	(5,399)	(4,299)
Depreciation of property, plant and equipment	779	100	1,461	199
Amortisation of financial guarantee liabilities	(87)	(41)	(157)	(41)
Amortisation of issuance costs on term notes	46	30	91	30
Amortisation of deferred sales commission expenses	220	284	223	353
Amortisation of show flat expenses	179	15	284	31
Write back of allowance for doubtful trade receivables	(2)	-	-	-
Interest income	(350)	(551)	(693)	(1,120)
Interest expense	1,223	357	2,319	568
Operating cash flows before movements in working capital	1,456	1,605	576	1,916
Trade receivables	17,405	(7,027)	27,215	(942)
Other receivables	(610)	(3,107)	(2,265)	(2,850)
Inventories	(3)	-	(2)	-
Development properties	(12,700)	3,262	(15,457)	498
Completed property held by sale	-	-	-	1,216
Trade payables	8,403	6,142	6,046	6,134
Other payables	2,525	(4,654)	3,435	3,140
Cash from (used in) operations	16,476	(3,779)	19,548	9,112
Interest paid	(2,390)	(910)	(3,656)	(1,918)
Income tax paid	(44)	(159)	(73)	(171)
Income tax refund	280	-	280	-
Net cash from (used in) operating activities	14,322	(4,848)	16,099	7,023

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

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
Investing activities				
Purchase of property, plant and equipment	(13,163)	(3,448)	(13,272)	(4,699)
Investment properties	(346)	(803)	(346)	(29,387)
Investment in associates	(2,722)	-	(2,722)	-
Repayment of loans receivables from associates	-	5,453	4,649	9,986
Loans receivable from associates	(1,208)	(6,532)	(3,639)	(8,339)
Interest received	428	7	2,492	12
Net cash used in investing activities	(17,011)	(5,323)	(12,838)	(32,427)
Financing activities				
Drawdown of bank loans	483	2,000	483	7,000
Repayment of bank loans	(10,000)	(8,758)	(10,000)	(8,859)
Drawdown of long-term bank loans	10,042	8,565	12,370	27,165
Repayment of long-term bank loans	(2,132)	(8,936)	(9,685)	(19,353)
Repayment of obligation under finance lease	(5)	(5)	(13)	(8)
Proceeds from issuance of term note	-	29,457	-	29,457
Capital injection by non-controlling interest	1,966	-	1,966	-
Dividends paid	(2,726)	(3,352)	(2,726)	(3,352)
Net cash (used in) from financing activities	(2,372)	18,971	(7,605)	32,050
Net (decrease) increase in cash and cash equivalents	(5,061)	8,800	(4,344)	6,646
Cash and cash equivalents at beginning of period	18,100	23,707	18,003	25,884
Effect of foreign exchange rate changes	(340)	1,640	(960)	1,617
Cash and cash equivalents at end of period (Note A)	12,699	34,147	12,699	34,147

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
Cash at banks	5,354	18,416	5,354	18,416
Cash on hand	1	-	1	-
Fixed deposits	2	2	2	2
Projects accounts (see Note below):				
Cash at banks	7,342	7,708	7,342	7,708
Fixed deposit	-	8,021	-	8,021
Total cash and cash equivalents per statement of cash flow	12,699	34,147	12,699	34,147
Add: Encumbered bank deposit	615	-	615	-
Total cash and cash equivalents per statement of financial position	13,314	34,147	13,314	34,147

As at 30 November 2015, the Group has cash and cash equivalents of \$615,000 placed with a bank in Vietnam as security for banking facilities.

Note:

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

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

	Share capital	Currency translation reserve	Capital reserve	Merger reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 31/05/2015	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
Total comprehensive income for the period	-	(735)	-	-	2,389	1,654	(66)	1,588
Capital injection by non-controlling interests	-	-	-	-	-	-	1,966	1,966
Dividends paid	-	-	-	-	(2,726)	(2,726)	-	(2,726)
Balance at 30/11/2015	142,238	(1,468)	(6)	(5,969)	20,092	154,887	13,023	167,910
Previous Corresponding Period								
Balance at 31/05/2014	142,238	(854)	(6)	(5,969)	12,312	147,721	1,927	149,648
Prior year adjustment	-	-	-	-	2,348	2,348	-	2,348
Balance as at 31/05/2014 as restated	142,238	(854)	(6)	(5,969)	14,660	150,069	1,927	151,996
Total comprehensive income for the period	-	221	-	-	5,335	5,556	24	5,580
Dividends paid	-	-	-	-	(3,352)	(3,352)	-	(3,352)
Balance at 30/11/2014	142,238	(633)	(6)	(5,969)	16,643	152,273	1,951	154,224

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

	Share capital S\$'000	Accumulated profits/(losses) S\$'000	Total S\$'000
The Company			
Balance at 31/05/2015	142,238	2,654	144,892
Total comprehensive loss for the period	-	(1,315)	(1,315)
Dividends paid	-	(2,726)	(2,726)
Balance at 30/11/2015	142,238	(1,387)	140,851
Previous Corresponding Period			
Balance at 31/05/2014	142,238	2,298	144,536
Total comprehensive income for the period	-	1,099	1,099
Dividends paid	-	(3,352)	(3,352)
Balance at 30/11/2014	142,238	45	142,283

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	The Company	
	No of shares	Capital (S\$,000)
Balance at 31/08/2015 and 30/11/2015	446,876,000	142,238

During the quarter ended 30 November 2015, there were no changes in the share capital of the Company.

As at 30/11/2015 and 30/11/2014, 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	
	30/11/2015	31/05/2015
Total number of issued shares	446,876,000	446,876,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company does not have treasury shares during or as at the end of the current financial period reported on.

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- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures presented have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 May 2015.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	The Group		The Group	
	Second Quarter Ended		Half Year Ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
Earnings per ordinary share ("EPS") of the Group based on net profit attributable to owners of the Company:				
(i) Based on the weighted average number of shares (cents)	0.34	0.55	0.53	1.19
(ii) On a fully diluted basis (cents)	N.A.	N.A.	N.A.	N.A.
- Weighted average number of shares ('000)	446,876	446,876	446,876	446,876

The Company does not have any dilutive instruments as at 30/11/2015.

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

	Cents	
	As at 30/11/2015	As at 31/05/2015
The Group	34.7	34.9
The Company	31.5	32.4

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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**

Income Statement

Revenue for FY2016 second quarter (September 2015 to November 2015) ("FY2016 Q2") decreased by S\$5.3 million or 34.9%, from S\$15.1 million in the previous corresponding period in FY2015 ("FY2015 Q2") to S\$9.8 million in FY2016 Q2. The lower revenue in FY2016 Q2 was due mainly to higher progressive revenue recognised for Aura 83 in FY2015 Q2 compared to the progressive revenue recognised for Third Avenue in FY2016 Q2. This was offset to some extent by revenue from our two Australian hotels in FY2016 Q2.

Revenue for FY2016 first half year (June 2015 to November 2015) ("FY2016 1H") decreased by S\$8.4 million or 38.8%, from S\$21.6 million in the previous first half year ("FY2015 1H") to S\$13.2 million in FY2016 1H. This was due mainly to higher progressive revenue recognised for development properties in FY2015 1H, offset to some extent by revenue from our two Australian hotels in FY2016 1H.

Cost of sales for FY2016 Q2 correspondingly decreased by S\$5.1 million (45.3%), from S\$11.3 million in FY2015 Q2 to S\$6.2 million in FY2016 Q2. Gross margin increased from 25.4% in FY2015 Q2 to 37.3% in FY2016 Q2. The higher gross margin in FY2016 Q2 was due mainly to higher revenue contributions from hotel operations and rental income, with higher gross margin.

Cost of sales for FY2016 1H also correspondingly decreased from S\$15.9 million in FY2015 1H to S\$7.7 million in FY2016 1H. Gross margin improved from 26.2% in FY2015 1H to 41.5% in FY2016 1H. This was also due mainly to higher gross margin from hotel operations and rental income as explained above.

Other operating income for FY2016 Q2 increased by 95.5%, from S\$0.4 million in FY2015 Q2 to S\$0.8 million in FY2016 Q2. This was due mainly to liquidated damages received from the joint development project for late completion by the contractor, exchange gain recognised and higher financial guarantee income in FY2016 Q2.

Other operating income for FY2016 1H increased by 22.4%, from S\$1.2 million in FY2015 1H to S\$1.5 million in FY2016 1H due mainly to the same reasons as mentioned above.

Selling and distribution costs for FY2016 Q2 increased by S\$0.1 million (13.6%), from S\$0.5 million in FY2015 Q2 to S\$0.6 million in FY2016 Q2, due mainly to selling and promotion expenses for the two Australian hotels and showflat expenses for Hilbre 28, offset to some extent by lower sales commission. Selling and distribution costs for FY2016 1H increased by S\$0.2 million (25.5%) compared to FY2015 1H for the same reasons.

Administrative expenses for FY2016 Q2 increased by S\$1.0 million (59.3%), from S\$1.8 million in FY2015 Q2 to S\$2.8 million in FY2016 Q2 due mainly to administrative expenses (including depreciation) for our hotel operations and depreciation for our corporate building in FY2016 Q2. Similarly, administrative expenses for FY2016 1H increased by S\$2.2 million (61.9%), from S\$3.4 million in FY2015 1H to S\$5.6 million in FY2016 1H for the same reasons. As a result, depreciation expense increased from S\$0.1 million in FY2015 Q2 to S\$0.8 million in FY2016 Q2, and from S\$0.2 million in FY2015 1H to S\$1.5 million in FY2016 1H.

Other operating expenses for FY2016 Q2 increased by S\$0.1 million, from S\$0.2 million in FY2015 Q2 to S\$0.3 million in FY2016 Q2, mainly due to unrealised exchange loss from the weakening of Malaysian Ringgit recognised in FY2016 Q2. This was also the main reason other operating expenses for FY2016 1H increased by S\$0.9 million compared to FY2015 1H.

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

Income Statement (Continued)

Share of results of associates for FY2016 Q2 improved by 35.9%, from S\$1.8 million in FY2015 Q2 to S\$2.4 million in FY2016 Q2 due mainly to increased contribution from our associates as construction of the development projects progressed well. Two projects in Singapore and one in Thailand obtained their Temporary Occupation Permits ("TOP") during FY2016 Q2. Similarly, share of results of associates for FY2016 1H improved by S\$1.1 million (25.6%), from S\$4.3 million in FY2015 1H to S\$5.4 million in FY2016 1H, due mainly to increased contribution from associates as construction progressed well.

Finance costs for FY2016 Q2 increased by S\$0.8 million, from S\$0.4 million in FY2015 Q2 to S\$1.2 million in FY2016 Q2 due mainly to Medium Term Notes and bank borrowings. The bank borrowings are mainly for the acquisition of our Australian hotels in FY2015. Finance costs for FY2016 1H increased by S\$1.7 million compared to FY2015 1H for the same reasons.

As a result of the above, profit before tax for FY2016 Q2 decreased by S\$1.3 million (41.7%), from S\$3.2 million in FY2015 Q2 to S\$1.9 million in FY2016 Q2. Similarly, profit before tax for FY2016 1H decreased by S\$3.8 million (60.5%), from S\$6.2 million in FY2015 1H to S\$2.4 million in FY2016 1H.

Because of the lower profit before tax, the tax expense has also decreased compared to the corresponding periods. The tax expense for FY2016 1H was much lower mainly because of the recognition of deferred tax assets for certain loss making subsidiaries.

Overall, profit after tax for FY2016 Q2 decreased by 38.2%, from S\$2.5 million in FY2015 Q2 to S\$1.5 million in FY2016 Q2. Profit after tax for FY2016 1H decreased by 55.1%, from S\$5.4 million in FY2015 1H to S\$2.4 million in FY2016 1H.

Statement of Financial Position

Cash and bank balances decreased from S\$18.6 million as at 31 May 2015 to S\$13.3 million as at 30 November 2015. This was due mainly to the deployment of cash generated from operating activities into various investing activities and a net repayment of bank loans. A more detailed commentary on the decrease in cash and bank balances is in the commentary on Statement of Cash Flows.

Trade receivables decreased from S\$37.8 million as at 31 May 2015 to S\$10.6 million as at 30 November 2015 due mainly to higher collections and lower revenue in FY2016 Q2.

Development properties increased from S\$122.7 million as at 31 May 2015 to S\$139.3 million as at 30 November 2015 due mainly to progressive capitalization of construction and development costs as construction of our development properties progressed.

Investment in associates increased from S\$36.1 million as at 31 May 2015 to S\$44.0 million as at 30 November 2015 due mainly to increase in investment in our Thai associated company, Chewathai Public Company Limited, and share of profits from associated companies.

Property, plant and equipment increased from S\$79.2 million as at 31 May 2015 to S\$90.1 million as at 30 November 2015 due mainly to the acquisition of the 11th floor and penthouse of Larmont Hotel Building and Corporate Suites in Sydney, Australia.

Bank loans decreased from S\$11.5 million as at 31 May 2015 to S\$2.0 million as at 30 November 2015 due mainly to repayment of loan for the Aura 83 property development project.

Trade payables increased from S\$8.6 million as at 31 May 2015 to S\$14.6 million as at 30 November 2015 due mainly to construction and development costs incurred for ongoing development projects.

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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 payables increased from S\$20.5 million as at 31 May 2015 to S\$23.3 million as at 30 November 2015 due mainly to increase in development cost incurred relating to a joint development of an ongoing property development.

Financial guarantee liabilities in total (current and non-current) increased from S\$0.8 million as at 31 May 2015 to S\$1.2 million as at 30 November 2015, due to additional corporate guarantees given for joint venture development projects.

Income tax payable increased from S\$1.3 million as at 31 May 2015 to S\$3.5 million as at 30 November 2015, mainly due to the TOP of Aura 83 as revenue from sales of development properties is only taxable upon completion of the project. This is also the main reason for deferred tax liabilities to reduce from S\$2.0 million as at 31 May 2015 to S\$0.1 million as at 30 November 2015.

Statement of Cash Flows

Operating activities

The Group generated cash of S\$14.3 million from operating activities in FY2016 Q2 due mainly to the decrease in trade receivables and increase in payables, offset to some extent by the increase in development properties. This was also the reason for net cash of S\$16.1 million being generated from operating activities during FY2016 1H.

Investing activities

Net cash used in investing activities was S\$17.0 million for FY2016 Q2 due mainly to the increase in property, plant and equipment arising from the acquisition of the 11th floor and penthouse in Larmont Building in Australia, and investment in and loans extended to associates.

Net cash used in investing activities for FY2016 1H was S\$12.8 million, mainly due to the acquisition of the Larmont Building units and penthouse in Australia, and investment in associates.

Financing activities

Net cash of S\$2.3 million was used for financing activities in FY2016 Q2, mainly for net repayment of bank loans. This was also the main reason for net cash of S\$7.6 million being used for financing activities in FY2016 1H.

As a result of the above cash flow activities, there was a net decrease in cash and cash equivalents of S\$5.1 million in FY2016 Q2 and S\$4.3 million in FY2016 1H, bringing the total cash and cash equivalents amount to S\$12.7 million as at 30 November 2015.

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 FY2016 Q2 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2016 Q1 made on 9 October 2015.

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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

The Group does not foresee any changes in the expectation of trends and competitive conditions as stated in our last quarter's results announcement. The property markets in Singapore and Malaysia are expected to remain challenging, unless the cooling measures are lifted in both countries. The Thai property market is expected to continue to remain relatively stable.

Tourism in Australia is expected to continue to grow. And this will have a positive impact on Australia's hotel industry. In New Zealand, as the recovery and redevelopment works in Christchurch are still ongoing, demand for workers' accommodation will continue to remain strong.

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

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.44 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Summary of Interested Person Transaction for financial period ended 30 November 2015

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
PBT Engineering Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$7,427,000
TEE Projects Solutions Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$212,000

NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Phua Cher Chew and Boon Choon Kiat, 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 ended 30 November 2015 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

Boon Choon Kiat
Non-Executive Director

Dated 12 January 2016