



# 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 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) %
	First Quarter Ended 31/08/2015	First Quarter Ended 31/08/2014	
<b>Revenue</b>	3,352	6,435	(47.9)
<b>Cost of sales</b>	(1,540)	(4,632)	(66.8)
<b>Gross profit</b>	1,812	1,803	0.5
Other operating income	714	822	(13.1)
Selling and distribution costs	(329)	(213)	54.5
Administrative expenses	(2,724)	(1,654)	64.7
Other operating expenses	(777)	(62)	N.M.
Share of results of associates	2,994	2,529	18.4
Finance costs	(1,096)	(211)	419.4
<b>Profit before tax</b>	594	3,014	(80.3)
Income tax credit (expense)	266	(160)	(266.3)
<b>Profit for the period</b>	<b>860</b>	<b>2,854</b>	<b>(69.9)</b>
<b>Profit attributable to:</b>			
Owners of the company	885	2,869	(69.2)
Non-controlling interests	(25)	(15)	66.7
	<b>860</b>	<b>2,854</b>	<b>(69.9)</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 31/08/2015	First Quarter Ended 31/08/2014	
Profit for the period	860	2,854	(69.9)
Other comprehensive income:			
Currency translation differences	(1,557)	81	N.M.
Other comprehensive (loss) income for the period	(1,557)	81	N.M.
<b>Total comprehensive (loss) income for the period</b>	<b>(697)</b>	<b>2,935</b>	<b>(123.7)</b>
<b>Total comprehensive (loss) income attributable to:</b>			
Owners of the company	(455)	2,948	(115.4)
Non-controlling interests	(242)	(13)	N.M.
	<b>(697)</b>	<b>2,935</b>	<b>(123.7)</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 31/08/2015	First Quarter Ended 31/08/2014	
A Other operating income:			
Interest income	343	569	(39.7)
Foreign currency exchange gain	282	232	21.6
Financial guarantee income	70	-	N.M.
Others	19	21	(9.5)
	714	822	(13.1)
B Finance costs:			
Loan interests	604	211	186.3
Term note interest	492	-	N.M.
	1,096	211	419.4
C Amortisation of issuance costs on term notes	45	-	N.M.
D Amortisation of deferred sales commission expenses	3	69	(95.7)
E Amortisation of show flat expenses	105	16	556.3
F Allowance for doubtful debt on trade receivable	2	-	N.M.
G Depreciation of property, plant and equipment	682	99	588.9
H Foreign currency exchange adjustment loss	774	62	N.M.

Note:

Restatements have been made to the prior corresponding period (first quarter ended 31/08/2014) 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.

## 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	
	31/08/2015	31/05/2015	31/08/2015	31/05/2015
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	18,715	18,618	4,974	4,564
Trade receivables	28,011	37,824	-	-
Other receivables	16,781	16,963	164,032	164,300
Loans receivable from associates	17,213	15,759	2,950	4,462
Inventories	18	18	-	-
Development properties	125,968	122,658	-	-
Completed property held for sale	14,973	14,973	-	-
Total current assets	221,679	226,813	171,956	173,326
<b>Non-current assets</b>				
Investment in associates	38,051	36,066	-	-
Investment in subsidiaries	-	-	19,799	18,799
Property, plant and equipment	77,428	79,152	-	-
Investment properties	11,550	12,036	-	-
Deferred tax assets	1,587	1,332	-	-
Other receivables	10,483	10,475	-	-
Loans receivable from associates	15,526	19,216	-	-
Total non-current assets	154,625	158,277	19,799	18,799
<b>Total assets</b>	<b>376,304</b>	<b>385,090</b>	<b>191,755</b>	<b>192,125</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	
	31/08/2015	31/05/2015	31/08/2015	31/05/2015
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	11,499	11,499	-	-
Trade payables	6,243	8,600	-	-
Other payables	21,783	20,493	14,529	14,086
Finance lease	12	12	-	-
Long-term bank borrowings	22,960	45,254	-	-
Financial guarantee liabilities	280	280	1,172	1,235
Income tax payable	3,204	1,289	-	-
Total current liabilities	65,981	87,427	15,701	15,321
<b>Non-current liabilities</b>				
Finance lease	61	69	-	-
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	91	2,012	-	-
Long-term bank borrowings	109,615	94,305	-	-
Term notes	29,622	29,577	29,622	29,577
Financial guarantee liabilities	499	568	2,088	2,335
Total non-current liabilities	143,938	130,581	31,710	31,912
<b>Capital, reserves and non-controlling interests</b>				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(2,073)	(733)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	21,314	20,429	2,106	2,654
Equity attributable to owners of the company	155,504	155,959	144,344	144,892
Non-controlling interests	10,881	11,123	-	-
Net equity	166,385	167,082	144,344	144,892
<b>Total liabilities and equity</b>	<b>376,304</b>	<b>385,090</b>	<b>191,755</b>	<b>192,125</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 As at 31/08/2015		The Group S\$'000 As at 31/05/2015	
Secured	34,471	Unsecured	-
		Secured	56,765
		Unsecured	-

#### Amount repayable after one year

The Group S\$'000 As at 31/08/2015		The Group S\$'000 As at 31/05/2015	
Secured	109,675	Unsecured	29,622
		Secured	94,374
		Unsecured	29,577

## TEE Land Limited

### 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 and corporate guarantee from the holding company.

Note: These borrowings exclude the long-term loan of S\$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	
	First Quarter Ended	
	31/08/2015	31/08/2014
<b>Operating activities</b>		
Profit before tax	594	3,014
Adjustments for:		
Share of results of associates	(2,994)	(2,529)
Depreciation of property, plant and equipment	682	99
Amortisation of financial guarantee liabilities	(70)	-
Amortisation of issuance costs on term notes	45	-
Amortisation of deferred sales commission expenses	3	69
Amortisation of show flat expenses	105	16
Allowance for doubtful trade receivables	2	-
Interest income	(343)	(569)
Interest expense	1,096	211
Operating cash flows before movements in working capital	(880)	311
Trade receivables	9,810	6,085
Other receivables	(655)	257
Inventories	1	-
Development properties	(2,757)	(2,764)
Completed property held by sale	-	1,216
Trade payables	(2,357)	(8)
Other payables	910	7,794
Cash generated from operations	4,072	12,891
Interest paid	(1,266)	(1,008)
Income tax paid	(29)	(12)
Net cash generated from operating activities	2,777	11,871
<b>Investing activities</b>		
Investment in subsidiary	(1,000)	-
Purchase of property, plant and equipment	(109)	(1,251)
Investment properties	-	(28,584)
Repayment of loans receivables from associates	4,649	4,533
Loans receivable from associates	(2,431)	(1,807)
Interest received	2,064	5
Net cash from (used in) investing activities	3,173	(27,104)
<b>Financing activities</b>		
Drawdown of bank loans	-	5,000
Repayment of bank loans	-	(101)
Drawdown of long-term bank loans	2,328	18,600
Repayment of long-term bank loans	(7,553)	(10,417)
Repayment of obligation under finance leases	(8)	(3)
Net cash (used in) from financing activities	(5,233)	13,079

## TEE Land Limited

Net increase (decrease) in cash and cash equivalents  
 Cash and cash equivalents at beginning of the period  
 Effect of foreign exchange rate changes  
**Cash and cash equivalents at end of the period (Note A)**

The Group S\$'000	
First Quarter Ended	
31/08/2015	31/08/2015
717	(2,154)
18,003	25,884
(620)	(23)
<b>18,100</b>	<b>23,707</b>

### Note A: Cash and cash equivalents

Cash at banks  
 Cash on hand  
 Fixed deposits  
 Project accounts (see Note below):  
     Cash at banks  
     Fixed deposits  
**Total cash and cash equivalents per statement of cash flow**  
 Add: Encumbered bank deposit  
**Total cash and cash equivalents per statement of financial position**

The Group S\$'000	
First Quarter Ended	
31/08/2015	31/08/2014
13,189	4,508
-	1
2	2
4,909	11,180
-	8,016
<b>18,100</b>	<b>23,707</b>
615	-
<b>18,715</b>	<b>23,707</b>

As at 31 August 2015, the Group has cash and cash equivalents of \$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 31/05/2015</b>	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
Total comprehensive income for the period	-	(1,340)	-	-	885	(455)	(242)	(697)
<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>
<b>Previous Corresponding Period</b>								
<b>Balance at 31/05/2014 as previously stated</b>	142,238	(854)	(6)	(5,969)	12,312	147,721	1,927	149,648
Prior year adjustment	-	-	-	-	2,348	2,348	-	2,348
<b>Balance as at 31/05/2014 as restated</b>	<b>142,238</b>	<b>(854)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>14,660</b>	<b>150,069</b>	<b>1,927</b>	<b>151,996</b>
Total comprehensive income for the period	-	79	-	-	2,869	2,948	(13)	2,935
<b>Balance at 31/08/2014 as restated</b>	<b>142,238</b>	<b>(775)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>17,529</b>	<b>153,017</b>	<b>1,914</b>	<b>154,931</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 31/05/2015</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>
<b><u>Previous Corresponding Period</u></b>			
<b>Balance at 31/05/2014</b>	142,238	2,298	144,536
Total comprehensive loss for the period	-	(74)	(74)
<b>Balance at 31/08/2014</b>	<b>142,238</b>	<b>2,224</b>	<b>144,462</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 31/05/2015 and 31/08/2015

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

During the quarter ended 31 August 2015, there were no changes in the share capital of the Company.

As at 31/08/2015 and 31/08/2014, 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

Total number of issued shares

The Group and the Company	
31/08/2015	31/05/2015
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.

## TEE Land Limited

- 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 nor 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 as compared to the most recent audited annual financial statements ended 31/05/2015.

- 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**

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	
31/08/2015	31/08/2014
0.20	0.64
N.A.	N.A.
446,876	446,876

The Company does not have any dilutive instruments as at 31/08/2015.

- 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**

The Group  
The Company

Cents	
As at 31/08/2015	As at 31/05/2015
34.8	34.9
32.3	32.4



- 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 first quarter (June to August 2015) ("FY2016 Q1") decreased by S\$3.0 million or 47.9%, from the previous corresponding period in FY2015 ("FY2015 Q1") of S\$6.4 million to S\$3.4 million in FY2016 Q1. The lower revenue in FY2016 Q1 was contributed by minimal progressive revenue from development project as compared to FY2015 Q1. This was offset by higher contribution from hotel operations and rental income from investment properties in FY2016 Q1. In FY2016 Q1, we also started to recognise rental income from certain area in our corporate building at 25 Bukit Batok Street 22 leased to related companies.

Cost of sales correspondingly decreased by S\$3.1 million or 66.8% in FY2016 Q1, from S\$4.6 million in FY2015 Q1 to S\$1.5 million in FY2016 Q1. Gross margin improved from 28.0% in FY2015 Q1 to 54.1% in FY2016 Q1. The higher gross margin in FY2016 Q1 was due mainly to higher revenue contributions from hotel operations and rental income, with higher gross margin.

Other operating income decreased by S\$0.1 million (13.1%), from S\$0.8 million in FY2015 Q1 to S\$0.7 million in FY2016 Q1. This was due mainly to lower interest income received from associates as a result of loan repayments by associates.

Selling and distribution expenses increased by 54.5%, from S\$0.2 million in FY2015 Q1 to S\$0.3 million in FY2016 Q1. This was due mainly to road shows, advertisement and other promotional expenses incurred in FY2016 Q1 for our Malaysian development project.

Administrative expenses increased by S\$1.0 million (64.7%), from S\$1.7 million in FY2015 Q1 to S\$2.7 million in FY2016 Q1 due mainly to administrative expenses (including depreciation) for our hotel operations and depreciation for our corporate building in FY2016 Q1. As a result, depreciation expense increased from S\$0.1 million in FY2015 Q1 to S\$0.7 mil in FY2016 Q1.

Other operating expenses increased by S\$0.7 million, from S\$0.1 million in FY2015 Q1 to S\$0.8 million in FY2016 Q1 due mainly to unrealised foreign exchange loss in FY2016 Q1, mainly as a result of the depreciation in Malaysian Ringgit.

Share of results of associates improved by S\$0.5 million (18.4%), from S\$2.5 million in FY2015 Q1 to S\$3.0 million in FY2016 Q1. This was due mainly to increased contribution from our Singapore associates as construction progressed well, with two of the projects expecting to obtain their Temporary Occupation Permits ("TOP") in the next quarter, which should further increase our share of results of associates.

Finance costs increased by S\$0.9 million (419.4%), from S\$0.2 million in FY2015 Q1 to S\$1.1 million in FY2016 Q1 due mainly to Medium Term Notes and bank borrowings. The bank borrowings are mainly for the acquisition of our Australian hotels in FY2015.

The Group recorded a profit before tax of S\$0.6 million in FY2016 Q1 compared to S\$3.0 million in FY2015 Q1.

Income tax credit for FY2016 Q1 of S\$0.3 million is mainly due to the recognition of deferred tax assets for certain loss making subsidiaries.

Overall, profit after tax for FY2016 Q1 decreased by 69.9%, from S\$2.9 million in FY2015 Q1 to S\$0.9 million in FY2016 Q1.

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**

Trade receivables decreased from S\$37.8 million as at 31 May 2015 to S\$28.0 million as at 31 August 2015 due mainly to higher collections and lower revenue in FY2016 Q1.

Trade payables decreased from S\$8.6 million as at 31 May 2015 to S\$6.2 million as at 31 August 2015 largely due to payments to suppliers, offset to some extent by construction costs incurred for ongoing development projects.

Income tax payable increased from S\$1.3 million as at 31 May 2015 to S\$3.2 million as at 31 August 2015, mainly due to the TOP of Aura 83 as revenue from sales of development properties is only taxable upon completion of the project.

### **Statement of Cash Flows**

#### **Operating activities**

The Group generated cash of S\$2.8 million from operating activities in FY2016 Q1 due mainly to decrease in trade receivables, offset by increase in development properties, decrease in trade payables and payment of interest.

#### **Investing activities**

Net cash of S\$3.2 million was generated from investing activities in FY2016 Q1 due mainly to the net repayment of loans by associates and interest received, offset to some extent by an increase in investment in subsidiary.

#### **Financing activities**

Net cash of S\$5.2 million was used in financing activities in FY2016 Q1 due mainly to the net repayment of long-term bank loans.

As a result, there was a net increase in cash and cash equivalents of S\$0.7 million, thereby bringing the total cash and cash equivalents amount, excluding fixed deposit pledged, to S\$18.1 million as at 31 August 2015. Including fixed deposit pledged, the cash and cash equivalents as at 31 August 2015 amounted to S\$18.7 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 FY2016 Q1 are in line with the commentary in Paragraph 10 of the full year result announcement for FY2015 made on 29 July 2015.

## 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 expects the property markets in Singapore and Malaysia to remain challenging, as cooling measures are not expected to be lifted in the near future. However, we are expecting two of our well sold joint venture projects to obtain TOP status in the coming quarter. We will continue to cautiously source for new land while focusing on completing the existing projects. We will also continue to monitor the political development in Malaysia and the depreciation of the Malaysian Ringgit. In Thailand, the Thai property market is expected to remain relatively stable.

Tourism in Australia is expected to continue to grow. The weakening of the Australian Dollar may further encourage this growth. This will have a positive impact on Australia's hotel industry. In New Zealand, demand for workers' accommodation will continue to remain strong, as the recovery and redevelopment works in Christchurch are still ongoing.

**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.

**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**

There was no interested person transaction for the financial period under review, arising from the IPT general mandate obtained on 25 September 2014.

## **TEE Land Limited**

### **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 first quarter ended 31 August 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 9 October 2015